Annual Report 2017

SANOFI

SANOFI

Empowering Life

Sanofi is a global life-sciences company, dedicated to improving the health and wellbeing of over 8 billion people in the world. Present in over 100 countries, Sanofi has a strong network of more than 100,000 men and women who work day and night to discover and distribute innovative treatments to people around the world.

Sanofi's robust portfolio has solutions for a broad spectrum of therapeutic conditions. Whether it is about helping patients fight common ailments like influenza; or enabling patients manage chronic illness like diabetes and hypertension; or protecting kids and adults from preventable infections and diseases through vaccination; or holding the hands of those few individuals born with a rare condition, Sanofi is the health journey partner for people of all age brackets.

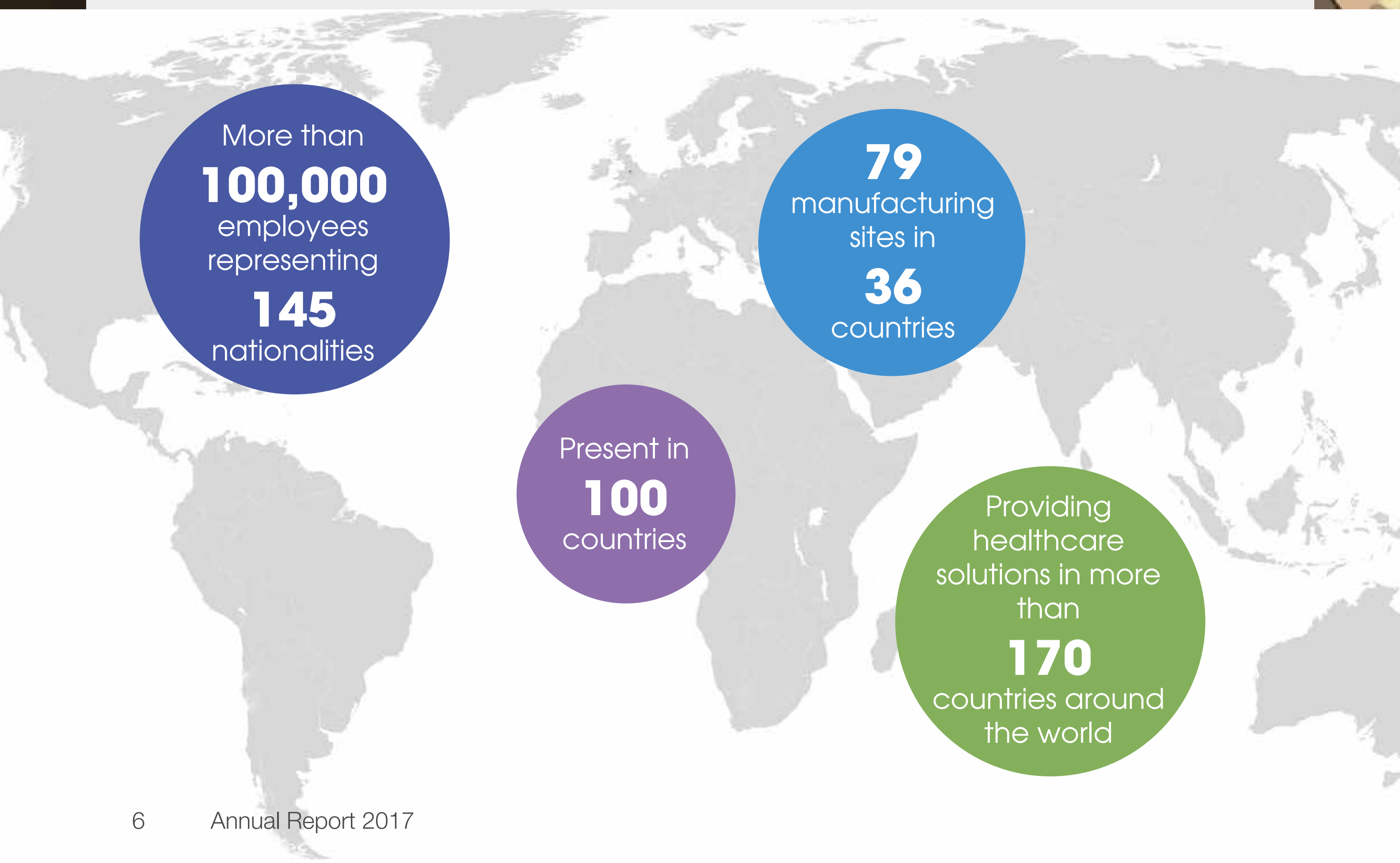
Sanofi is about Empowering Life

Contents

About Sanofi

“Life is a health journey, with big and small moments. Fighting pain, and diseases, whether lifelong or temporary. That's the fight against which we, the thousands of women and men of Sanofi, gather all our forces.”

Olivier Brandicourt, Chief Executive Officer, Sanofi



2017 Global Results

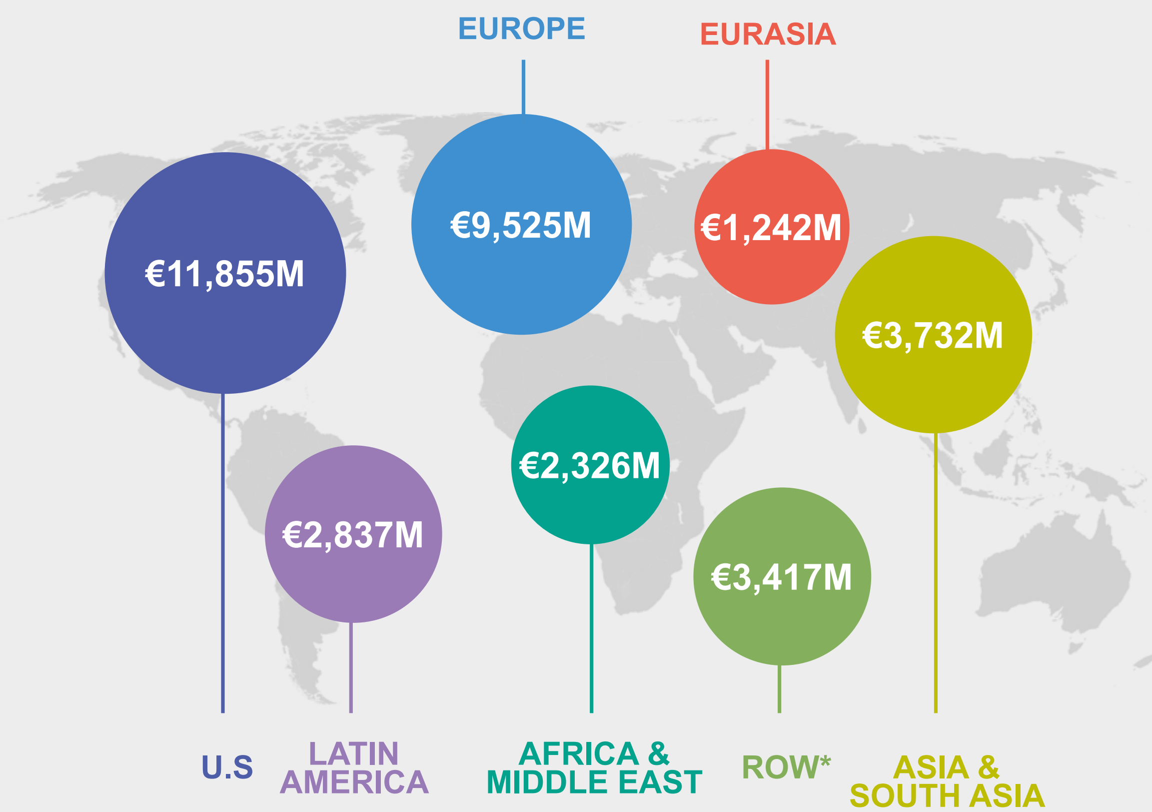
Company Sales & Earnings Per Share (EPS)

Sales	€35,055M
EPS	€5,54

Sales by Global Business Unit

GENERAL MEDICINES & EMERGING MARKETS	€14,048M
SANOFI GENZYME (SPECIALTY CARE)	€5,674M
DIABETES & CARDIOVASCULAR	€5,400M
SANOFI PASTEUR (VACCINES)	€5,101M
CONSUMER HEALTHCARE	€4,832M

Sales by Geography



*Note that Image is illustrative only. Rest of the world sales include Japan, South Korea, Canada, Australia New Zealand and Puerto Rico.

For full financial data please refer to Sanofi's 2017 Annual Results and presentation issued February 7, 2018 available at https://www.sanofi.com / en / investors /

Our Purpose

We at Sanofi work passionately, every day, to understand and solve healthcare needs of people across the world.

Our Core Values

Our values shape our behaviors, ethics, serve as a moral compass and ultimately define the DNA of our company.

Teamwork
Performing at our best to improve people's lives, winning together as One Sanofi.

Respect
Embracing the diversity, different thoughts and needs of our people, customers, communities.

Courage
Dare to innovate, taking ownership and risks and learning from failure.

Integrity
Operate with honesty and transparency ensuring the highest ethical and quality standards.

Sanofi Pakistan

Our Mission

To enhance the quality of life of the greatest number through providing a continuum of care by answering unmet medical needs of the community and promoting access to quality healthcare.

About Sanofi Pakistan

The company that is now known as Sanofi Pakistan has been present in Pakistan for over 50 years, saving the lives of millions and improving the quality of life of many more through effective, top quality products.

The company was incorporated on December 8, 1967 as Hoechst Pakistan Limited. Manufacturing of pharmaceuticals and specialty chemicals started in 1972. In 1977 the company went public and was listed on the Karachi Stock Exchange. Agrochemical formulation started in 1985.

In 1996, the Agriculture business was spun off into a separate legal entity called AgrEvo Pakistan (Private) Limited, and the following year, Specialty Chemicals business was sold to Clariant Pakistan Limited. Hoechst Pakistan Limited changed its name to Hoechst Marion Roussel (Pakistan) Limited in June 1996, and the core business was then restricted to pharmaceutical activities.

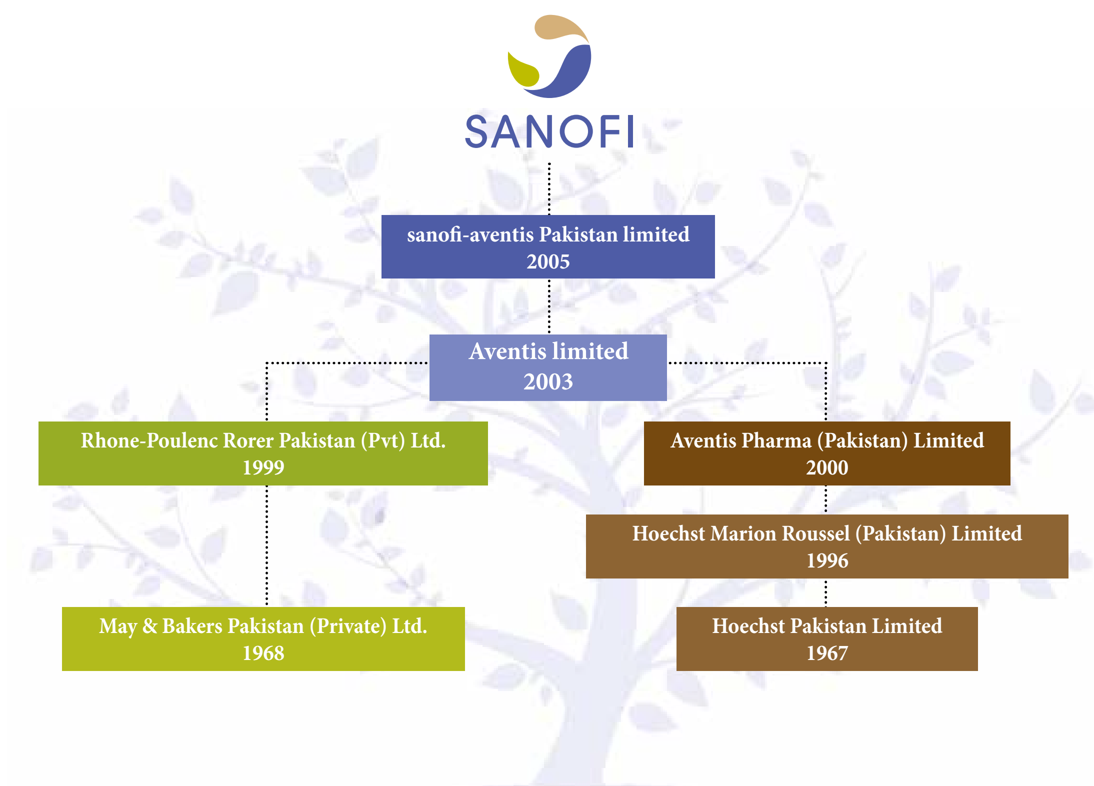
In December 1999, Hoechst AG & Rhone Poulenc S.A. globally merged their life sciences business into a new company known as Aventis S.A. The name of the company in Pakistan was changed to Aventis Pharma (Pakistan) Limited in November 2000.

In line with the amalgamation globally, Aventis Pharma (Pakistan) Limited was merged locally with Rhone Poulenc Rorer Pakistan (Private) Limited and the company changed its name to Aventis Limited from April 2003.

During 2004 Aventis S.A. was acquired by sanofi synthelabo to form a company called sanofi-aventis S.A. Consequently in September 2005 the name of the company was changed to sanofi-aventis Pakistan limited.

In 2011, sanofi-aventis changed its identity to Sanofi. However, the legal entity continues to be sanofi-aventis Pakistan limited.

Today, *Sanofi is the 7th largest pharmaceutical company in Pakistan.



**Source: IMS MAT Dec 2017 (including vaccines)*

Key Figures

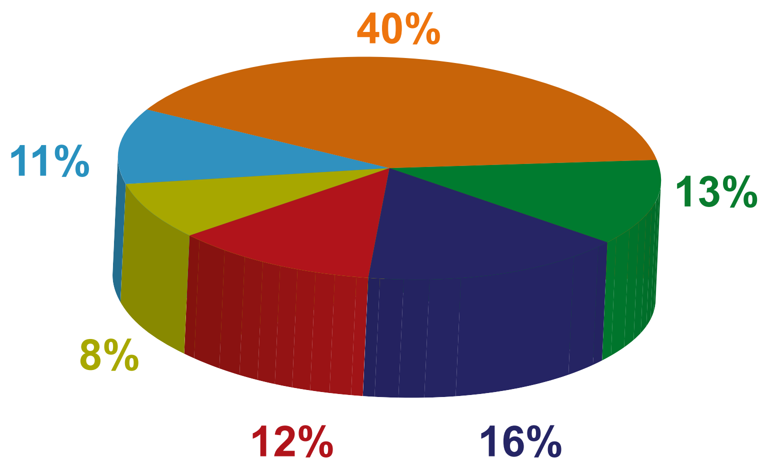
PKR
12.45B
2017 Sales

PKR
1.55B
Profit before tax

PKR
104.32
Earnings per share

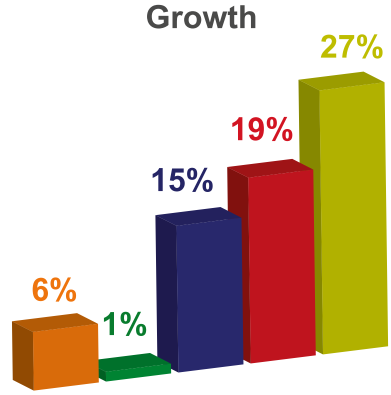
Sales by Business

Contribution



Core Business (Established Products) | Cardiology & Specialty | Diabetes | Consumer Healthcare | Vaccines | Others

