

*sanofi-aventis Pakistan Limited*

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**

FOR THE QUARTER ENDED  
MARCH 31, 2020  
(UN-AUDITED)



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## Company Information

### Board of Directors

Syed Babar Ali  
Asim Jamal  
Yasser Pirmuhammad  
Syed Hyder Ali  
Arshad Ali Gohar  
Imtiaz Ahmed Husain Laliwala  
Naira Adamyan  
Ana Arcos  
Thomas Rouckout

Chairman  
Chief Executive Officer  
Chief Financial Officer

### Company Secretary

Muhammad Yousuf

### URL

[www.sanofi.com.pk](http://www.sanofi.com.pk)

### Auditors

EY Ford Rhodes,  
Chartered Accountants

### Legal Advisors

Khalid Anwer & Co.  
Saadat Yar Khan & Co.  
Ghani Law Associates

### Bankers

Citibank, N.A.  
Deutsche Bank AG  
MCB Bank Limited  
Allied Bank Limited  
Habib Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited

### Registrars & Share Transfer Office

FAMCO Associates (Private) Limited  
8-F, Near Hotel Faran, Nursery,  
Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi  
Tel: +92 21 34380101-5 | Fax: +92 21 34380106  
URL: [www.famco.com.pk](http://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  
Email: [contact.pk@sanofi.com](mailto:contact.pk@sanofi.com)

## Directors' Report to the Shareholders

The Directors hereby present the un-audited interim condensed financial statements of your Company, for the first quarter ended March 31, 2020. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - "Interim Financial Reporting" and the provisions of and the directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

The year 2020 started on a low, owing mainly to the economic slowdown which started last year. This was further complicated due to the COVID-19 pandemic, which hit Pakistan in February this year. Owing to these factors mainly, net sales of the Company for the quarter ended March 31, 2020 declined by 4.8% as compared to the same period last year to Rs.3,421 million (2019: Rs.3,592 million).

The gross margin for the first quarter declined to 21.5% of net sales as compared to 27% for the same period last year, mainly due to devaluation of Pakistan Rupee by approximately 16% from March 2019 till March 2020, as the Company is mainly dependent on imports for its raw materials and some of the finished products.

Due to the pandemic, the promotional activities of the Company came to a complete standstill in March 2020, which resulted in decrease in distribution and marketing expenses for the quarter ended March 31, 2020.

Due to the reasons explained above, the quarter ended March 31, 2020 ended at a loss before tax of Rs.49.3 million.

The outbreak of COVID-19 has impacted the overall world economy significantly, with impacts, which are still being evaluated. Similarly, there has been a significant impact on the Country's economy. With the country currently in a lock down status since the mid of March 2020, there has been some unprecedented impact on the Company's business. The Board is closely monitoring the situation and its related impacts and are working with the management to ensure that adequate measures are taken to minimize the negative impacts on the Company.

The Board of Directors would like to wish all stakeholders, including employees, health, safety and well-being in these challenging times and recommend all to ensure compliance with the directives of the government to fight this pandemic.

By order of the Board



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer

Karachi: April 28, 2020

## شیئرز ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز آپ کی کمپنی کے ۳۱ مارچ ۲۰۲۰ء کو ختم شدہ پہلی سہ ماہی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔ یہ مالیاتی گوشوارے انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز 34 (IAS) - "انٹیرم فنانشل رپورٹنگ" کے مطابق اور کمپنیز ایکٹ، ۲۰۱۷ء کے تحت جاری شدہ ہدایات کی روشنی میں تیار کیے گئے ہیں۔ اگر کہیں پر ضروریات مختلف ہیں تو کمپنیز ایکٹ، ۲۰۱۷ء کی ہدایات پر عمل کیا گیا ہے۔

سال ۲۰۲۰ء کا آغاز سست روی سے ہوا جس کی بنیادی وجہ گزشتہ سال سے شروع ہونے والی معاشی سست روی ہے۔ اس سال فروری کے دوران پاکستان میں کورونا (COVID-19) کی وبا کے باعث معیشت کی سست روی میں مزید اضافہ ہو گیا۔ مذکورہ وجوہات کی بنا پر ۳۱ مارچ ۲۰۲۰ء کو ختم شدہ پہلی سہ ماہی میں کمپنی کی نیٹ سیلز 3,421 ملین روپے رہی جو کہ ۲۰۱۹ء میں اسی دورانیہ کے 3,592 ملین روپے کے مقابلے میں 4.8 فیصد کم ہے۔