Growth



1189 Employees

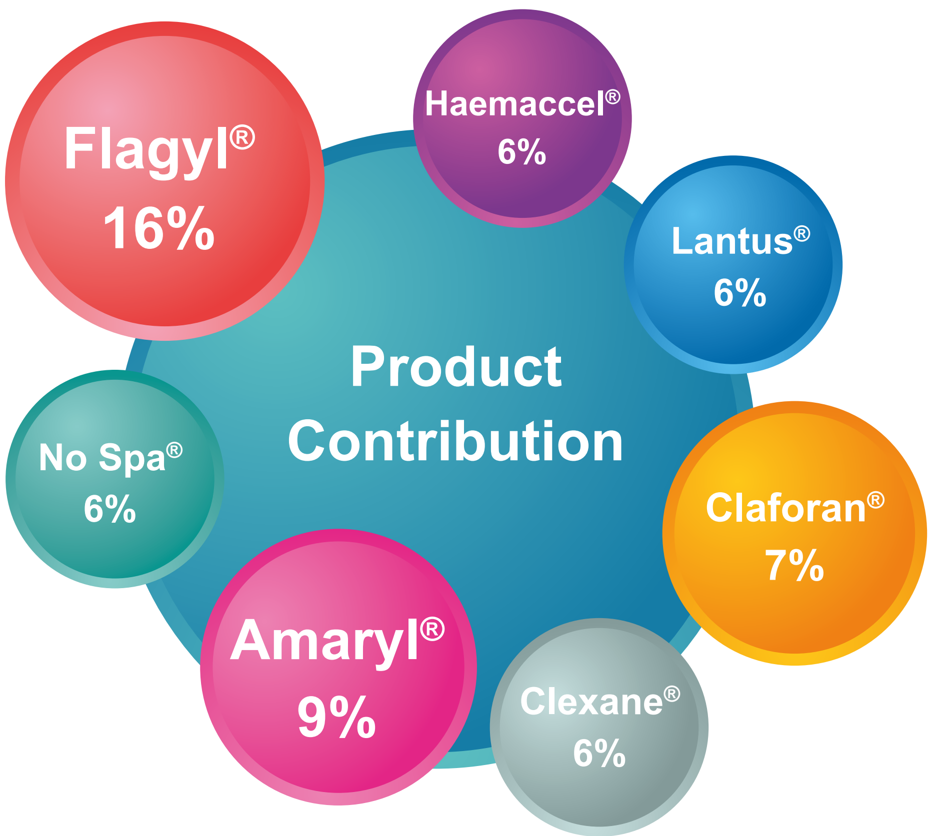
52% of total company headcount is in Sales

As of December 2017, Sanofi Pakistan including Commercial Operations, Industrial Affairs (manufacturing), Vaccines, Afghanistan and Genzyme

Almost **100 million** patients' lives touched annually

1.6 million Prescriptions per week

Note: Estimated figures based on IMS MIP MAT Dec 2016



Top 10 products contribute **66%** of top line

Company Information

Board of Directors

Syed Babar Ali	Chairman
Asim Jamal	Chief Executive Officer
Syed Hyder Ali	
Arshad Ali Gohar	
Imtiaz Ahmed Husain Laliwala	
David Khougazian	
Ana Arcos	
Thomas Rouckout	
Yasser Pirmuhammad	Chief Financial Officer

Auditors
EY Ford Rhodes
Chartered Accountants

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

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

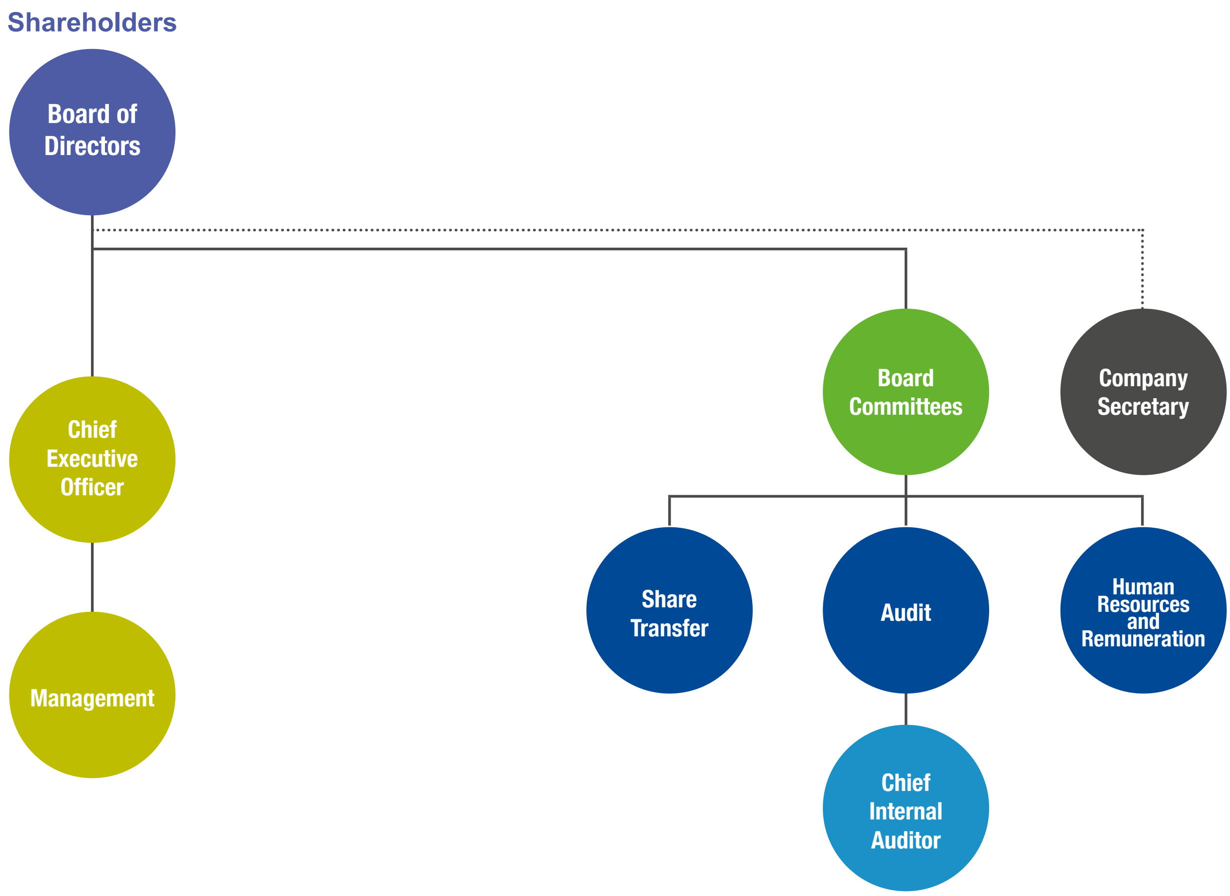
URL
www.sanofi.com.pk

Registrar & Share Transfer
FAMCO Associates (Pvt.) Limited
8-F, Next to Hotel Faran, Nursery,
Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi
Tel: (9221) 34380101-5
Fax: (9221) 34380106
URL: www.famco.com.pk

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

Governance

Corporate governance is a system of structures and processes for the direction and control of organizations. It is a process through which balance of duties and responsibilities between shareholders, management and the board are defined. Thus enabling an organization to maintain the right balance of power and accountability, while striving to achieve its objective of enhancing shareholder value. sanofi-aventis Pakistan limited fully implements the principles of Corporate Governance in general and the Code of Corporate Governance in specific.



Composition of Board and Directors' Independence

The Board comprises of 9 Directors out of which 6 are Non-Executive, 1 is Independent and 2 are Executive Directors. The Chairman of the Board is a Non-Executive Director representing minority interest. The roles of Chairman and the CEO have been segregated and responsibilities have been clearly defined. The CEO is responsible for operations of the company, whereas the Board, under the Chairman, performs oversight responsibilities.

Board Committees

The Board has formed following Committees in line with the best practices and requirements of the Code of Corporate Governance:

Board Audit Committee

The Board Audit Committee assists the Board in fulfilling its responsibilities related to the financial reporting process, the system of internal control over financial reporting, risk management and internal controls assessment and the company's process for monitoring compliance with laws and regulations.

The Board Audit Committee comprises of 3 Directors, 2 of whom are Non-Executive while 1 is Independent Director. The Chairman of the Board Audit Committee is a Non-Executive Director. The Chief Internal Auditor, Muhammad Atif Khan is the Secretary of the Board Audit Committee.

Human Resources and Remuneration Committee

This Committee assists the Board in fulfilling its responsibilities in the formulation and implementation of Human Resource Policies and in the appointment, remuneration and succession of CEO, CFO, Company Secretary, Chief Internal Auditor and other senior positions reporting directly to the CEO.

The Committee comprises of two Non-Executive and one Executive Director. The Chairman of the Committee is a Non-Executive Director. The Director Human Resources, Shakeel Mapara is the Secretary of the Human Resources and Remuneration Committee.

Board Share Transfer Committee

The Board Share Transfer Committee has been authorized by the Board to approve transfer of shares. All share transfer resolutions are ratified by the Board in subsequent meetings.

Board Performance Evaluation

The Code of Corporate Governance stipulates that the Board should put in place a mechanism for an annual evaluation of its own performance. In line with this requirement, the Board has set a well-defined criteria for the evaluation of its performance, which focuses on the following areas:

- Board's Effectiveness
- Role of Non-Executive Directors
- Effectiveness of Board Committees
- Role of the Chairman

During the year, an evaluation was carried out on the above defined criteria and results thereof were discussed by the Board.

Performance Evaluation of the Chief Executive

The performance of the Chief Executive (CEO) is based on the criteria defined by Sanofi, which takes into account both qualitative as well as quantitative parameters. The Board is fully aware of the criteria and is involved in the performance assessment of the CEO.

Directors' Profile

Name of Director	Date of Joining Board	Other Engagements
Syed Babar Ali Chairman (Non-Executive Director)	Prior to the listing of the company in 1977	**Chairman:** • Ali Institute of Education • Babar Ali Foundation • Coca Cola Beverages Pakistan Limited • IGI Insurance Limited • Industrial Technical & Educational Institute • National Management Foundation • Syed Maratib Ali Religious & Charitable Trust Society • Tetra Pak Pakistan Limited • Tri-Pack Films Limited **Director:** • Nestle Pakistan Limited **Board Member:** • Gurmani Foundation **Pro-Chancellor:** • Lahore University of Management Sciences (LUMS)
Asim Jamal Chief Executive Officer (Executive Director)	June 1, 2015	**Member:** Board of Governors of National Management Foundation (Governing body of LUMS)

Name of Director	Date of Joining Board	Other Engagements
Syed Hyder Ali (Non-Executive Director)	February 22, 1987	**Director:** • Babar Ali Foundation • Bulleh Shah Packaging (Private) Limited • Flexible Packages Convertors (Pty) Limited • IGI Insurance Limited • IGI Life Insurance Limited • International Steels Limited • KSB Pumps Company Limited • National Management Foundation • Nestle Pakistan Limited • Packages Construction (Private) Limited • Packages Lanka (Pvt) Limited • Packages Limited • Pakistan Centre for Philanthropy • Syed Maratib Ali Religious & Charitable Trust Society • Tetra Pak Pakistan Limited • Tri-Pack Films Limited **Member:** • Ali Institute of Education • International Chamber of Commerce, Pakistan • Lahore University of Management Sciences • World Wide Fund for Nature - Member Advisory Council **Trustee:** • Packages Foundation
Arshad Ali Gohar (Non-Executive Director)	February 11, 2011	**Director:** • Ali Gohar & Company (Private) Limited • AGT Holdings (Private) Limited • AGC (Private) Limited
Imtiaz Ahmed Husain Laliwala (Independent Director)	April 25, 2017	**Member:** • Board of Governers of The Kidney Centre Post Graduate Training Institute
David Khougazian (Non-Executive Director)	April 25, 2017	**Director:** • Globalpharma Co. LLC • AO Sanofi Russia • Limited Liability Company Zentiva Farma
Ana Arcos (Non-Executive Director)	April 25, 2017	**Director:** • AO Sanofi Russia • Limited Liability Company Zentiva Farma
Thomas Rouckout (Non-Executive Director)	April 25, 2017	**Director:** • Sanofi Bangladesh Limited • Sanofi India Limited
Yasser Pirmuhammad (Executive Director)	January 1, 2016	**Member:** • Board of Trustees of sanofi-aventis Pakistan limited Provident Fund • Board of Trustees of sanofi-aventis Pakistan limited Gratuity Fund • Board of Trustees of sanofi-aventis Pakistan limited Pension Fund • Board of Trustees of sanofi-aventis Pakistan limited Workers' Profit Participation Fund

Our Manufacturing

2017 Production Volumes

1.54 billion tablets

38.2 million ampoules

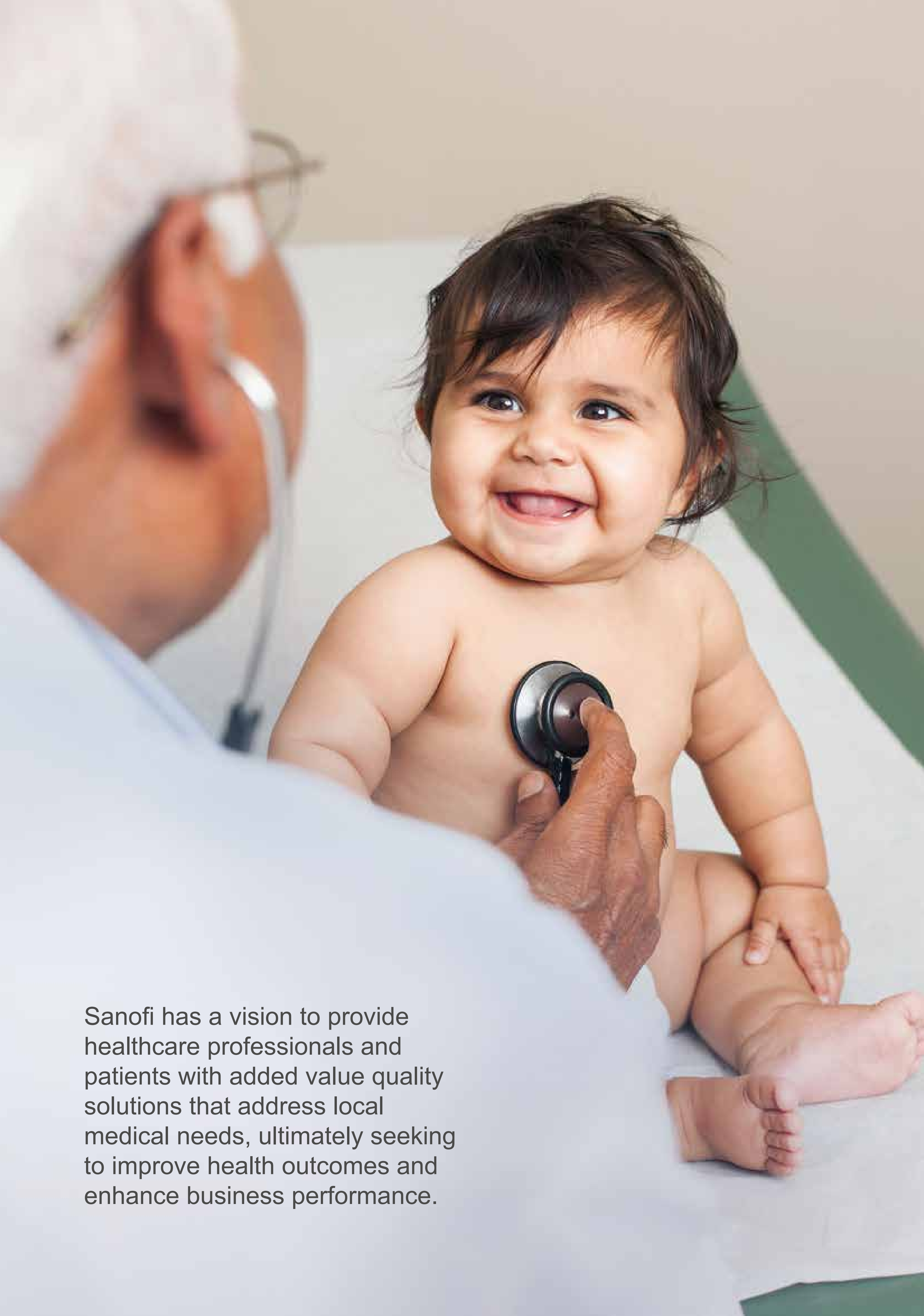
35.3 million oral liquids

Successful cGMP inspection conducted by E&Y Ford Rhodes on behalf of Punjab Government. Sanofi Karachi site successfully completed the audit with 100% marks in technical evaluation and was categorized in the First category specifying

Good Level of Compliance

Maintained **0 LTI (Lost Time Injury)** in 2017
A lost time injury (LTI) is an injury sustained by an employee that will ultimately lead to the loss of productive work time.

Completed
5.9 Million safe man-hours
A safe man-hour is a unit of production completed without a lost-time injury or accident.



Sanofi has a vision to provide healthcare professionals and patients with added value quality solutions that address local medical needs, ultimately seeking to improve health outcomes and enhance business performance.