پہلی سہ ماہی کے دوران نیٹ سیلز کی شرح کے لحاظ سے مجموعی منافع گزشتہ سال اسی دورانیہ کے 27 فیصد کے مقابلے میں کم ہو کر 21.5 فیصد رہا، جس کی بنیادی وجہ مارچ ۲۰۱۹ء سے مارچ ۲۰۲۰ء تک پاکستانی روپے کی قدر میں تقریباً 16 فیصد کمی ہے، جیسا کہ کمپنی دواؤں میں استعمال ہونے والے زیادہ تر اجزاء اور کچھ تیار شدہ پروڈکٹس کی درآمد پر انحصار کرتی ہے۔

وبائی صورتحال کے پیش نظر، کمپنی کی تشہیری سرگرمیاں مارچ ۲۰۲۰ء میں مکمل طور پر بند رہیں، جس کے نتیجے میں ۳۱ مارچ ۲۰۲۰ء کو ختم شدہ سہ ماہی کے دوران ڈسٹری بیوشن اور مارکیٹنگ اخراجات میں کمی ریکارڈ کی گئی ہے۔

مندرجہ بالا اسباب کی وجہ سے ۳۱ مارچ ۲۰۲۰ء کو ختم شدہ سہ ماہی میں قبل از ٹیکس خسارہ 49.3 ملین روپے رہا۔

کورونا (COVID-19) کی وبائی پوری دنیا کی معیشت پر انتہائی منفی اثرات مرتب کیے ہیں، ابھی تک ان منفی اثرات کا اندازہ لگایا جا رہا ہے۔ اسی طرح، ہمارے ملک کی معیشت کو بھی شدید نقصان پہنچا ہے۔ ملک میں مارچ کے وسط سے لاک ڈاؤن جاری ہے، جس کی وجہ سے کمپنی کے کاروبار کو غیر معمولی نقصان ہوا ہے۔ بورڈ انتہائی باریک بینی سے صورتحال اور اس سے منسلک اثرات کا جائزہ لے رہا ہے اور انتظامیہ کے ساتھ مل کر اس بات کو یقینی بنانے میں مصروف عمل ہے کہ کمپنی کے کاروبار پر منفی اثرات کو کم سے کم سطح پر لانے کے لیے مناسب اقدامات اٹھائے جائیں۔

بورڈ آف ڈائریکٹرز موجودہ مشکل حالات میں کمپنی کے تمام شراکت داروں، بشمول ملازمین کی صحت، حفاظت اور بہتری کا خواہاں ہے اور سفارش کرتا ہے کہ اس وبائی صورتحال سے نمٹنے کے لیے حکومت کی ہدایات پر عمل کو یقینی بنایا جائے۔