Our Scientific Endeavors

In Pakistan, there is a scarcity of local scientific and epidemiological data. During 2016-2017, results of five local epidemiological studies were published in journals specific to therapeutic areas. The findings from these studies will help the medical community to better understand disease burden and gaps in management practices at the local level.

5 Scientific publications

ACTION

Hanif B, Rehman AU, Saleem Ullah, Mallick NH, Shah FH. Observational Assessment of Blood Pressure Goal Achievement in Patients on Antihypertensive Therapy in Urban Pakistan. Journal of Rawalpindi Medical College (JRMC); 2016;20 (3):158-164

FRESH

Eusaph AZ, Nighat R, Arshad A. Lactacyd FH as an adjuvant therapy for vulvovaginal infections in Pakistani women: FRESH study, a satisfaction survey. Journal of Pakistan Medical Association Vol. 66, No. 5, May 2016

APT CARE

SaleemUllah, Khan J, Khan A, Hashemy I. Assessing decision of inpatient or outpatient care in community acquired pneumonia: APT care study. Journal of Pakistan Medical Association 67: 380; 2017

CAMPAIGN

Ebrahim M. A, Khan A, Zahir M, Hassan Z. Cardiovascular Risk Profile and Prevalence of Microalbuminuria in Patients With Type 2 Diabetes Mellitus: The Campaign Disease Registry Results. Journal of Rawalpindi Medical College (JRMC); 2017;21(1): 2-8

DIABETIC FOOT

Khan A, Junaid N. Prevalence of diabetic foot syndrome amongst population with type 2 diabetes in Pakistan in primary care settings. Journal of Pakistan Medical Association 67: 1818; 2017

Our People

At Sanofi we strive to build a driven, passionate and energetic team that is engaged with the company's mission to "understand and solve healthcare needs of people across the world".

Talent attraction, development and retention

Our human capital is our most valuable resource. The focus is to attract talent that has ability and potential which is then polished and honed through development programs and initiatives. The emphasis is on fostering professional growth that is not only aligned with the business, but which also prepares employees to realize their professional goals and aspirations.

Employees are provided with ample cross-functional and international opportunities. In 2017, there were several employees of Sanofi Pakistan that were spotted as 'talent' and picked up for regional and global positions in Saudi Arabia and France.

Monday for Marketing Excellence

Excellence in execution

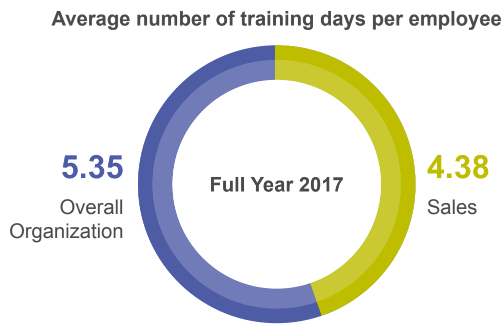
We foster a culture that is conducive to thinking outside the box and spawning innovative ideas. There is a regular, structured program in place where our marketing team display and present forthcoming campaigns to a group of seasoned, cross functional colleagues for feedback and input. As a result of this activity, marketing campaigns are fine-tuned prior to launch, silos are broken and there is healthy cross-fertilization of ideas.

The programs and campaigns devised by marketing are then brought to life in the field by the sales team, the backbone of any business. During 2017, the Sanofi Eurasia and Middle East region launched an internal, inter-country contest based on Key Performance Indicators (KPI's) of the Sales Force. Sanofi Pakistan remained among the contenders for the top spots throughout, ultimately ending up in a triumphant 1st position, followed by Ukraine (2nd position) and Iran & Turkey who shared the 3rd spot.

Learning and development

We conduct a structured training need analysis to identify gaps in current skills and competencies. Thereafter, training programs are tailored around those needs with the goal of enabling each employee to deliver better in his/her current role or for movement to a different role.

The emphasis of training programs in 2017 was on leadership and sales.



Diversity and gender balance

At Sanofi, we value diversity of gender, religion, culture, disciplinary backgrounds, opinions and perspectives. We believe that diversity enriches our output, lends excellence and a deeper meaning to our achievements. Our people are encouraged to think differently, challenge the status quo and express themselves openly.

Gender balance is a priority at Sanofi around the world and at Sanofi Pakistan. We have a referral program in place, rewarding employees for referring female candidates that are ultimately taken on board.

There has been a conscious effort in recruitment practices to improve gender balance without compromising on quality of candidates. Simultaneously there has been an effort to prepare and develop female employees into people managers and leaders. As a result, the ratio of females in the leadership team has been steadily improving from 11% in 2015 to 14% in 2016 and 18% in 2017.

Our Visibility

Media is an important stakeholder to manage public opinion, perception, image and reputation. Multiple media channels were utilized successfully during 2017 to raise visibility of Sanofi and to build a positive image of the company.

Website

Regular updates were made to the company website (www.sanofi.com.pk) resulting in higher volume of traffic in the second half of the year, including visitors “clicking through” from the company’s Facebook page.

Information in the Investors section was updated and published in English and Urdu in order to be compliant with Securities and Exchange Commission of Pakistan (SECP) requirements.

Social media

The Company continued to expand its footprint on Facebook, Twitter and Instagram to promote healthier lifestyles and spread disease awareness aligned with our areas of expertise. The prime engagement was on Facebook, the most popular social media platform in Pakistan. The number of ‘Followers’ of SanofiPK increased from 16,000 in January 2017 to 70,000 in December 2017.

Print & electronic media

Mainstream media (newspapers, television, radio) was leveraged strategically throughout the year to capture significant initiatives and project key messaging of the company. This resulted in high visibility around the 4th Sanofi International Diabetes Conference, diabetes management during Ramadan, World Diabetes Day, World Pneumonia Day, Rare Disease Day, the use of probiotics, flu vaccination, Bastille Day and vaccines manufacturing workshop (conducted for DRAP).

Our Responsibility

CSR is about Sanofi's responsibility vis a vis society: fulfilling the promise of "Empowering life". Because life is a health journey, we believe in close relationships with our stakeholders and we believe we are responsible for contributing to the sustainable development of our communities.

Access to healthcare

KiDS is an international collaborative project of the International Diabetes Federation (IDF) and multiple partners, including Sanofi. The KiDS project aims to foster a supportive school environment for children with diabetes. Sanofi Pakistan rolled out the KiDS project in 2016 and since then multiple sessions of KiDS have been conducted to educate students and school staff regarding diabetes.

In 2017, Sanofi Pakistan held KiDS sessions at Lahore Grammar School and Khatoon-e-Pakistan School, Karachi. Over 300 students and 19 staff members were engaged in the sessions, featuring workshops on diabetes, quiz and Q&A sessions, and distribution of informative IDF toolkits for children and teachers.

Sanofi Pakistan continued its partnership with RLCC (Raana Liaquat Craftmen's Colony) for the Kawish Community Service Project, a diabetes management clinic set up in Shah Faisal Colony in 2013.

In 2017, more than 2,500 people were counselled on the signs and symptoms of diabetes and its management by the outreach staff of RLCC, and 300 new diabetes patients were registered at the Kawish diabetes clinic.

Our pledge for rare

Patients of rare diseases face tremendous challenges in seeking medical support for their conditions. Sanofi Genzyme supports patients and their families through support programs, information and resources to help navigate their difficult journey. Sanofi Genzyme also works closely with healthcare professionals to highlight the burden of rare diseases, particularly Lysosomal Storage Disorders (LSD's), with an aim to promote early diagnosis and treatment support.

In 2017, 112 patients of LSD were diagnosed through free-of-cost dried blood spot testing provided by Sanofi Genzyme and 9 patients received free-of-cost treatment through the international charitable program of Sanofi Genzyme.

Engage with communities

Sanofi Pakistan held its annual blood donation drive in collaboration with the Indus Hospital Blood Center for the fourth consecutive year. Over 60 employees donated blood at the camp.

Every year Sanofi affiliates around the world conduct activities to support and express solidarity with underserved populations, particularly children and young people. In 2017, Sanofi Pakistan partnered with World Wide Fund for Nature (WWF) for its Adopt for Green Program. Over 400 students from Khatoon-e-Pakistan School and Dr. Mahmood Hussain School were engaged in various fun-learning activities led by Sanofi volunteers & supported by WWF team members. The activities included green workshops, story writing, public speaking, mentoring, social development, art contest and an exposure trip to Sukkur.

EY Ford Rhodes
Chartered Accountants
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Pakistan

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Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **sanofi-aventis Pakistan Limited (the Company)** for the year ended **31 December 2017** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24 of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors' for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, as applicable to the Company for the year ended 31 December 2017.

EY Ford Rhodes

Chartered Accountants
Place: Karachi
Date: 07 March, 2018

Statement of Compliance

with the Code of Corporate Governance for the year ended December 31, 2017

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19.24 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:-

1. The Company encourages representation of Independent Non-Executive Directors and Directors representing minority interests on its Board. At present the Board composition is as follows:

Category	Name
Independent	Imtiaz Ahmed Husain Laliwala
Executive	Asim Jamal (Chief Executive Officer)
Executive	Yasser Pirmuhammad (Chief Financial Officer)
Non-Executive	Syed Babar Ali (Chairman)
Non-Executive	Syed Hyder Ali
Non-Executive	Arshad Ali Gohar
Non-Executive	David Khougazian
Non-Executive	Ana Arcos
Non-Executive	Thomas Rouckout

The Independent Director meets the criteria of independence under clause 5.19.1.(b) of the Code.

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Syed Babar Ali is a Director of the Company, who also holds similar position in IGI Holdings Limited which is the holding company of IGI Finex Securities Limited, a company engaged in the business of stock brokerage. However, Syed Babar Ali undertakes that neither he nor his spouse is personally engaged in the business of stock brokerage.

5. No casual vacancies occurred in the Board during the year.

6. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

8. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive and Non-Executive Directors, have been taken by the Board / shareholders.

9. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated within due time before the meetings. The minutes of the meetings were appropriately recorded and circulated.

10. The Directors are well aware of their duties and responsibilities under the Code. Two of the Non-Executive Directors of the Company meet the criteria of exemption under clause 5.19.7 of the Code,

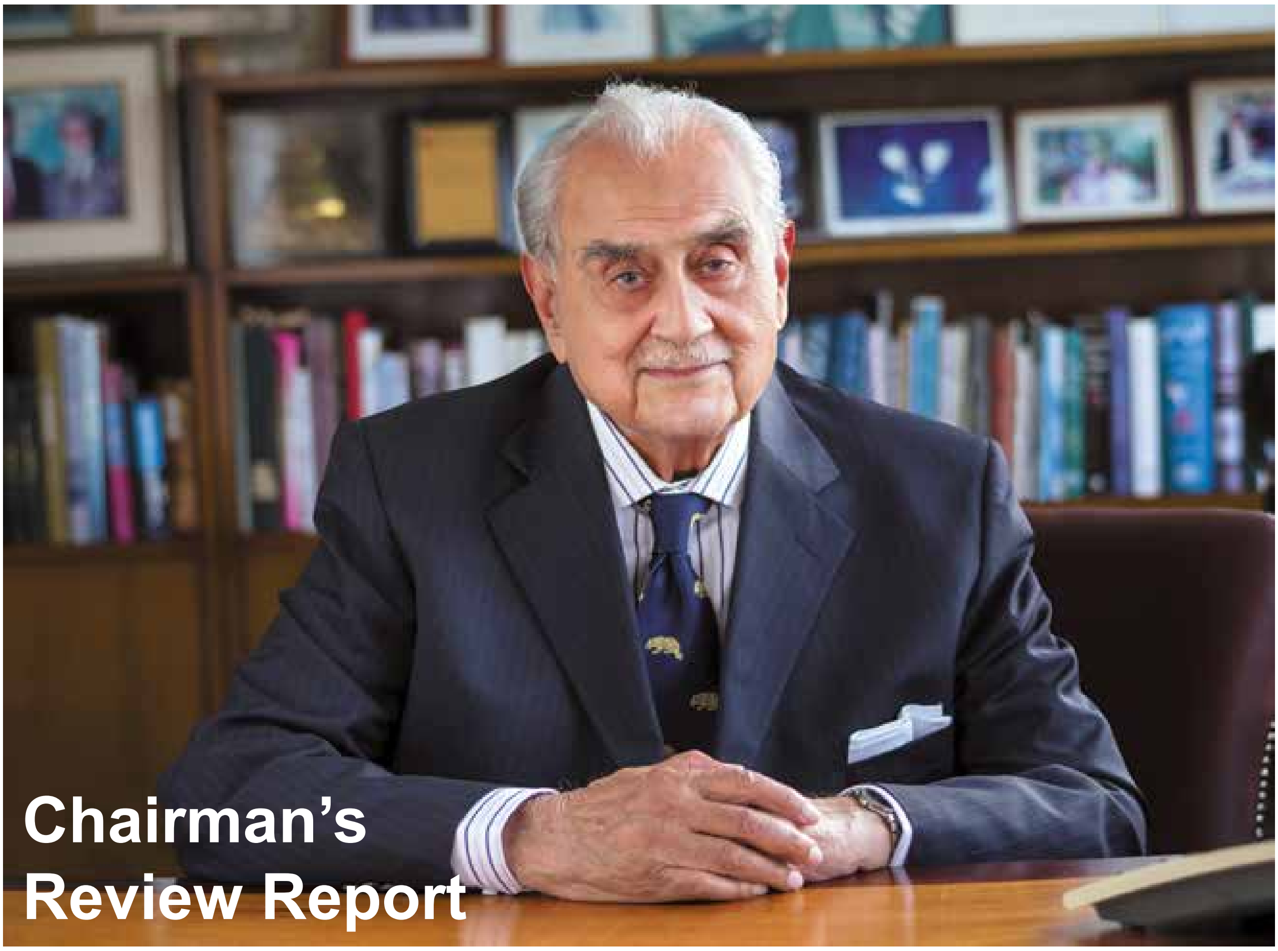
and accordingly are exempted from attending the Directors' training program. Independent Director, one Non-Executive Director and two Executive Directors have been certified under the Directors' training program as required by the SECP.

11. The Board approves the appointment, remuneration and terms & conditions of employment of the Chief Financial Officer (CFO), Company Secretary and the Head of Internal Audit.
12. The Directors' Report for the year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with the corporate and financial reporting requirements of the Code.
16. The Board has formed an Audit Committee. It comprises of three members, out of which one is Independent and the remaining are Non-Executive Directors including the Chairman of the Committee.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
18. The Board has formed a Human Resources and Remuneration Committee. It comprises of three members, out of which two are Non-Executive Directors including the Chairman of the Committee.
19. The Board has set up an effective Internal Audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to the Directors, employees and stock exchanges.
23. Material / price sensitive information has been disseminated among all market participants at once through the stock exchanges.
24. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles enshrined in the Code have been complied with.