بحکم بورڈ

*Asim Rana*

عاصم جمال  
چیف ایگزیکٹو آفیسر

*Salman*

سید باہر علی  
چیئرمین

کراچی: ۲۸ اپریل، ۲۰۲۰ء

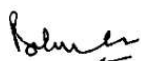
# sanofi-aventis Pakistan Limited

## Condensed Interim Statement of Financial Position

As at March 31, 2020

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
----- Rupees in '000 -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	4	1,626,065	1,650,113
Right-of-use asset	5	1,901	2,828
Intangible assets		4,960	5,646
		<u>1,632,926</u>	<u>1,658,587</u>
Long-term loans		4,833	4,742
Long-term deposits		13,643	13,643
Deferred taxation - net		164,939	108,183
		<u>1,816,341</u>	<u>1,785,155</u>
<b>CURRENT ASSETS</b>			
Stores and spares		60,269	62,165
Stock-in-trade - net	6	3,153,149	2,544,188
Trade debts - net		734,728	691,325
Loans and advances		153,132	119,103
Trade deposits and short-term prepayments		470,931	330,674
Other receivables - net	7	601,593	583,916
Taxation - net		1,549,041	1,548,734
Cash and bank balances		40,712	30,779
		<u>6,763,555</u>	<u>5,910,884</u>
<b>TOTAL ASSETS</b>		<u><u>8,579,896</u></u>	<u><u>7,696,039</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
10,000,000 Ordinary shares of Rs.10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up		96,448	96,448
Reserves			
Capital reserves		329,230	321,587
Revenue reserve		3,587,004	3,671,417
		<u>3,916,234</u>	<u>3,993,004</u>
		4,012,682	4,089,452
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		1,200	1,592
<b>CURRENT LIABILITIES</b>			
Contract liabilities		36,227	79,594
Trade and other payables	8	3,812,782	3,054,420
Current maturity of lease liability		1,460	1,407
Accrued mark-up		8,692	12,883
Unclaimed dividend		9,089	9,138
Short-term borrowings	9	697,764	447,553
		4,566,014	3,604,995
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>8,579,896</u></u>	<u><u>7,696,039</u></u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer



Yasser Pirmuhammad  
Chief Financial Officer


# sanofi-aventis Pakistan Limited

## Condensed Interim Statement of Profit or Loss

For the quarter ended March 31, 2020 (Un-audited)

	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
<b>NET SALES</b>	3,421,068	3,592,000
Cost of sales	(2,686,914)	(2,623,801)
<b>GROSS PROFIT</b>	<u>734,154</u>	<u>968,199</u>
Distribution and marketing costs	(568,921)	(620,435)
Administrative expenses	(134,460)	(116,013)
Other expenses	(84,591)	(94)
Other income	16,802	8,764
	<u>(771,170)</u>	<u>(727,778)</u>
<b>OPERATING (LOSS) / PROFIT</b>	<u>(37,016)</u>	<u>240,421</u>
Finance costs	(12,273)	(6,011)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<u>(49,289)</u>	<u>234,410</u>
Taxation - Current	(91,880)	(104,328)
- Deferred	56,756	(7,766)
	<u>(35,124)</u>	<u>(112,094)</u>
<b>(LOSS) / PROFIT AFTER TAXATION</b>	<u>(84,413)</u>	<u>122,316</u>
<b>(LOSS) / EARNINGS PER SHARE - basic and diluted (Rupees)</b>	<u>(8.75)</u>	<u>12.68</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer



Yasser Pirmuhammad  
Chief Financial Officer

# sanofi-aventis Pakistan Limited

## Condensed Interim Statement of Other Comprehensive Income

For the quarter ended March 31, 2020 (Un-audited)

	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
(Loss) / Profit after taxation	(84,413)	122,316
<b>Other comprehensive loss</b>		
<b>Items that will not be reclassified to statement of profit or loss in subsequent periods:</b>		
Impact of rate change on deferred tax on actuarial loss on defined benefit plans directly recognized in equity	-	(1,126)
	-	(1,126)
Total comprehensive (loss) / income for the period	<u>(84,413)</u>	<u>121,190</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer



Yasser Pirmuhammad  
Chief Financial Officer




# sanofi-aventis Pakistan Limited

## Condensed Interim Statement of Cash Flows

For the quarter ended March 31, 2020 (Un-audited)

	March 31, 2020	March 31 2019
Note	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(49,289)	234,410
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation / amortization	91,084	87,093
Loss on disposal of operating fixed assets	114	3,626
Expenses arising from equity settled share based payment plans	7,643	7,267
Retirement benefits	36,527	20,566
Interest Income	(1)	(10)
Finance costs	12,273	6,011
	<u>98,351</u>	<u>358,963</u>
<b>(Increase) / Decrease in current assets:</b>		
Stores and spares	1,896	1,382
Stock-in-trade	(608,961)	(442,733)
Trade debts	(43,403)	(100,099)
Loans and advances	(34,029)	7,068
Trade deposits and short-term prepayments	(140,257)	(49,257)
Other receivables	(17,677)	(5,929)
	<u>(842,431)</u>	<u>(589,568)</u>
	(744,080)	(230,605)
<b>Increase / (Decrease) in current liabilities:</b>		
Contract liabilities	(43,367)	270
Trade and other payables (excluding liabilities for employees' pension and gratuity fund)	767,135	(115,420)
<b>Cash used in operations</b>	<u>(20,312)</u>	<u>(345,755)</u>
Finance costs paid	(16,378)	(3,263)
Interest on lease liability paid	(86)	-
Income tax paid	(92,187)	(78,772)
Retirement benefits paid	(45,300)	-
Long-term loans	(91)	409
<b>Net cash used in operating activities</b>	<u>(174,354)</u>	<u>(427,381)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(72,669)	(94,106)
Sale proceeds from disposal of operating fixed assets	7,132	13,018
Interest received	1	10
<b>Net cash used in investing activities</b>	<u>(65,536)</u>	<u>(81,078)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(49)	(302)
Repayment of lease liability	(339)	-
<b>Net cash used in in financing activities</b>	<u>(388)</u>	<u>(302)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(240,278)</u>	<u>(508,761)</u>
Cash and cash equivalents at the beginning of the period	(416,774)	254,648
<b>Cash and cash equivalents at the end of the period</b>	<u>11 (657,052)</u>	<u>(254,113)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer



Yasser Pirmuhammad  
Chief Financial Officer

# sanofi-aventis Pakistan Limited

## Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2020 (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 '000-----							
Balance as at January 1, 2019	96,448	5,935	18,000	266,032	3,335,538	575,712	4,297,665
Transfer to general reserve	-	-	-	-	200,000	(200,000)	-
Employee benefit cost under IFRS 2 - "Share-based Payment"	-	-	-	7,267	-	-	7,267
Profit after taxation	-	-	-	-	-	122,316	122,316
Other comprehensive loss for the period	-	-	-	-	-	(1,126)	(1,126)
Total comprehensive income for the period	-	-	-	-	-	121,190	121,190
Balance as at March 31, 2019	96,448	5,935	18,000	273,299	3,535,538	496,902	4,426,122
Balance as at January 1, 2020	96,448	5,935	18,000	297,652	3,535,538	135,879	4,089,452
Transfer to general reserve	-	-	-	-	-	-	-
Employee benefit cost under IFRS 2 - "Share-based Payment"	-	-	-	7,643	-	-	7,643
Loss after taxation	-	-	-	-	-	(84,413)	(84,413)
Other comprehensive loss for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(84,413)	(84,413)
Balance as at March 31, 2020	96,448	5,935	18,000	305,295	3,535,538	51,466	4,012,682

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer



Yasser Pirmuhammad  
Chief Financial Officer

# sanofi-aventis Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the quarter ended March 31, 2020 (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 Limited. The Company is a subsidiary of Sanofi Foreign Participations B.V., registered in Netherlands (the Parent Company). The Ultimate Parent of the Company is Sanofi S.A., France (carrying shareholding of 52.87% and incorporated in France). The Company is engaged in the manufacturing and selling of pharmaceutical, consumer healthcare products and vaccines. The registered office of the Company is located at Plot 23, Sector 22, Korangi Industrial Area, Karachi.

### 2 STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2019.

2.3 The preparation of these condensed interim financial statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended December 31, 2019 except, if any, as stated in note 3 of these condensed interim financial statements.

### 3. ACCOUNTING POLICIES

#### SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2019, except for the adoption of the following new and amended standards, interpretations and improvements to IFRSs by the Company, which became effective for the current period:

IFRS 3	Definition of a Business (Amendments)
IFRS 7 / IFRS 9 / IAS 39	Interest Rate Benchmark Reform (Amendments)
IFRS 14	Regulatory Deferral Accounts
IAS 1 / IAS 8	Definition of Material (Amendments)

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim financial statements of the Company.

In addition, IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 1, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

# sanofi-aventis Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the quarter ended March 31, 2020 (Un-audited)

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
-----Rupees in '000-----			
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	1,486,162	1,546,805
Capital work-in-progress	4.2	139,903	103,308
		<u>1,626,065</u>	<u>1,650,113</u>
<b>4.1 Operating fixed assets</b>			
Opening net book value		1,546,805	1,563,910
Additions / transfers during the period / year - at cost	4.1.1	36,074	381,183
Disposals during the period / year	4.1.1	(7,246)	(40,742)
Write-off during the period / year		-	(4,643)
Depreciation charged during the period / year		(89,471)	(352,903)
Closing net book value		<u>1,486,162</u>	<u>1,546,805</u>