Syed Babar Ali
Chairman

Asim Jamal
Chief Executive Officer

Karachi: March 7, 2018



Chairman's Review Report

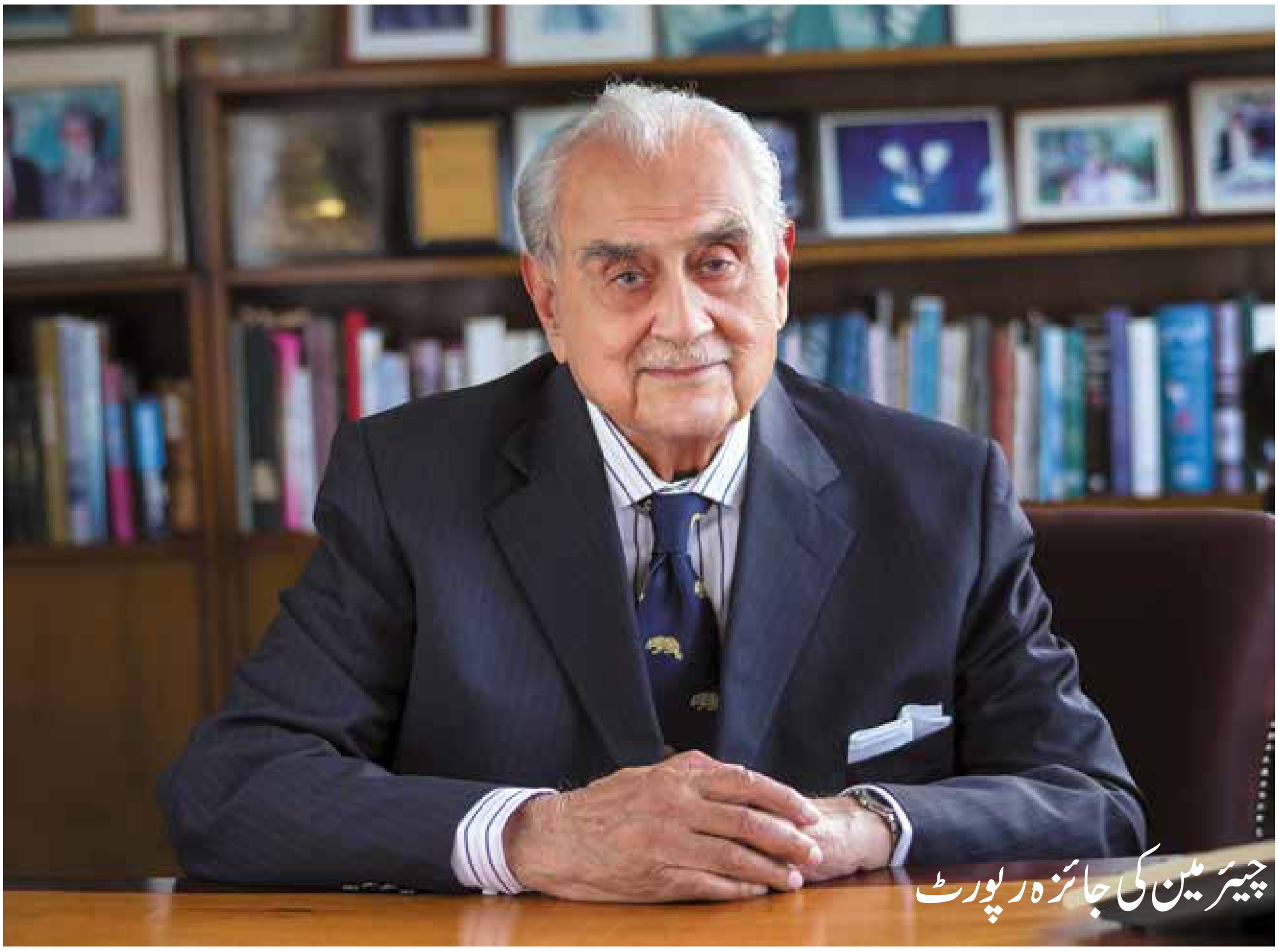
I am glad to report that your Company has had another successful year with sales of Rs.12,446 million and a profit of Rs.1,006 million. We today have 116 product variants and the Sanofi brand enjoys the confidence of the market.

The challenge before us is to work with the regulatory authorities and to have their timely decisions on price approvals. The other test is the eroding value of the Rupee against our sources of supply which are Euro and Dollar related.

We take pride and joy in celebrating the 50th year of our existence and we thank our colleagues in the Company who have made this progress happen. We are also grateful to the medical profession who have shown their faith and confidence in our products.

Syed Babar Ali
Chairman

Karachi: March 7, 2018



چیئرمین کی جائزہ رپورٹ

مجھے یہ آگاہ کرتے ہوئے خوشی ہے کہ آپ کی کمپنی نے ایک اور کامیاب سال مکمل کیا جس میں سیلز 12,446 ملین روپے تک جا پہنچی اور 1,006 ملین روپے کا منافع ریکارڈ کیا گیا۔ آج ہمارے پاس 116 مختلف پروڈکٹس ہیں اور سنوفی برانڈ کو مارکیٹ کا مکمل اعتماد حاصل ہے۔

ہمیں درپیش مشکلات میں ریگولیٹری اتھارٹیز کے ساتھ کام کرنا اور قیمتوں کی منظوری کے لیے ان کے بروقت فیصلے شامل ہیں۔ اس کے علاوہ دوسری آزمائش یہ ہے کہ ہمارے وسائل کی بیشتر خریداری یورو اور ڈالر میں ہوتی ہے لہٰذا روپے کی قدر میں کمی سے مسائل پیدا ہوتے ہیں۔

ہمیں فخر ہے کہ ہم 50 سالہ گولڈن جوبلی منا رہے ہیں اور اس موقع پر ہم تمام ساتھیوں کے شکرگزار ہیں جن کی بدولت ہم نے ترقی کی منزلیں طے کی ہیں۔ ہم معالجین اور طبی ماہرین کا بھی شکریہ ادا کرتے ہیں جو ہماری پروڈکٹس پر یقین اور اعتماد کا اظہار کرتے ہیں۔

سید بابر علی

چیئرمین

کراچی: 7 مارچ، 2018

Directors' Report

The Directors are pleased to present the Annual Report and the Company's audited financial statements for the year ended December 31, 2017.

Being a partner in the health journey of life, the Company is primarily engaged in supporting healthcare through the manufacture and sale of pharmaceutical and consumer healthcare products and the sale of vaccines.

Performance

The net sales for the year ended December 31, 2017 registered an overall growth of 4.7% over last year, which includes sales from pharmaceutical, vaccine and consumer healthcare products. Gross margin for the year increased from Rs. 4,021 million to Rs. 4,436 million in absolute terms and from 33.8% to 35.6% as a percentage of Net Sales. The improvement is attributable to increase in prices in certain products, operational efficiency and better product mix. Distribution and marketing expenses decreased from 17.5% of Net Sales to 17.2% while other expenses increased from Rs. 136.88 million in 2016 to Rs. 352.99 million in 2017 mainly on account of Workers' Profit Participation Fund (WPPF), Workers' Welfare Fund (WWF), Central Research Fund (CRF) and Exchange Losses.

Amounts in millions	2017	2016
Net Sales	12,446	11,890
Gross Profit	4,436	4,021
Operating Profit	1,581	1,567
Profit after Tax	1,006	1,019
EPS (Rupees)	104.32	105.65

Considering the profitability for the year, the Directors of the Company recommend a final dividend of Rs. 45 per share (450%), for approval by the shareholders.

Risk Management

Risk management exercises are conducted at multiple levels within the organization and action plans are identified to address issues and mitigate risks. These are followed up at the country leadership level. Some of the key areas which can impact the company's operations are:

- Pricing of pharmaceutical products
- Currency devaluation
- Counterfeit products
- Product liability claims
- Disruption in supplies of raw materials

The Directors would like to emphasize on the risk related to pricing as well as on the risk of currency devaluation.

The Drug Regulatory Authority of Pakistan (DRAP) had announced a pricing policy on March 5, 2015 (namely the Drug Pricing Policy 2015 – DPP2015) wherein it recommended amongst other points, that the MRP of all drugs be frozen at the approved level of MRP as on 31st October 2013 and which would remain at this maintained price till 30th June 2016. In addition, the DPP2015 further proposed the reduction of originator drugs/brands prices to the extent of 10% every subsequent year. The pharmaceutical industry has strongly objected to salient provisions / clauses of this policy and has filed a Constitutional Petition in the Honorable High Court of Sindh.

In addition to the above, DRAP had committed to the pharmaceutical industry that it would take decisions on applications pending with it with respect to price increase on specific, select products ("Hardship cases") by December 5, 2015 as per the provisions of the DPP2015. Following their failure to do so, and subsequent to informing DRAP, the Company approached the High Court of Sindh and obtained an Order for increasing the prices of its pending Hardship cases only. The Company was compelled to exercise its constitutional right to seek legal redress in order to ensure continuity of supply of quality medicines to patients. However, in December 2016, the order passed gave recognition to retrospective application of the pricing policy and as this was unacceptable to the industry, an appeal has been filed. Hearings with regards to the appeal are ongoing.

The Company is also closely monitoring the legal and business implications of the case and will take all necessary measures to ensure that the appropriate representations are made to the concerned authorities in support of a pricing policy acceptable to the industry.

The Company is significantly dependent on imports for both raw materials as well as finished goods. The ongoing pressure on PKR carries a huge risk and any further devaluation would have an adverse impact on the bottom line of the Company. The policy to manage the currency risk has been described in note 31.1.1 to the financial statements.

Internal Controls

The Directors are confident that the system of internal control is sound in design and was effectively implemented and monitored throughout the year.

Related Party Transactions

All related party transactions, during the year 2017, were placed before the Audit Committee and the Board for their review and approval. These transactions were duly reviewed by the Audit Committee and approved by the Board in their respective meetings. All these transactions were in line with the transfer pricing methods and the policy with related parties approved by the Board previously. The Company also maintains a full record of all such transactions, along with the terms and conditions. For further details please refer note 29 to the financial statements.

Corporate Social Responsibility

The Company operates in a socially responsible manner and is committed to the highest standards of ethical corporate behavior. CSR is embedded into the Company's core business strategy, focused on ethics and transparency at the center of all activities.

Health, Safety & Environment

The Company is committed to maintain standards of Health, Safety and Environment (HSE). The Company has a dedicated HSE department to oversee the implementation of HSE objectives and reports to the Executive Management. The level of management's commitment to HSE standards can be judged from the fact that no major accident was reported during the year.

Ethics and Compliance

Compliance is an integral part of the Sanofi way of doing business, which emanates from our Code of Ethics. The Code, which is approved by the Board, is communicated to employees and is available in both English and Urdu languages.

Training on compliance and ethics principles is mandatory for all employees, with additional specialized trainings for certain categories of employees. An eLearning platform, standardized across geographies, is available to ensure trainings on the Code and other compliance policies. The Company has also implemented an effective whistle blowing program, which is easily accessible to all categories of employees.

Composition of the Board of Directors

There was no change in the composition of the Board subsequent to the election of Directors in the last Annual General Meeting held on April 25, 2017. The Board consists of 1 Independent, 6 Non-Executive (including a female Director) and 2 Executive Directors.

Syed Babar Ali - Chairman, Non-Executive	David Khougazian - Non-Executive
Syed Hyder Ali - Non-Executive	Ana Arcos - Non-Executive
Asim Jamal - Chief Executive Officer	Thomas Rouckout - Non-Executive
Imtiaz Ahmed Husain Laliwala - Independent	Yasser Pirmuhammad - CFO
Arshad Ali Gohar - Non-Executive	

During the last year four meetings of the Board of Directors were held. Attendance by each Director was as follows:

Name of Director	No. of meetings attended
Syed Babar Ali – Chairman	4
Asim Jamal – Chief Executive Officer	4
Syed Hyder Ali	4
Arshad Ali Gohar	4
Imtiaz Ahmed Husain Laliwala *	3
Yasser Pirmuhammad – CFO	4
David Khougazian *	1
Ana Arcos *	1
Thomas Rouckout *	1
Patrick Aghanian **	None
Franck Vidor **	None
Patrick Chocat **	None
Javed Iqbal **	1

* elected on the Board on April 25, 2017
** remained on the Board till April 25, 2017

Leave of absence was granted to Directors who could not attend the Board meetings and they were represented by their respective alternates.

No trade was carried out in the shares of the Company by the Directors, CEO, CFO, Company Secretary, Executives or their spouses & minor children during the year.

The Company pays a fee to Non-Executive Directors for attending the meetings of the Company (including Annual General Meeting, Board meetings and meetings of the Board Committees). The fee, decided by the Board, is aligned with market norms and is in no manner at a level that could be perceived to compromise the independence of Non-Executive Directors.

In addition, the Board has also approved payment of a fee to the Chairman in consideration of providing guidance and advice to the management over and above his duties as a Chairman of the Board. The details of the fees payable to the Non-Executive Directors and the Chairman are detailed in note 30 of the financial statements.

Audit Committee

The Board Audit Committee comprises of the following members:

• Syed Hyder Ali	Chairman	(Non-Executive Director)
• Ana Arcos	Member	(Non-Executive Director)
• Imtiaz Ahmed Husain Laliwala	Member	(Independent Director)
Muhammad Atif Khan	Secretary	

Human Resources & Remuneration Committee

The Human Resources & Remuneration Committee comprises of the following members:

• Arshad Ali Gohar	Chairman	(Non-Executive Director)
• Syed Hyder Ali	Member	(Non-Executive Director)
• Asim Jamal	Member	(Executive Director - CEO)
Shakeel Mapara	Secretary	

Share Transfer Committee

The Share Transfer Committee comprises of the following members:

• Asim Jamal	(Executive Director - CEO)
• Yasser Pirmuhammad	(Executive Director - CFO)

Pattern of Shareholding

A statement of the pattern of shareholding is given on page 85 to the financial statements.

Holding Company

The Company is a subsidiary of SECIPE, France, holding 5,099,469 (2016: 5,099,469) ordinary shares of Rs. 10 each constituting 52.88% of the issued share capital of the Company. The ultimate parent of the Group is Sanofi S.A., France.

Auditors

The present external auditors, M/s EY Ford Rhodes, Chartered Accountants, have completed the annual audit for the year ended December 31, 2017 and have issued an unqualified report. The auditors shall retire at the conclusion of Annual General Meeting on April 26, 2018 and being eligible, have offered themselves for reappointment for the year 2018. As suggested by the Audit Committee, the Board recommends their reappointment for the year ending December 31, 2018.

Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly, its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Accounting policies have been consistently applied in the accounts in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts regarding the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the Listing Regulations.
- Significant deviations from last year in operating results have been explained in detail together with the reasons thereof in the earlier pages to this report.
- Key operating and financial data for the last six years is shown on pages from 90 to 92.
- The value of investments of provident, gratuity and pension funds based on their accounts (audit in progress) as at December 31, 2017 was as follows:

	Rs. in '000
Provident Fund	521,259
Gratuity Fund	463,901
Pension Fund	636,168

- The outstanding duties, statutory charges and taxes, if any, have been duly disclosed in the financial statements.

Future Outlook

Pakistan is a significant emerging market with a dynamic economy (~5% growth per year) and a population projected to reach over 200 million by 2018. The pharmaceutical market in Pakistan is mainly out of pocket, growing at a fast pace (CAGR 11.4% over past 5 years - MNCs is 9.0%). In parallel, pressured by local competition, the share of multinationals (MNC) has decreased in value from 59.0% in 2002 to 31.8% in 2017.

The pharmaceutical industry in Pakistan is faced with a challenging environment. The industry is highly regulated and characterized by strict price controls. Local pricing regulations do not allow price increases even in case of significant inflation and currency devaluations. Overall, price increase and new registrations remain a challenge in Pakistan.

Dengue Vaccine Update

Sanofi Pasteur's dengue vaccine was recommended for registration in Drug Registration Board (DRB) 260, 28-29th June 2016. Dengvaxia® was approved for tender business on 15th September 2017. However, following the proposed label update by Sanofi at a global level, the Drug Regulatory Authority of Pakistan (DRAP) referred the case back to the DRB for further deliberation. The registration is currently valid for tender purposes only and price has not been determined to make it available in the private market.

The Strategic Advisory Group of Experts (SAGE) of the World Health Organization (WHO) is expected to announce their position on the dengue vaccine in April 2018, following which DRAP will review the case again.

General

The Board looks forward to the forthcoming Annual General Meeting of shareholders to discuss Company's performance during the year 2017, and is thankful for the trust and confidence reposed in the Board by the shareholders.

The Board would like to take this opportunity to acknowledge and thank all stakeholders, employees, customers, suppliers, shareholders, bankers and all others for their continued support and loyalty.