4.1.1 Additions to the operating fixed assets, including transfers from capital-work-in progress and disposals made during the period were as follows:

	Additions (at cost)		Disposals (at net book value)	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-----Rupees in '000-----				
Buildings on leasehold land	-	-	-	-
Plant and machinery	-	3,141	-	-
Furniture and fixtures	-	360	-	-
Factory and office equipment	15,297	19,404	-	1,211
Motor vehicles - owned	20,777	62,253	7,246	15,433
	<u>36,074</u>	<u>85,158</u>	<u>7,246</u>	<u>16,644</u>
			(Un-audited) March 31, 2020	(Audited) December 31, 2019
			-----Rupees in '000-----	

<b>4.2 Capital work-in-progress</b>			
Buildings on leasehold land		45,498	41,294
Plant and machinery		63,946	40,417
Others		30,459	21,597
		<u>139,903</u>	<u>103,308</u>

<b>5. RIGHT-OF-USE ASSET</b>			
Opening carrying value		2,828	-
Additions		-	4,242
Depreciation expense for the period / year		(927)	(1,414)
Closing carrying value		<u>1,901</u>	<u>2,828</u>

5.1 The Company renewed its contract with State Life Insurance Corporation of Pakistan effective from January 06, 2019 with respect to its sales office located in Faisalabad for a period of 3 years ending January 05, 2022. A right-of-use asset has been recognised against the same in line with IFRS 16.

5.2 The costs relating to leases for which the Company applied the practical expedient of IFRS 16 (leases with the contract term of less than 12 months) amounted to Rs. 4.7 million for the quarter ended March 31, 2020.

# sanofi-aventis Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the quarter ended March 31, 2020 (Un-audited)

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
Note	-----Rupees in '000-----	
<b>6. STOCK-IN-TRADE</b>		
<b>Raw and packing material</b>		
In hand	1,023,441	1,091,279
In transit	200,614	81,996
	<u>1,224,055</u>	<u>1,173,275</u>
Provision against raw and packing material	6.1 <u>(174,632)</u>	<u>(151,162)</u>
	<u>1,049,423</u>	<u>1,022,113</u>
Work-in-process	110,849	62,973
<b>Finished goods</b>		
In hand	1,369,533	1,290,156
In transit	801,580	348,562
	<u>2,171,113</u>	<u>1,638,718</u>
Provision against finished goods	6.2 <u>(178,236)</u>	<u>(179,616)</u>
	<u>1,992,877</u>	<u>1,459,102</u>
	<u><u>3,153,149</u></u>	<u><u>2,544,188</u></u>
<b>6.1 Movement of provision against raw and packing material</b>		
Opening balance	151,162	130,155
Charge for the period / year	23,470	21,007
Closing balance	<u>174,632</u>	<u>151,162</u>
<b>6.2 Movement of provision against finished goods</b>		
Opening balance	179,616	185,157
Charge for the period / year	10,629	121,150
Write-off during the period / year	<u>(12,009)</u>	<u>(126,691)</u>
Closing balance	<u>178,236</u>	<u>179,616</u>

### 7. OTHER RECEIVABLES

Includes Rs. 573 million (2019: Rs. 555 million) receivable from related parties.

# sanofi-aventis Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the quarter ended March 31, 2020 (Un-audited)

(Un-audited) (Audited)  
 March 31, December 31,  
 2020 2019  
 -----Rupees in '000-----

### 8. TRADE AND OTHER PAYABLES

#### Trade creditors

Related parties	1,656,738	858,171
Other trade creditors	<u>370,357</u>	<u>312,422</u>
	<u>2,027,095</u>	<u>1,170,593</u>

#### Other payables

Accrued liabilities	886,972	939,769
Refund liabilities	43,339	36,330
Provision for Infrastructure Development Cess	364,492	353,695
Employees' Pension Fund	257,504	263,229
Employees' Gratuity Fund	107,244	110,292
Workers' Profits Participation Fund	2,259	31,112
Workers' Welfare Fund	80,227	96,941
Central Research Fund	5,326	5,326
Compensated absences	17,520	27,228
Security deposits	775	775
Contractors' retention money	5,273	2,662
Sales tax payable	14,756	16,468
	<u>1,785,687</u>	<u>1,883,827</u>
	<u>3,812,782</u>	<u>3,054,420</u>