By order of the Board

Syed Babar Ali
Chairman

Asim Jamal
Chief Executive Officer

Karachi: March 7, 2018

ورلڈ ہیلتھ آرگنائزیشن کے اسٹریٹجک ایڈوائزری گروپ آف ایکسپرٹس (SAGE) سے امید کی جارہی ہے کہ وہ اپریل 2018 میں ڈینگی ویکسین پر اپنی رائے کا اظہار کریں گے جس کے بعد DRAP کیس کا دوبارہ سے جائزہ لے گی۔

عمومی

بورڈ اپنے آنے والے سالانہ اجلاسِ عام برائے حصص یافتگان میں سال 2017 کے دوران کمپنی کی کارکردگی کا جائزہ لے گا، اور حصص یافتگان کی جانب سے بورڈ پر اعتماد اور بھروسے پر ان کا شکریہ ادا کرتا ہے۔

بورڈ اس موقع پر اپنے تمام اسٹیک ہولڈرز، ملازمین، کسٹمرز، سپلائرز، شیئر ہولڈرز، بینکرز اور دیگر تمام افراد کا شکریہ ادا کرنا چاہتا ہے جنھوں نے اپنے تعاون اور وفاداری کا سلسلہ جاری رکھا۔

بحکم بورڈ

سید بابر علی
چیئرمین

عاصم جمال
چیف ایگزیکٹو آفیسر

کراچی: مارچ 7، 2018

۔اس بات میں کوئی شک وشبہ نہیں کہ کمپنی روبہ عمل رہنے کی اہلیت رکھتی ہے۔
۔لسٹنگ ریگولیشن میں شامل کارپوریٹ نظم ونسق کے ضابطوں سے کوئی قابلِ ذکر روگردانی نہیں کی گئی۔
۔اس رپورٹ کے ابتدائی صفحات میں گزشتہ سال کے مقابلے میں پیداواری نتائج میں فرق کی تفصیل کے ساتھ وضاحت کی گئی ہےاوراس کے اسباب پر بھی روشنی ڈالی گئی ہے۔
۔اہم آپریٹنگ اور مالی اعداد وشمار برائے گزشتہ چھ سال صفحہ نمبر 90 سے 92 تک میں درج ہیں۔
۔پروویڈنٹ، گریجوئٹی اور پنشن فنڈز کی سرمایہ کاری کی مالیت جو کہ اکاؤنٹس کی بنیاد پر ہے(آڈٹ جاری ہے) 31 دسمبر، 2017 پر درجِ ذیل ہے:

	روپے '000 میں
پروویڈنٹ فنڈ	521,259
گریجوئٹی فنڈ	463,901
پنشن فنڈ	636,168

۔واجب الاداڈیوٹیز، ٹیکسز اور قانونی چارجز، اگر کوئی ہیں تو انہیں مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔

مستقبل پر نظر

پاکستان کی معیشت (5% فی سال اضافے کے ساتھ) استحکام پذیر ہےاور موجودہ مارکیٹ میں اہم کردار ادا کررہی ہےاور 2018 تک یہاں کی آبادی 200 ملین سے زیادہ ہونے کا امکان ہے۔ پاکستان میں فارماسیوٹیکل کی مارکیٹ کی ترقی کی شرح (گزشتہ 5سالوں میں 11.4% CAGR۔ 9.0% (MNCs)۔ اس کے ساتھ ساتھ مقامی مقابلے کے دباؤ کی وجہ سے ملٹی نیشنل کمپنیوں (MNC) کا مارکیٹ شیئر 2002 میں 59.0% سے کم ہوکر 2017 میں 31.8% پر آگیا ہے۔

پاکستان میں فارماسیوٹیکل انڈسٹری کو چیلنجز کا سامنا ہے۔انڈسٹری کو قیمتوں کی سخت پالیسی جیسے قوانین کے تحت پابند کردیا گیا ہے۔مقامی پالیسیاں مہنگائی میں اضافے اور کرنسی کی قدر میں کمی کے باوجود قیمتوں میں اضافے کی اجازت نہیں دیتیں۔مجموعی طور پر، پاکستان میں قیمتیں بڑھانا اور نئی رجسٹریشن ایک چیلنج سے کم نہیں ہے۔

ڈینگی ویکسین اپ۔ڈیٹ

سنوفی Pasteur's کی ڈینگی ویکسین کو 29-28جون 2016 کو DRB260ڈرگ ریگولیشن بورڈ میں رجسٹریشن کے لئے تجویز کیا گیا تھا۔ 15 ستمبر 2017 کو ®Dengavaxia کوٹینڈر بزنس کے لیےمنظور کیا گیا تھا۔جبکہ عالمی سطح پر سنوفی کی جانب سے تجویز کردہ لیبل اپ ڈیٹ کے بعد، دی ڈرگ ریگولیٹری اتھارٹی آف پاکستان (DRAP) نے کیس کو واپس کرتے ہوئے ڈرگ ریگولیٹری بورڈ کو مزید تحقیق کے لیے تجویز کیا ہے۔اس وقت رجسٹریشن صرف ٹینڈر مقصد کے لئے فعال ہےاور پرائیویٹ مارکیٹ میں اس کی دستیابی کے لئے قیمت کا تعین نہیں کیا گیا ہے۔

شیئر ٹرانسفر کمیٹی

شیئر ٹرانسفر کمیٹی میں درجِ ذیل ارکان شامل ہیں:

محترم عاصم جمال	(ایگزیکٹو ڈائریکٹر، سی ای او)
محترم یاسر پیر محمد	(ایگزیکٹو ڈائریکٹر، سی ایف او)

شیئر ہولڈنگ کا طریقہ

شیئر ہولڈنگ کے طریقہ کے لئے اسٹیٹمنٹ مالیاتی گوشواروں کے صفحہ 85 پر ملاحظہ کیجیے۔

ہولڈنگ کمپنی

کمپنی ایس ای سی آئی پی ای (SECIPE)، فرانس کا ذیلی ادارہ ہے، جس کے پاس کمپنی کے عمومی سرمائے (10 روپے فی شیئر) کے 52.88% حصص موجود ہیں جو کہ 5,099,469 (2016:5,099,469) شیئرز بنتے ہیں۔ گروپ کا سربراہ سنوفی S.A. ، فرانس ہے۔

آڈیٹرز

موجودہ بیرونی آڈیٹرز، میسرز ارنسٹ اینڈ ینگ فورڈ رہوڈس، چارٹرڈ اکاؤنٹنٹس نے 31 دسمبر، 2017 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کرلیا ہے اور آڈٹ رپورٹ بھی جاری کردی ہے۔ سالانہ جنرل اجلاس کے مطابق آڈیٹرز 26 اپریل 2018 کو سبکدوش ہوجائیں گے اور اہل ہونے کی وجہ سے انھوں نے خود کو برائے سال 2018 تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی جانب سے تجویز کے مطابق، بورڈ نے ان کے 31 دسمبر 2018 تک ختم ہونے والے سال کے لئے تقرری کی سفارش کردی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا ضابطہ

- کمپنی انتظامیہ کی جانب سے تیارکردہ، مالیاتی بیانات شفاف طریقے سے پیش کئے گئے ہیں۔ ان میں تمام معاملات، پیداواری عمل کے نتائج، زیرِ گردش نقدی اور ایکوئٹی میں تبدیلیاں شامل ہیں۔
- کمپنی کے کھاتوں کا حساب کتاب باقاعدگی سے مرتب کیا جاتا ہے۔
- مالیاتی بیانات کی تیاری کے دوران حساب کتاب میں اکاؤنٹنگ پالیسیوں پر تسلسل کے ساتھ عملدرآمد کیا جاتا ہے اور اکاؤنٹنگ کے تخمینے مناسب اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- مالیاتی بیانات کی تیاری کے دوران پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر عملدرآمد کو یقینی بنایا جاتا ہے اور کسی بھی روگردانی کو معقول انداز میں واضح کیا گیا ہے۔
- انٹرنل کنٹرول کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اس پر عملدرآمد اور اس کی نگرانی کا کام بھی مؤثر طریقے سے کیا جاتا ہے۔

غیر حاضری کی صورت میں ڈائریکٹرز کی چھٹی کی درخواست منظور کی گئی جو بورڈ اجلاسوں میں شرکت نہیں کر سکے اور ان کے متبادل نمائندے شرکت کے لئے موجود تھے۔

زیرِ جائزہ سال کے دوران کمپنی کے شیئرز میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ایگزیکٹیوز اور ان کے شریکِ حیات اور چھوٹے بچوں نے کوئی تجارت نہیں کی۔

نان ایگزیکٹوڈائریکٹرز کو کمپنی کی جانب سے اجلاس میں شرکت کی فیس ادا کی جاتی ہے (بشمول سالانہ اجلاس عام، بورڈ کے اجلاس اور بورڈ کمیٹیوں کے اجلاس)۔ بورڈ کی جانب سے طے کی جانے والی فیس مارکیٹ کے مطابق ہوتی ہے اور کسی بھی حوالے سے کسی بھی سطح پر نان ایگزیکٹوڈائریکٹر کی آزاد حیثیت کو متاثر نہیں کرتی۔

علاوہ ازیں بورڈ نے چیئرمین کو فیس کی ادائیگی کی بھی منظوری دی ہے کیونکہ وہ چیئرمین آف بورڈ کی ذمہ داریوں کے علاوہ انتظامیہ کو رہنمائی اور مفید مشورے بھی فراہم کر رہے ہیں۔ چیئرمین اور نان ایگزیکٹوڈائریکٹرز کو ادا کی جانے والی فیس کی تفصیل مالیاتی گوشواروں کے نوٹ نمبر 30 میں دی گئی ہے۔

آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی میں درجِ ذیل ارکان شامل ہیں:

- محترم سید حیدر علی — چیئرمین (نان۔ایگزیکٹیوڈائریکٹر)
- محترمہ آنا آرکوس — رکن (نان۔ایگزیکٹیوڈائریکٹر)
- محترم امتیاز احمد حسین لالی والا — رکن (آزاد ڈائریکٹر)
- محترم محمد عاطف خان — سیکریٹری

ہیومن ریسورس اور مشاہرہ کے لئے کمیٹی

ہیومن ریسورس اور مشاہرے کے لیے کمیٹی میں درجِ ذیل ارکان شامل ہیں:

- محترم ارشد علی گوہر — چیئرمین (نان۔ایگزیکٹیوڈائریکٹر)
- محترم سید حیدر علی — رکن (نان۔ایگزیکٹیوڈائریکٹر)
- محترم عاصم جمال — رکن (ایگزیکٹیوڈائریکٹر۔سی ای او)
- محترم شکیل ماپارا — سیکریٹری

بورڈ آف ڈائریکٹرز کی ساخت

25 اپریل 2017 کو منعقدہ سالانہ اجلاس عام میں ڈائریکٹرز کے انتخاب کے بعد بورڈ کی ساخت میں کوئی تبدیلی واقع نہیں ہوئی۔ بورڈ ایک آزاد، 6 نان ایگزیکٹو (بشمول ایک خاتون ڈائریکٹر) اور 2 ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔

محترم سید بابر علی۔ چیئرمین، نان ایگزیکٹو ڈائریکٹر	محترم ڈیوڈ خوگا زیان۔ نان ایگزیکٹو ڈائریکٹر
محترم سید حیدر علی۔ نان ایگزیکٹو ڈائریکٹر	محترمہ آنا آرکوس۔ نان ایگزیکٹو ڈائریکٹر
محترم عاصم جمال۔ چیف ایگزیکٹو آفیسر	محترم تھامس راؤ کوٹ۔ نان ایگزیکٹو ڈائریکٹر
محترم امتیاز احمد حسین لالی والا۔ آزاد ڈائریکٹر	محترم یاسر پیر محمد۔ سی ایف او
محترم ارشد علی گوہر۔ نان ایگزیکٹو ڈائریکٹر	

گزشتہ سال بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی شرکت کی تفصیلات درجِ ذیل ہیں:

ڈائریکٹر کا نام	اجلاس کی تعداد
محترم سید بابر علی۔ چیئرمین	4
محترم عاصم جمال۔ چیف ایگزیکٹو آفیسر	4
محترم سید حیدر علی	4
محترم ارشد علی گوہر	4
محترم امتیاز احمد حسین لالی والا*	3
محترم یاسر پیر محمد۔ سی ایف او	4
محترم ڈیوڈ خوگا زیان*	1
محترمہ آنا آرکوس*	1
محترم تھامس راؤ کوٹ*	1
محترم پیٹرک آغا نین**	کوئی نہیں
محترم فرینک وڈور **	کوئی نہیں
محترم پیٹرک چوکاٹ**	کوئی نہیں
محترم جاوید اقبال**	1

*25 اپریل 2017 کو بورڈ پر منتخب ہوئے۔

** 25 اپریل 2017 تک بورڈ میں شامل تھے۔

اندرونی ضابطے

ڈائریکٹرز پراعتماد ہیں کہ کمپنی کے اندرونی ضابطے کا نظام اپنی تشکیل میں جامع اور مضبوط ہے اور دوران سال اس پر موثر انداز میں عمل درآمد اور نگرانی جاری رہی۔

متعلقہ فریق کی ٹرانزیکشنز

سال 2017 ، کے دوران تمام متعلقہ فریقین کی ٹرانزیکشنز کا جائزہ لینے اور ان کی منظوری کے لئے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا گیا۔ ان ٹرانزیکشنز کا آڈٹ کمیٹی نے جائزہ لیا اور بورڈ نے ان کے متعلقہ اجلاسوں میں ان کی منظوری دی۔ یہ تمام ٹرانزیکشنز ٹرانسفر پرائسنگ کے طریقہ کار اور متعلقہ فریقوں کے ساتھ منسلک بورڈ کی پہلے سے منظور شدہ پالیسی کے تحت کی گئیں۔ کمپنی ایسی تمام ٹرانزیکشنز کا مکمل ریکارڈ، ان کی شرائط وضوابط کے ساتھ رکھتی ہے۔ مزید تفصیلات کے لئے براہِ مہربانی مالیاتی گوشواروں کا نوٹ 29 ملاحظہ فرمائیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی سماجی ذمہ داری کے حوالے سے اپنی سرگرمیاں بخوبی انجام دیتی ہے اور کارپوریٹ روایات کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ کمپنی کی اہم کاروباری حکمت عملی میں سی ایس آر شامل ہے، جس میں ہماری سرگرمی کا مرکز اخلاقیات اور شفافیت کو فروغ دینا ہے۔

صحت، حفاظت اور ماحولیات (HSE)

کمپنی صحت، حفاظت اور ماحولیات (HSE) کے معیار کو انتہائی اعلیٰ سطح پر برقرار رکھنے کے لئے پرعزم ہے۔ کمپنی کے پاس HSE کا ایک فعال شعبہ ہے جو HSE کے مقاصد پر عملدرآمد کی نگرانی اور اعلیٰ انتظامیہ کو رپورٹ کرتا ہے۔ HSE کی مینجمنٹ کمیٹی کی بہترین کارکردگی کا اس بات سے اندازہ لگایا جاسکتا ہے کہ رواں سال کے دوران کوئی بڑا حادثہ پیش نہیں آیا۔

ضابطہ اخلاق اور عملدرآمد

کمپنی کے کاروبار میں ضابطہ اخلاق پر عملدرآمد کا حصہ انتہائی اہم ہوتا ہے، جو کہ ہماری روایات کی بہتر عکاسی کرتا ہے۔ بورڈ کی جانب سے منظور شدہ ضابطہ ملازمین کی بہتر سمجھ کے لئے انگریزی اور اردو، دونوں زبانوں میں فراہم کیا گیا ہے۔

ضابطہ اخلاق کے قوانین اور ان پر عملدرآمد کے لئے تربیت تمام ملازمین کے لئے لازمی ہے، اس کے علاوہ مخصوص ملازمین کے لئے مزید اضافی تربیت کا انتظام بھی ہے۔ ضابطہ اخلاق کی تربیت اور دیگر پالیسیز پر عملدرآمد کے لیے ایک ای لرننگ پلیٹ فارم بھی دستیاب ہے جو تمام جغرافیائی حدود کے معیارات کا احاطہ کرتا ہے۔ کمپنی نے ایک موثر وسل بلوئنگ پروگرام پر عمل درآمد کو یقینی بنایا ہوا ہے جس پر تمام ملازمین کو آسان رسائی حاصل ہے۔

ہیں جو ملکی سطح کے رہنماؤں کی زیرِ نگرانی ہوتے ہیں۔ کمپنی امور کو متاثر کرنے والے اہم عوامل درج ذیل ہیں:

- فارماسیوٹیکل پروڈکٹس کی قیمتیں
- کرنسی کی قدر میں کمی
- جعلی پروڈکٹس
- پروڈکٹ کی ادائیگی کے دعوے
- خام مال کی فراہمی میں دشواری

ڈائریکٹرز قیمتوں سے متعلق خطرات کے ساتھ کرنسی کی قدر میں کمی کے ممکنہ خطرات پر توجہ دینے کی کوشش جاری رکھیں گے۔

ڈرگ ریگولیٹری اتھارٹی آف پاکستان (DRAP) نے 5 مارچ، 2015 کو ڈرگ پرائسنگ پالیسی 2015 (DPP2015) کے نام سے قیمتوں کی پالیسی کا اعلان کیا تھا، جس میں دیگر نکات کے ساتھ ساتھ یہ تجویز دی گئی تھی کہ تمام دواؤں کی MRP کو 31 اکتوبر 2013 کی منظور شدہ MRP پر منجمد کر دیا جائے اور ان قیمتوں کو 30 جون 2016 تک برقرار رہنا تھا۔ اس کے علاوہ، DPP2015 میں مزید یہ تجویز بھی دی گئی تھی کہ بنیادی دواؤں / برانڈز کی قیمتوں کو آنے والے ہر سال میں 10% تک کم کیا جائے۔ فارماسیوٹیکل کی صنعت نے پالیسی کے ان قواعد / شقوں پر شدید اعتراض کیا اور عزت مآب سندھ ہائیکورٹ میں ایک آئینی درخواست دائر کی ہے۔

درجِ بالا کے علاوہ، DRAP نے فارماسیوٹیکل صنعت سے وعدہ کیا تھا کہ DPP2015 کی شقوں کے مطابق مخصوص پروڈکٹس (''ہارڈ شپ کیسز'') کی قیمتوں میں اضافے کے سلسلے میں زیرِ التوا درخواستوں پر 5 دسمبر، 2015 تک فیصلے کر لئے جائیں گے۔ ایسا کرنے میں ناکامی پر، DRAP کو اطلاع دینے کے بعد کمپنی نے سندھ ہائیکورٹ سے رجوع کیا اور دواؤں کی قیمتیں بڑھانے سے متعلق صرف زیرِ التوا ہارڈ شپ کیسز پر فیصلہ حاصل کیا۔ کمپنی نے اپنے آئینی حق کے مطابق قیمتوں کی پالیسی کے خلاف درخواست پر فیصلے کو یقینی بنانے کے لئے عملدرآمد کیا تاکہ مریضوں کو اعلیٰ معیاری دواؤں کی ترسیل کا تسلسل برقرار رکھا جا سکے۔ البتہ، دسمبر 2016 میں، قیمتوں کی پالیسی سے متعلق فیصلے کے خلاف درخواست نمٹا دی گئی اور یہ صنعت کے لئے قابلِ قبول نہ تھا، جس کے خلاف ایک اپیل دائر کر دی گئی ہے، اس اپیل پر پیشیوں کا سلسلہ جاری ہے۔

کمپنی اس کیس کے قانونی اور کاروباری مضمرات کا باریک بینی سے جائزہ لے رہی ہے تاکہ قیمتوں کی پالیسی کو صنعت کے لئے قابلِ قبول بنانے میں متعلقہ حکام کے سامنے مناسب نمائندگی اور ضروری اقدامات اٹھانے کو یقینی بنایا جا سکے۔

کمپنی کی پیداوار کا زیادہ تر دارومدار درآمد شدہ خام مال اور تیار شدہ اشیاء پر ہے۔ پاکستانی کرنسی پر جاری دباؤ ایک بڑے خطرے کی علامت بن سکتا ہے اور کرنسی کی قدر میں مزید کمی کمپنی کو شدید متاثر کر سکتی ہے۔ کرنسی کی قدر میں کمی کے خطرے سے نمٹنے کے لئے پالیسی کی وضاحت مالیاتی گوشواروں کے نوٹ 31.1.1 میں کی گئی ہے۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر، 2017 کو ختم شدہ سال کے لئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

صحت مند زندگی کے سفر میں شراکت دار کے طور پر کمپنی، فارماسیوٹیکل اور کنزیومر ہیلتھ کیئر پروڈکٹس کی تیاری اور سیلز کے ساتھ ویکسینز کی فروخت کے ذریعے طبی تعاون میں مصروف عمل ہے۔

کارکردگی

31 دسمبر، 2017 کو ختم شدہ سال میں نیٹ سیلز میں گزشتہ سال کے مقابلے میں مجموعی طور پر %4.7 اضافہ ہوا ہے، جس میں فارماسیوٹیکل، ویکسین اور کنزیومر ہیلتھ کیئر پروڈکٹس کی سیلز شامل ہے۔ زیر جائزہ سال کے لئے مجموعی منافع 4,021 ملین روپے سے بڑھ کر 4,436 ملین روپے تک جا پہنچا ہے جبکہ اس کی شرح نیٹ سیلز کے %33.8 سے بڑھ کر %35.6 ہوگئی ہے۔ اس اضافے کی وجوہات میں متعدد فارماسیوٹیکل پروڈکٹس کی قیمتوں میں اضافہ، مؤثر انتظامی صورتحال اور پروڈکٹس کا بہتر امتزاج شامل ہیں۔ ڈسٹری بیوشن اور مارکیٹنگ کے اخراجات کی شرح نیٹ سیلز کے %17.5 کے سے کم ہوکر %17.2 ہوگئی ہے۔ جبکہ دیگر اخراجات 2016 کے 136.88 ملین سے بڑھ کر 2017 میں 352.99 ملین روپے ہوگئے۔ ان اخراجات میں ورکرز پروفٹ پارٹی سپیشن فنڈ (WPPF)، ورکرز ویلفیئر فنڈ (WWF) اور سینٹرل ریسرچ فنڈ (CRF) کے لئے رقوم مختص کرنا اور زرمبادلہ کے نقصانات شامل ہیں۔

رقم ملین میں	2017	2016
نیٹ سیلز	12,446	11,890
مجموعی منافع	4,436	4,021
انتظامی منافع	1,581	1,567
بعد از ٹیکس منافع	1,006	1,019
EPS (روپے)	104.32	105.65

سال کی آمدنی کے پیش نظر، کمپنی کے ڈائریکٹرز فی شیئر 45 روپے (%450) حتمی منافع منقسمہ شیئر ہولڈرز کی منظوری کے لئے تجویز کرتے ہیں۔

خطرات پر قابو پانا

خطرات پر قابو پانے کے لئے ادارے میں مختلف سطح کی سرگرمیاں کی جاتی ہیں اور مسائل کی نشاندہی اور خطرات پر قابو پانے کے لئے ایکشن پلان وضع کئے جاتے

EY Ford Rhodes
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Auditors' Report to the Members

We have audited the annexed balance sheet of **sanofi-aventis Pakistan Limite**d as at **31 December 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state 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.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account, together with the notes thereon, have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes stated in note 2.3 to the financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, gives the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

EY Ford Rhodes

Chartered Accountants
Audit Engagement Partner: Khurram Jameel
Date: 09 March 2018
Place: Karachi

Financial Statements

Contents

Balance Sheet

As at December 31, 2017

	Note	December 31, 2017	December 31, 2016
		--------- Rupees in '000	--------
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	3	**1,701,285**	1,866,455
Intangible assets	4	**1,041**	873
		1,702,326	1,867,328
Long-term loans	5	**6,479**	6,186
Long-term deposits		**13,643**	13,643
Deferred taxation	6	**5,106**	-
		1,727,554	1,887,157
CURRENT ASSETS			
Stores and spares	7	**51,173**	48,808
Stock-in-trade	8	**2,406,335**	2,644,100
Trade debts	9	**683,932**	707,359
Loans and advances	10	**59,939**	73,517
Trade deposits and short-term prepayments	11	**198,227**	165,263
Other receivables	12	**23,175**	29,405
Taxation - net		**1,458,883**	1,212,703
Cash and bank balances	13	**15,844**	50,440
		4,897,508	4,931,595
TOTAL ASSETS		**6,625,062**	6,818,752
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	**96,448**	96,448
Reserves	15	**4,052,170**	3,315,892
		4,148,618	3,412,340
NON-CURRENT LIABILITIES			
Long-term financing		**-**	500,000
Deferred taxation		**-**	56,676
		-	556,676
CURRENT LIABILITIES			
Trade and other payables	16	**2,203,713**	2,168,257
Accrued mark-up		**1,435**	6,038
Short-term borrowings	17	**271,296**	675,441
		2,476,444	2,849,736
CONTINGENCIES AND COMMITMENTS	18		
TOTAL EQUITY AND LIABILITIES		**6,625,062**	6,818,752

The annexed notes 1 to 37 form an integral part of these financial statements.

Syed Babar Ali	Asim Jamal	Yasser Pirmuhammad
Chairman	Chief Executive Officer	Chief Financial Officer

Profit And Loss Account

For the year ended December 31, 2017

	Note	December 31, 2017	December 31, 2016
		--------- Rupees in '000	--------
NET SALES	19	**12,446,052**	11,890,235
Cost of sales	20	**(8,010,281)**	(7,869,106)
GROSS PROFIT		**4,435,771**	4,021,129
Distribution and marketing costs	20	**(2,136,935)**	(2,083,427)
Administrative expenses	20	**(429,266)**	(310,457)
Other expenses	21	**(352,986)**	(136,875)
Other income	22	**64,981**	76,345
		(2,854,206)	(2,454,414)
OPERATING PROFIT		**1,581,565**	1,566,715
Finance costs	23	**(35,409)**	(159,327)
PROFIT BEFORE TAXATION		**1,546,156**	1,407,388
Taxation	24	**(540,035)**	(388,466)
PROFIT AFTER TAXATION		**1,006,121**	1,018,922
EARNINGS PER SHARE - basic and diluted (Rupees)	25	**104.32**	105.65

The annexed notes 1 to 37 form an integral part of these financial statements.

Syed Babar Ali	Asim Jamal	Yasser Pirmuhammad
Chairman	Chief Executive Officer	Chief Financial Officer

Statement of Comprehensive Income

For the year ended December 31, 2017

	December 31, 2017	December 31, 2016
	-------- Rupees in '000	--------
Profit after taxation	**1,006,121**	1,018,922
Other comprehensive loss		
Items not be reclassified to profit and loss account in subsequent periods		
Actuarial loss on defined benefits plans	**(13,309)**	(21,009)
Deferred tax on actuarial loss on defined benefit plans	**3,783**	7,070
	(9,526)	(13,939)
Total comprehensive income for the year	**996,595**	1,004,983

The annexed notes 1 to 37 form an integral part of these financial statements.

Syed Babar Ali	Asim Jamal	Yasser Pirmuhammad
Chairman	Chief Executive Officer	Chief Financial Officer

Cash Flow Statement
For the year ended December 31, 2017

	Note	December 31, 2017	December 31, 2016
		-------- Rupees in '000	--------
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	**2,293,943**	2,747,015
Finance costs paid		**(40,012)**	(196,711)
Income tax paid		**(844,214)**	(570,496)
Retirement benefits paid		**(79,933)**	(69,847)
Long-term loans - net		**(293)**	552
Long-term deposits - net		**-**	(827)
Net cash generated from operating activities	27	**1,329,491**	1,909,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(188,638)**	(190,191)
Sale proceeds from disposal of operating fixed assets		**16,771**	11,699
Interest received		**24**	40
Net cash used in investing activities		**(171,843)**	(178,452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings repaid		**(500,000)**	(1,300,000)
Long-term financing repaid		**(500,000)**	(500,000)
Dividends paid		**(288,099)**	(28,844)
Net cash used in financing activities		**(1,288,099)**	(1,828,844)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(130,451)**	(97,610)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**(125,001)**	(27,391)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	28	**(255,452)**	(125,001)

The annexed notes 1 to 37 form an integral part of these financial statements.

Syed Babar Ali	Asim Jamal	Yasser Pirmuhammad
Chairman	Chief Executive Officer	Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2017

	Issued, subscribed and paid-up share capital	Capital Reserves: Long-term liabilities forgone	Capital Reserves: Difference of share capital under scheme of arrangement for amalgamation	Capital Reserves: Other	Revenue Reserves: General reserve	Revenue Reserves: Unappropriated profit	Total
	----------	----------	----------	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
Transfer to general reserve	-	-	-	-	100,000	(100,000)	-
Final dividend @ Rs.3.00 per ordinary share of Rs. 10 each for the year ended December 31, 2015	-	-	-	-	-	(28,934)	(28,934)
Employee benefit cost under IFRS 2 - "Share-based Payment"	-	-	-	26,265	-	-	26,265
Profit after taxation	-	-	-	-	-	1,018,922	1,018,922
Other comprehensive loss	-	-	-	-	-	(13,939)	(13,939)
Total comprehensive income for the year	-	-	-	-	-	1,004,983	1,004,983
Balance as at December 31, 2016	96,448	5,935	18,000	209,083	2,035,538	1,047,336	3,412,340
Transfer to general reserve	**-**	**-**	**-**	**-**	**700,000**	**(700,000)**	**-**
Final dividend @ Rs. 30.00 per ordinary share of Rs. 10 each for the year ended December 31, 2016	**-**	**-**	**-**	**-**	**-**	**(289,343)**	**(289,343)**
Employee benefit cost under IFRS 2 - "Share-based Payment"	**-**	**-**	**-**	**29,026**	**-**	**-**	**29,026**
Profit after taxation	**-**	**-**	**-**	**-**	**-**	**1,006,121**	**1,006,121**
Other comprehensive loss	**-**	**-**	**-**	**-**	**-**	**(9,526)**	**(9,526)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**996,595**	**996,595**
Balance as at December 31, 2017	**96,448**	**5,935**	**18,000**	**238,109**	**2,735,538**	**1,054,588**	**4,148,618**

The annexed notes 1 to 37 form an integral part of these financial statements.

Syed Babar Ali	Asim Jamal	Yasser Pirmuhammad
Chairman	Chief Executive Officer	Chief Financial Officer

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 SECIPE, France (the Parent Company). The Ultimate Parent of the Company is Sanofi S.A., France. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. 23/2017 dated October 04, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the repealed Ordinance). Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the repealed Ordinance, provisions of and directives issued under the repealed Ordinance. In case requirements differ, the provisions of or directives under the repealed Ordinance shall prevail.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

2.3 Adoption of standards and amendments effective during the year

New Standards, Interpretations and Amendments

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following standards which became effective for the current year:

Standard or Interpretation:

IFRS 7 - Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)

IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 12 - Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of the above standards, amendments and improvements to accounting standards and interpretations did not have any effect on the financial statements.

2.3.1 Standards not yet effective

The following standards and interpretations would be effective from the dates mentioned below against the respective standards / interpretations:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2	- Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10	- Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 4	- Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IFRS 9	- Financial Instruments: Classification and Measurement	01 July 2018
IFRS 9	- Prepayment Features with Negative Compensation - (Amendments)	01 January 2019
IFRS 15	- Revenue from Contracts with Customers	01 July 2018
IFRIC Interpretation 22	- Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23	- Uncertainty over Income Tax Treatments	01 January 2019

The above standards, amendments and interpretations are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard		IASB Effective date (annual periods beginning on or after)
IFRS 14	- Regulatory Deferral Accounts	01 January 2016
IFRS 16	- Leases	01 January 2019
IFRS 17	- Insurance Contracts	01 January 2021

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers which will be effective for annual periods beginning on or after January 1, 2018, however, early application is permitted. During the year ended December 31, 2017, SECP vide S.R.O. 007(1) / 2017 dated October 4, 2017, has also notified the adoption of IFRS 15 for annual periods beginning on or after July 1, 2018. The Company is in the process of assessing the impact of the adoption of these standards.

According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations. Currently, it is expected that the changes, if any, in the total amount of revenue to be recognized for a customer contract will be very limited. Besides, changes to the Statement of Financial Position are expected, e.g. separate line items for contract assets and contract liabilities are required, and qualitative disclosures are added.

2.4 Property, plant and equipment

(i) Operating fixed assets

These are stated at cost less accumulated depreciation / amortization and impairment in value, if any.

Leasehold land is amortised over the period of the lease. Depreciation on all other assets is charged to profit and loss account applying the straight-line method whereby the cost of an asset less residual value, if not insignificant, is written off over its estimated useful life. The rates used are stated in note 3.1 to these financial statements.

In respect of additions, depreciation is charged from the month in which asset is available for use and on disposal up to the month the asset is in use. Additional depreciation at the rate of fifty percent of the normal rate is charged on such machinery which is operated on double shift during the year.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognised prospectively as a change of accounting estimate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company accounts for impairment by reducing its carrying value to the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

Subsequent costs are not recognised as assets unless it is probable that future economic benefits associated with these costs will flow to the Company and the cost can be measured reliably.

Maintenance and normal repairs are charged to profit and loss account as and when incurred.

(ii) Capital work-in-progress

These are stated at cost less impairment in value, if any, and consist of expenditure incurred and advances made in respect of tangible fixed assets in the course of their construction and installation.

2.5 Intangible assets

Computer software licenses acquired by the Company are stated at cost less accumulated amortization and impairment in value, if any. Cost represents the cost incurred to acquire the software licenses and bring them to use. The cost of computer software is amortised over the estimated useful life as disclosed in note 4 to these financial statements. Separately acquired product licenses are shown at historical cost. These have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of product licenses over their estimated useful lives as disclosed in note 4 to the financial statements.

Cost associated with maintaining computer software are charged to profit and loss account.

The useful lives of intangible assets are reviewed at each reporting date. The effect of any adjustment to useful lives is recognised prospectively as a change of accounting estimate.

2.6 Long-term loans and deposits

These are stated at cost less an allowance for uncollectible amounts, if any.

2.7 Stores and spares

These are valued at cost less provision for slow moving and obsolete stores and spares. Cost is determined on weighted average basis, except for the stores and spares in transit, which are stated at invoice price plus other charges incurred thereon up to the balance sheet date. Value of items are reviewed at each balance sheet date to record provision for any slow moving items, where necessary.