### 9. SHORT-TERM BORROWINGS

Represents utilized portion of running finance facilities from various commercial banks under mark-up arrangements. The total running finance facilities available aggregates to Rs. 3,250 million (2019: Rs. 3,350 million). These facilities are secured against first registered joint pari passu charge over current assets of the Company, inclusive but not limited to stock-in-trade and book debts of the Company. These facilities carry mark-up rates ranging between KIBOR + 0.15% to KIBOR + 0.40% (2019: KIBOR + 0.15% to KIBOR + 0.40%) per annum. These facilities will expire latest by December 31, 2020.

### 10. CONTINGENCIES AND COMMITMENTS

#### 10.1 Contingencies

There are no changes in the status of contingencies, as set out in note 19.1 to the annual financial statements of the Company for the year ended December 31, 2019.

(Un-audited) (Audited)  
 March 31, December 31,  
 2020 2019  
 -----Rupees in '000-----

#### 10.2 Commitments

Commitments for capital expenditure	<u>177,825</u>	<u>145,626</u>
Outstanding letters of credit	<u>330,371</u>	<u>249,635</u>
Outstanding bank guarantees	<u>418,743</u>	<u>408,950</u>
Outstanding bank contracts	<u>2,648,482</u>	<u>1,033,502</u>
Commitments for lease rentals: within one year	<u>6,513</u>	<u>3,662</u>

# sanofi-aventis Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the quarter ended March 31, 2020 (Un-audited)

(Un-audited) (Un-audited)  
 March 31, March 31,  
 2020 2019  
 -----Rupees in '000-----

### 11. CASH AND CASH EQUIVALENTS

Cash and bank balances	40,712	46,083
Short-term borrowings	(697,764)	(300,196)
	<u>(657,052)</u>	<u>(254,113)</u>

### 12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of group companies, associated undertakings, employees' retirement benefit plans, directors and key management personnel of the Company. All transactions with related parties are executed into at agreed terms duly approved by the Board of Directors of the Company.

Details of transactions with related parties during the period are as follows:

	March 31, 2020 (Un-audited)					March 31, 2019 (Un-audited)				
	Group Companies	Associated Undertakings	Retirement benefit plans	Key Management personnel	Total	Group Companies	Associated Undertakings	Retirement benefit plans	Key Management personnel	Total
	-----Rupees in '000-----									
i) Purchase of goods	2,050,224	56	-	-	2,050,280	1,712,358	6,418	-	-	1,718,776
ii) Purchase of services	10,339	8,281	-	-	18,620	20,241	8,797	-	-	29,038
iii) Insurance claim received	-	10,111	-	-	10,111	-	525	-	-	525
iv) Contribution paid										
- Provident fund	-	-	15,917	-	15,917	-	-	14,632	-	14,632
- Gratuity fund	-	-	18,159	-	18,159	-	-	-	-	-
- Pension fund	-	-	27,141	-	27,141	-	-	-	-	-
v) Remuneration of key management personnel	-	-	-	70,722	70,722	-	-	-	69,397	69,397

### 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

These condensed interim financial statements do not include all financial risk management information and disclosures which are 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, 2019. There have been no changes in any risk management policies since the year-end.

# sanofi-aventis Pakistan Limited

## Notes to the Condensed Interim Financial Statements

For the quarter ended March 31, 2020 (Un-audited)

### 14. ENTITY WIDE INFORMATION

The Company constitutes a single reportable segment. Information about geographical net sales of the Company are as follows:

	(Un-audited) March 31, 2020	(Un-audited) March 31, 2019
	-----Rupees in '000-----	
Pakistan	3,370,089	3,524,179
Afghanistan	<u>50,979</u>	<u>67,821</u>
	<u>3,421,068</u>	<u>3,592,000</u>

### 15. DATE OF AUTHORIZATION FOR ISSUE

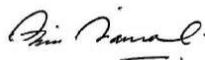
These condensed interim financial statements were authorized for issue on April 28, 2020 by the Board of Directors of the Company.

### 16. 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



Asim Jamal  
Chief Executive Officer



Yasser Pir Muhammad  
Chief Financial Officer