2.8 Stock-in-trade

These are valued at lower of cost and net realisable value. Goods in transit are valued at cost, comprising invoice price plus other charges incurred thereon up to the balance sheet date. Cost signifies standard costs adjusted by variances. Cost in relation to work-in-process and finished goods represent direct cost of materials, direct wages and appropriate manufacturing overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to be incurred to make the sale. Provision is made for slow moving and expired stock where necessary.

2.9 Trade debts and other receivables

These are recognised and carried at original invoice amount, being the fair value, less an allowance for any uncollectible amounts, if any. An estimate for doubtful debts is made when collection is no longer probable. Bad debts are written-off when identified.

2.10 Employees benefits

Defined benefit plans

The Company operates an approved funded gratuity scheme and an approved funded non-contributory pension scheme in respect of all permanent employees and senior management staff respectively excluding expatriates. The schemes define the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the schemes. The gratuity and pension obligations are calculated annually by independent actuaries using the Projected Unit Credit Method. The most recent valuations in this regard were carried out as at December 31, 2017.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity in the statement of comprehensive income in the period in which they arise. All past service costs are recognised at the earlier of when the amendments or curtailment occurs and when the Company has recognised related retirement or termination benefits.

Defined contribution plan

The Company also operates a recognised provident fund scheme for all permanent employees excluding expatriates. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10 percent of basic salary.

Compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligations are made using the current salary levels of employees.

2.11 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the liability method, on all major temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the profit and loss account except for deferred tax arising on recognition of actuarial loss or gain which is charged or directly credited to equity in the statement of comprehensive income.

2.12 Cash and cash equivalents

These are carried at cost.

2.13 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-financial assets

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

2.14 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are reviewed at each balance sheet date to reflect the current best estimate.

2.16 Foreign currency translation

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the balance sheet date.

2.18 Revenue recognition

Sales and toll manufacturing income are recorded when the risks and rewards are transferred to the customer.

License fee is recognised on accrual basis.

2.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed out in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

2.20 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account currently.

2.21 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount reported in balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

2.22 Share-based compensation

The economic cost of awarding shares of group companies to employees is reflected by recording a charge in the profit and loss account, equivalent to the fair value of shares on the grant date over the vesting period, with a corresponding reserve created to reflect the equity component.

2.23 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 shareholders.

2.24 Operating segments

For management purposes, the activities of the Company are organized into one operating segment i.e., manufacturing and selling of pharmaceutical and consumer products. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

2.25 Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the accounting policies, management has made the following judgments and estimates which are significant to the financial statements:

(i) Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

(ii) Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values and also review the inventories for obsolescence.

(iii) Trade debts

The Company uses judgements, based on the history of the transactions, for making provisions against doubtful trade debts.

(iv) Retirement benefits

The Company has retirement benefit obligations, which are determined through actuarial valuations using various assumptions as disclosed in note 16.2. Management believes that the changes in assumptions will not have significant effect on the financial statements.

(v) Share-based compensation plans

The Company has share-based transactions involving group companies shares accounted for using various assumptions as disclosed in note 15.1. Management believes that the changes in assumptions will not have significant effect on the financial statements.

(vi) Taxation

The Company takes into account the current income tax laws and decisions taken by appellate authorities while recognizing provision for income tax.

(vii) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

	Note	**December 31, 2017**	December 31, 2016
		-------- Rupees in '000	--------
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	**1,584,463**	1,703,331
Capital work-in-progress	3.2	**116,822**	163,124
		1,701,285	1,866,455

3.1 Operating fixed assets

	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Factory and office equipment	Motor vehicles	Total
	Rupees in '000						
Year ended December 31, 2017							
Opening net carrying value	**297**	**566,844**	**746,982**	**23,763**	**135,970**	**229,475**	**1,703,331**
Additions	**-**	**26,756**	**117,323**	**508**	**37,882**	**51,488**	**233,957**
Disposals	**-**	**-**	**(1,589)**	**-**	**(166)**	**(16,211)**	**(17,966)**
Amortization / depreciation charge	**(6)**	**(46,100)**	**(204,315)**	**(4,096)**	**(43,943)**	**(36,399)**	**(334,859)**
Closing net carrying value	**291**	**547,500**	**658,401**	**20,175**	**129,743**	**228,353**	**1,584,463**
Gross carrying value basis							
As at December 31, 2017							
Cost	**480**	**1,010,330**	**2,370,751**	**62,953**	**331,858**	**344,383**	**4,120,755**
Accumulated depreciation	**(189)**	**(462,830)**	**(1,712,350)**	**(42,778)**	**(202,115)**	**(116,030)**	**(2,536,292)**
Net carrying value	**291**	**547,500**	**658,401**	**20,175**	**129,743**	**228,353**	**1,584,463**
Year ended December 31, 2016							
Opening net carrying value	303	600,141	840,320	25,081	140,036	236,609	1,842,490
Additions	-	11,351	104,738	3,047	39,440	39,467	198,043
Disposals	-	-	-	-	(714)	(11,820)	(12,534)
Amortization / depreciation charge	(6)	(44,648)	(198,076)	(4,365)	(42,792)	(34,781)	(324,668)
Closing net carrying value	297	566,844	746,982	23,763	135,970	229,475	1,703,331
Gross carrying value basis							
As at December 31, 2016							
Cost	480	983,574	2,255,101	62,445	305,208	331,121	3,937,929
Accumulated depreciation	(183)	(416,730)	(1,508,119)	(38,682)	(169,238)	(101,646)	(2,234,598)
Net carrying value	297	566,844	746,982	23,763	135,970	229,475	1,703,331
Depreciation rate % per annum	1.23	5	10 to 15	10	10 to 33	20	

3.1.1 The Company granted two exclusive licenses to Bayer Pakistan (Private) Limited, Karachi, for the use of the land for a period of 20 years, commencing April 12, 1997 and October 1, 1997, respectively. The fee for each license for the first three years was Rs. 2.60 million and Rs. 0.82 million, respectively. Thereafter, the fee is being enhanced every year on the anniversary of the agreements on the basis of the rate of inflation in Pakistan calculated on a twelve months moving average published in the official Consumer Price Index prior to the relevant anniversary of the agreement. The licences have expired during the year and the management is in negotiations with Bayer Pakistan (Private) Limited for renewing the licences.

3.1.2 The depreciation / amortisation charge for the year has been allocated as follows:

	Note	December 31, 2017	December 31, 2016
		Rupees in '000	
Cost of sales	20	**270,362**	259,970
Distribution and marketing costs	20	**39,056**	40,922
Administrative expenses	20	**26,256**	24,450
		335,674	325,342

3.1.3 The details of operating fixed assets disposed off during the year are as follows:

Description	Cost	Accumulated depreciation	Net carrying value	Sale proceeds	Gain/(loss)	Mode of Disposal	Particulars of buyers
	---------------------- (Rupees in '000)				----------------------		
Plant and Machinery	1,673	84	1,589	1,484	(105)	Company Policy	By negotiation
Factory and Office Equipment	1,149	1,027	122	115	(7)	---do---	Aamer Waheed (Ex-Employee)
Items having carrying value of less than Rs.50,000 each	10,082	10,038	44	507	463	---do---	Various
	11,231	11,065	166	622	456		
Motor vehicles	2,445	1,243	1,202	449	(753)	Company Policy	Aamer Waheed (Ex-Employee)
	2,058	1,235	823	823	-	---do---	Shuja Shaikh (Ex-Employee)
	1,793	1,076	717	717	-	---do---	Munawar Uqaili (Employee)
	1,773	1,015	758	711	(47)	---do---	Laila Khan (Employee)
	1,673	1,004	669	669	-	---do---	Anas Siddiqui (Employee)
	1,663	516	1,147	859	(288)	---do---	Yasin Kapadia (Ex-Employee)
	1,638	983	655	655	-	---do---	Irfan Alam (Employee)
	1,608	965	643	643	-	---do---	Saad Usman (Employee)
	1,588	869	719	635	(84)	---do---	Abdul Hameed (Ex-Employee)
	1,588	953	635	635	-	---do---	Rehan Ahmed (Employee)
	1,560	936	624	624	-	---do---	Abdul Qadir (Employee)
	1,478	846	632	591	(41)	---do---	Amjad Javed (Employee)
	990	594	396	396	-	---do---	Khurram Shahzad (Employee)
	990	594	396	396	-	---do---	Ghulam Dustageer (Employee)
	990	594	396	396	-	---do---	Fahad Ahmed (Employee)
	990	594	396	396	-	---do---	Ijtaba Hasan (Employee)
	990	594	396	396	-	---do---	Taimoor Shehzad (Employee)
	990	594	396	396	-	---do---	Zia Ur Rehman (Employee)
	990	586	404	99	(305)	---do---	Murad Ali Saifuddin (Ex-Employee)
	985	591	394	394	-	---do---	Gohar Hayat (Employee)
	985	583	402	402	-	---do---	Asif Sharafat (Ex-Employee)
	985	591	394	394	-	---do---	Imran Alam Khan (Employee)
	985	591	394	394	-	---do---	Atif Hayat (Employee)
	776	460	316	310	(6)	---do---	Irshad Muhammed (Employee)
	776	466	310	310	-	---do---	Sheraz Qureshi (Employee)
	776	466	310	310	-	---do---	Abdul Shakoor (Employee)
	776	466	310	310	-	---do---	Aftab Hussain (Employee)
	776	460	316	310	(6)	---do---	M. Usman Rasheed (Employee)
	776	466	310	310	-	---do---	Najeeb Anwar (Employee)
	612	367	245	245	-	---do---	Ghulam Abbas (Employee)
	612	367	245	245	-	---do---	Misbah Iqbal (Employee)
	612	351	261	245	(16)	---do---	Faisal Babar (Ex-Employee)
	38,227	22,016	16,211	14,665	(1,546)		
2017	**51,131**	**33,165**	**17,966**	**16,771**	**(1,195)**		
2016	42,970	30,436	12,534	11,699	(835)		

3.2 Capital work-in-progress

	December 31, 2017	December 31, 2016
	-------- Rupees in '000	--------
Building on leasehold land	**13,314**	11,222
Plant and machinery	**83,988**	125,610
Others	**19,520**	26,292
	116,822	163,124

	Note	December 31, 2017	December 31, 2016
		-------- Rupees in '000	--------
3.3 Movement in capital work-in-progress is as follows:			
Opening balance		**163,124**	171,056
Additions during the year		**77,595**	89,989
Transferred to operating fixed assets		**(123,897)**	(97,921)
Closing balance		**116,822**	163,124

4. INTANGIBLE ASSETS - computer software and product license

	Note	December 31, 2017	December 31, 2016
Net carrying value basis			
Opening net carrying value		**873**	1,467
Additions		**983**	80
Amortization charge		**(815)**	(674)
Closing net carrying value		**1,041**	873
Gross carrying value basis			
Cost		**75,515**	74,532
Accumulated amortization		**(74,474)**	(73,659)
Net carrying value		**1,041**	873
Amortization rate per annum		**33% & 80%**	33% & 80%

5. LONG-TERM LOANS - considered good, unsecured

	Note	December 31, 2017	December 31, 2016
Employees	5.1	**11,056**	10,632
Less: Current maturity	10	**(4,577)**	(4,446)
		6,479	6,186

5.1 Reconciliation of carrying amount of long term loans to employees:

	Note	December 31, 2017	December 31, 2016
Opening balance		**10,632**	11,323
Disbursements		**5,502**	5,434
Repayments		**(5,078)**	(6,125)
Closing balance		**11,056**	10,632

Represent loans for the purchase of motor cars, motor cycles and personal expenses, in accordance with the Company's policy. Loans for the purchase of motor cars and motor cycles are interest free whereas personal loans, representing capital goods fund, carry interest at the rate of 9% (2016: 9%) per annum, respectively. These are repayable within five years in equal monthly instalments, except for capital goods fund which are repayable over a period of three years. These are not discounted to present value since the impact is not considered to be material in the overall context of the financial statements.

		Note	December 31, 2017	December 31, 2016
			-------- Rupees in '000	--------
6.	DEFERRED TAXATION			
	Debit balances arising from:			
	- provisions		108,658	79,653
	Credit balances arising from:			
	- accelerated tax depreciation allowance		(103,552)	(136,329)
			5,106	(56,676)
7.	STORES AND SPARES			
	Stores		17,502	18,093
	Provision against obsolete stores		(1,240)	(1,240)
			16,262	16,853
	Spares		36,798	33,842
	Provision against obsolete spares		(1,887)	(1,887)
			34,911	31,955
			51,173	48,808
8.	STOCK-IN-TRADE			
	Raw and packing material			
	In hand		1,042,678	1,178,175
	In transit		103,421	269,310
			1,146,099	1,447,485
	Provision against raw and packing material	8.1	(118,992)	(107,464)
			1,027,107	1,340,021
	Work-in-process		37,598	64,145
	Finished goods			
	In hand		1,343,652	1,226,162
	In transit		160,159	136,089
			1,503,811	1,362,251
	Provision against finished goods	8.2 & 8.3	(162,181)	(122,317)
			1,341,630	1,239,934
		8.4	2,406,335	2,644,100
8.1	Movement of provision against raw and packing material			
	Opening balance		107,464	17,924
	Charge for the year	20	21,654	97,227
	Write off during the year		(10,126)	(7,687)
	Closing balance		118,992	107,464

8.2 Includes write down of finished goods costing Rs. 33.531 (2016: Rs. 45.162) million, to their net realizable value of Rs. 24.345 (2016: Rs. 33.284) million.

		Note	December 31, 2017	December 31, 2016
			-------- Rupees in '000	--------
8.3	Movement of provision against finished goods			
	Opening balance		122,317	143,812
	Charge for the year	20	47,382	62,263
	Write off during the year		(7,518)	(83,758)
	Closing balance		162,181	122,317

		Note	December 31, 2017	December 31, 2016
			-------- Rupees in '000 --------	
8.4	Details of stock-in-trade held with third parties is as follows:			
	Medipak Limited		-	831
	Stancos (Pvt.) Limited		4,999	6,718
	Zestech Sciences		2,328	-
			7,327	7,549
9.	TRADE DEBTS - unsecured			
	Considered good		683,932	707,359
	Considered doubtful		931	931
			684,863	708,290
	Provision against doubtful debts		(931)	(931)
			683,932	707,359
10.	LOANS AND ADVANCES - unsecured, considered good Loans			
	Current maturity of long-term loans	5	4,577	4,446
	Advances			
	Executives		11,011	8,725
	Employees		6,570	7,265
	Contractors and suppliers		37,781	53,081
			55,362	69,071
			59,939	73,517
11.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
	Tender deposits			
	Considered good		158,629	114,815
	Considered doubtful		20,911	22,235
			179,540	137,050
	Provision against doubtful deposits	11.1	(20,911)	(22,235)
			158,629	114,815
	Margin against letters of credit		27,376	37,958
	Short-term prepayments		12,222	12,490
			198,227	165,263
11.1	Movement of provision against doubtful deposits			
	Opening balance		22,235	591
	(Reversal) / provision for the year		(1,324)	21,644
	Closing balance		20,911	22,235
12.	OTHER RECEIVABLES			
	Considered good			
	Due from - related parties	12.1	5,607	5,419
	Due from - others	12.2	17,568	23,986
			23,175	29,405
	Considered doubtful			
	Sales tax refundable		5,918	5,918
	Provision against doubtful receivables		(5,918)	(5,918)
			-	-
			23,175	29,405
12.1	Due from related parties			
	Merial Asia, Singapore		-	503
	Sanofi-Aventis Groupe, France		2,126	1,938
	Sanofi-Aventis Gulf, UAE		3,481	2,978
			5,607	5,419

12.2 Includes Rs. 15 million receivable against the sale of Wah Site, made in 2012, from M/s. COMSATS Institute of Information Technology, which is pending upon the final transfer of title of the property in the name of the buyer. The management, based on the legal advice, is confident about the recovery of the said amount, hence, no provision has been made in this regard (refer note 18.1.2 and 18.1.4 to these financial statements).

	December 31, 2017	December 31, 2016
	-------- Rupees in '000 --------	
13. CASH AND BANK BALANCES		
Cash in hand	214	159
Cheque in hand	-	17,145
Cash at banks		
In current accounts - local currency	10,579	32,919
- foreign currency	5,051	217
	15,630	33,136
	15,844	50,440

14. SHARE CAPITAL

No. of shares December 31, 2017	No. of shares December 31, 2016		December 31, 2017	December 31, 2016
			-------- Rupees in '000 --------	
		Authorized share capital		
10,000,000	10,000,000	Ordinary shares of Rs. 10/- each	100,000	100,000
		Issued, subscribed and paid up capital		
		Ordinary shares of Rs. 10/- each		
2,757,783	2,757,783	Issued for cash	27,578	27,578
3,359,477	3,359,477	Issued as fully paid bonus shares	33,595	33,595
687,500	687,500	Issued against plant and equipment	6,875	6,875
140,000	140,000	Issued against loan	1,400	1,400
2,700,000	2,700,000	Issued in persuant to merger with Rhone Poulenc Rorer Pakistan (Private) Limited	27,000	27,000
9,644,760	9,644,760		96,448	96,448

The Parent Company held 5,099,469 (2016: 5,099,469) ordinary shares of Rs. 10/- each, aggregating to Rs. 50,994,690, constituting 52.88% of share capital of the Company, as at the balance sheet date.

	December 31, 2017	December 31, 2016
	-------- Rupees in '000 --------	
15. RESERVES		
Capital reserves		
Long-term liabilities forgone	5,935	5,935
Difference of share capital under scheme of arrangement for amalgamation	18,000	18,000
Others	238,109	209,083
	262,044	233,018
Revenue reserves		
General reserve	2,735,538	2,035,538
Un-appropriated profit	1,054,588	1,047,336
	3,790,126	3,082,874
	4,052,170	3,315,892

15.1 Share-based compensation plans

As at December 31, 2017, the Company has following equity settled share-based compensation plans:

Stock Option Plans:

The Ultimate Parent Company granted a number of equity-settled share-based payment plans (stock option plans) to some of its employees, including employees of the Company. These plans entitled the eligible employees to acquire shares of the Ultimate Parent by exercising options granted to them, subject to the fulfilment of the vesting conditions.

In accordance with IFRS-2 (Share-based Payment), services received from employees as consideration for stock options are recognised as an expense in the profit and loss account, with the corresponding entry recorded as equity. The expense corresponds to the fair value of the stock option plans of the shares of the Ultimate Parent Company and is charged against income on a straight-line basis over the four-year vesting period of the plan.

The fair value of stock option plans is measured at the date of grant, using the Black-Scholes valuation model, taking into account the expected life of the options.

The benefit cost recognised, therefore, relates to rights that vested during the reporting period for all plans granted by the Ultimate Parent Company.

The table below shows stock subscription option plans granted by the Ultimate Parent Company to the employees of the Company which are still outstanding.

Date of grant	Vesting period (years)	Options granted (number)	Start date of exercise period	Expiration Date	Exercise price (€)	Options outstanding at December 31, 2017 (number)
02/03/2009	4	7,595	04/03/2013	01/03/2019	45.09	840
01/03/2010	4	8,035	03/03/2014	01/03/2020	54.12	2,195
		15,630				3,035

The exercise of each option will result in the issuance of one share of the Ultimate Parent Company to the employees of the Company.

Summary of stock option plans:

	Number of options	Weighted average exercise price
Options outstanding at January 1, 2016	7,310	57.73
Of which exercisable	7,310	57.73
Options granted	-	-
Options exercised	(1,100)	(65.75)
Options cancelled	(500)	(66.91)
Options outstanding at December 31, 2016	5,710	55.38
Of which exercisable	5,710	55.38
Options granted	-	-
Options exercised	(875)	(54.12)
Options cancelled	(1,800)	(62.33)
Options outstanding at December 31, 2017	3,035	51.62
Of which exercisable	3,035	51.62

The expense recognised for the stock option plans with the corresponding effect on the equity amounted to Nil (2016: Nil).

Restricted share plan:

The Board of Directors of Sanofi S.A. (France), in a meeting held on May 10, 2017, decided to award a restricted share plan comprising 3,505 shares to some of the employees of the Company, which will vest after a four-year service period.

In compliance with IFRS-2, the Company has measured the fair value of this plan by reference to the fair value of the equity instruments awarded, representing the fair value of the services rendered during the period.

The plans were measured as of the date of grant. The fair value of each share awarded is equal to the listed market price of the share as of that date, adjusted for dividends expected during the vesting period. The fair value of each share awarded as on May 10, 2017 amounted to € 81.50.

The number of restricted shares outstanding as of December 31, 2017 were 12,955 (2016: 13,741).

The expense recognised for restricted share plan with the corresponding effect on the equity amounted to Rs. 29.026 (2016: Rs. 26.265) million.

The table below shows restricted shares plan granted by the Ultimate Parent Company to the employees of the Company which are still outstanding.

Date of grant	Vesting period (years)	Shares granted (number)	End of vesting period	Fair value of shares	Shares outstanding at December 31, 2017 (number)
05/03/2014	4	4,450	06/03/2018	59.68	3,750
24/06/2015	4	2,750	25/06/2019	79.52	2,650
04/05/2016	4	3,250	05/05/2020	61.06	3,050
10/05/2017	4	3,505	10/05/2021	81.50	3,505
		13,955			12,955

16. TRADE AND OTHER PAYABLES

	Note	December 31, 2017	December 31, 2016
		-------- Rupees in '000	--------
Trade creditors			
Related parties		552,834	768,486
Other trade creditors		161,724	165,981
		714,558	934,467
Other payables			
Accrued liabilities		793,857	718,777
Provision for Infrastructure Development Cess	16.1	222,009	197,106
Employees' Pension Fund	16.2	88,812	61,948
Employees' Gratuity Fund	16.2	15,453	27,907
Amount payable under voluntary separation scheme		70,725	-
Advances from customers		34,341	19,799
Workers' Profits Participation Fund	16.3	80,909	70,662
Workers' Welfare Fund		67,270	39,810
Central Research Fund		17,050	15,521
Compensated absences		69,111	61,343
Security deposits		775	775
Contractors' retention money		1,850	1,898
Unclaimed dividend		5,323	4,079
Withholding income tax payable		8,335	11,491
Sales tax payable		13,335	2,674
		1,489,155	1,233,790
		2,203,713	2,168,257

16.1 Provision for Infrastructure Development Cess

	December 31, 2017	December 31, 2016
Opening balance	197,106	177,688
Provision for the year	24,903	19,418
Closing balance	222,009	197,106

16.2 The status of the funds and principal assumptions used in the actuarial valuation as of December 31, 2017 were as follows:

	Pension Fund		Gratuity Fund	
	2017	2016	2017	2016
	---- Rupees in '000 ----		---- Rupees in '000 ----	
Balance sheet reconciliation as at December 31				
Fair value of plan assets	636,168	576,115	463,901	412,864
Present value of defined benefit obligation	(724,980)	(638,063)	(479,354)	(440,771)
Net liability in balance sheet	(88,812)	(61,948)	(15,453)	(27,907)
Movement in net liability				
Payable as at January 1	(61,948)	(27,589)	(27,907)	(37,878)
Charge for the year	(40,736)	(33,626)	(40,298)	(39,600)
Employer contribution	41,777	30,573	38,156	39,274
Actuarial (loss) / gain recognised in equity	(27,905)	(31,306)	14,596	10,297
Payable as at December 31	(88,812)	(61,948)	(15,453)	(27,907)

	Pension Fund		Gratuity Fund	
	2017	2016	**2017**	2016
	---- Rupees in '000 ----		---- Rupees in '000 ----	
Expense recognised				
Current service cost	**29,960**	27,675	**39,504**	37,685
Past service cost	**7,081**	4,659	**-**	-
Interest cost	**56,041**	56,306	**38,399**	41,846
Expected return on plan assets	**(52,346)**	(55,014)	**(37,605)**	(39,931)
	40,736	33,626	**40,298**	39,600
Actual return on plan assets	**49,050**	50,474	**41,108**	40,031
Movement in the defined benefit obligation				
Obligation as at January 1	**638,063**	549,838	**440,771**	425,634
Current service cost	**29,960**	27,675	**39,504**	37,685
Past service cost	**7,081**	4,659	**-**	-
Interest cost	**56,041**	56,306	**38,399**	41,846
Benefits paid	**(30,774)**	(27,180)	**(28,227)**	(54,197)
Actuarial loss / (gain)	**24,609**	26,765	**(11,093)**	(10,197)
Obligation as at December 31	**724,980**	638,063	**479,354**	440,771
Movement in fair value of plan assets				
Fair value as at January 1	**576,115**	522,249	**412,864**	387,756
Expected return on plan assets	**52,346**	55,014	**37,605**	39,931
Employer contributions	**41,777**	30,573	**38,156**	39,274
Benefits paid	**(30,774)**	(27,180)	**(28,227)**	(54,197)
Actuarial (loss) / gain	**(3,296)**	(4,541)	**3,503**	100
Fair value as at December 31	**636,168**	576,115	**463,901**	412,864
Key actuarial assumptions used are as follows				
Discount factor used	**9.25%**	9.00%	**9.25%**	9.00%
Expected rate of return per annum on plan assets	**9.25%**	9.00%	**9.25%**	9.00%
Expected rate of increase in future salaries per annum	**9.25%**	9.00%	**9.25%**	9.00%
Indexation of pension	**4.75%**	4.5%	**-**	-
Retirement age (years)	**60 years**	60 years	**60 years**	60 years

	2017		2016	
	Rs in '000	**%**	Rs in '000	%
Plan assets comprise of:				
Funded pension plan				
Debt	**387,520**	**60.92**	425,846	73.92
Equity	**72,282**	**11.36**	90,616	15.73
Others (includes cash and bank balances)	**176,366**	**27.72**	59,653	10.35
	636,168	**100.00**	576,115	100.00
Funded gratuity plan				
Debt	**307,495**	**66.28**	309,343	74.92
Equity	**48,750**	**10.51**	66,735	16.16
Others (includes cash and bank balances)	**107,656**	**23.21**	36,786	8.92
	463,901	**100.00**	412,864	100.00

Comparison for five years:

	2017	2016	2015	2014	2013
	---------- Rupees in '000 ----------				
Funded pension plan					
Fair value of plan assets	**636,168**	576,115	522,249	437,805	360,240
Present value of defined benefit obligation	**(724,980)**	(638,063)	(549,838)	(464,032)	(402,198)
Deficit	**(88,812)**	(61,948)	(27,589)	(26,227)	(41,958)
Experience adjustment					
Actuarial gain / (loss) on obligation	**(24,609)**	(26,765)	4,822	(8,793)	(5,544)
Actuarial gain / (loss) on plan assets	**(3,296)**	(4,541)	12,988	16,112	(5,790)
Funded gratuity plan					
Fair value of plan assets	**463,901**	412,864	387,756	329,177	313,073
Present value of defined benefit obligation	**(479,354)**	(440,771)	(425,634)	(349,457)	(307,097)
(Deficit) / surplus	**(15,453)**	(27,907)	(37,878)	(20,280)	5,976
Experience adjustment					
Actuarial gain / (loss) on obligation	**11,093**	10,197	(25,859)	(27,961)	4,738
Actuarial gain on plan assets	**3,503**	100	9,732	2,542	3,408

16.2.1 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the plan at the beginning of the period.

16.2.2 Based on the actuarial advice, the amount of expected contribution to gratuity and pension funds during the year 2018 will be Rs. 40.059 million and Rs. 42.203 million respectively.

16.3 Workers' Profit Participation Fund	Note	December 31, 2017	December 31, 2016
		-------- Rupees in '000 --------	
Opening balance		**70,662**	8,280
Allocation for the year	21	**85,247**	77,572
		155,909	85,852
Amount paid to the Fund		**(75,000)**	(15,190)
Closing balance		**80,909**	70,662

17. SHORT-TERM BORROWINGS

	Note	December 31, 2017	December 31, 2016
Short-term loan		**-**	500,000
Running finance utilized under mark-up arrangements	17.1	**271,296**	175,441
		271,296	675,441

17.1 Represents running finance facilities from various commercial banks under mark-up arrangements aggregating to Rs. 4,550 (2016: Rs. 4,550) million. These facilities are secured against first pari passu charge on stock-in-trade and book debts of the Company and carry mark-up rates ranging between KIBOR + 0.35% to KIBOR + 0.40% (2016: KIBOR + 0.35% to KIBOR + 0.40%) per annum. These facilities will expire latest by December 31, 2018.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Deputy Commissioner Inland Revenue (DCIR), issued an order on December 28, 2017, for the year ended December 31, 2013 increasing the tax liability by Rs.275.69 million alleging that the purchases of certain Active Pharmaceutical Ingredients (APIs) from related parties were not executed at arms' length basis. The Company was required to pay an amount of Rs.110.61 million being the short payment on account of reassessed tax liability. The Company paid the said amount under protest and filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] against the said order which is pending adjudication.

18.1.2 The DCIR passed an order under section 122(5) of the Income Tax Ordinance, 2001 for the year ended December 31, 2012, increasing the tax liability by Rs.131.113 million on the contention that the Company understated the gain on sale of WAH Site and disallowance of certain expenses related to sales promotion and advertisement. The Company filed an appeal before the CIR(A), on which hearing has been concluded and order is awaited.

18.1.3 During the year ended December 31, 2016, Inland Revenue, Enforcement & Collection has framed the assessment for tax year 2014 on the alleged contention that the Company had short deducted income tax from payments made to vendors under various heads of expenditures. Total tax demand raised under the order is Rs. 123.4 million. The Company has filed an appeal before CIR(A) on which hearing has been concluded and order is awaited.

The aggregate tax effect of the above demand orders amount to Rs.530.17 million. However, the management, based on tax advise is confident for a favourable outcome, hence, no provision is made in these financial statements in respect of these orders.

18.1.4 During the year ended December 31, 2012, the Company disposed off its Wah Site to M/s COMSATS for an amount of Rs. 240 million and the possession of property was transferred to the buyer subsequent to the signing of an Agreement to Sell. The Company also obtained a 'No Tax Demand' Certificate from the Wah Cantonment Board (WCB) before the sale was finalised. However, WCB revised its assessment of the rental value of the property retrospectively from July 1, 2011 resulting in the levy of an additional amount of house tax on the Company amounting to Rs. 28.7 million. Further, WCB levied composition tax, TIP tax, building drawings fee and miscellaneous charges amounting to Rs. 71.2 million on grounds that the construction / upgrading of buildings that took place in 1991 had been undertaken without prior approval from the cantonment authorities. The Company challenged this unjustified revision in the rental value at the Director Military Lands and Cantonments, Rawalpindi Region which directed WCB Assessment Committee to decide the matter afresh and provide convincing reasons for change in the rental value. The management, based on legal advise, is of the opinion that the demand raised by WCB is unjustified and unlawful and is hopeful that the matter will be decided in favor of the Company by the appellate forums.

	December 31, 2017	December 31, 2016
	-------- Rupees in '000	--------
18.2 Commitments		
Commitments for capital expenditure	**92,609**	67,848
Post-dated cheques issued to Collector of Customs	**21,440**	21,440
Outstanding letters of credit	**111,829**	57,196
Outstanding bank guarantees	**370,524**	352,498
Outstanding bank contracts	**73,745**	692,437
19. NET SALES		
Gross Sales		
Local	**13,490,737**	12,503,790
Export	**184,164**	468,588
	13,674,901	12,972,378
Toll manufacturing	**44,945**	162,472
	13,719,846	13,134,850
Less:		
Discounts	**(1,101,434)**	(1,087,377)
Returns	**(128,296)**	(116,915)
Sales tax	**(44,064)**	(40,323)
	(1,273,794)	(1,244,615)
	12,446,052	11,890,235

20. OPERATING COSTS

	Cost of sales		Distribution and marketing costs		Administrative expenses		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	Rupees in '000							
Raw and packing material consumed	3,903,407	3,781,811	-	-	-	-	3,903,407	3,781,811
Raw and packing material written off	4,080	22,014	-	-	-	-	4,080	22,014
Provision against raw and packing material (note 8.1)	21,654	97,227	-	-	-	-	21,654	97,227
Stores and spares consumed	39,977	35,336	-	-	-	-	39,977	35,336
Stationery and supplies consumed	3,483	3,806	3,138	4,465	3,495	3,888	10,116	12,159
Staff costs (note 20.1)	576,619	597,100	948,008	877,653	270,842	206,854	1,795,469	1,681,607
Fuel and power	259,830	249,236	4,172	4,319	11,703	7,272	275,705	260,827
Rent, rates and taxes	35,342	70,795	17,634	22,493	21,093	1,072	74,069	94,360
Insurance	4,141	4,660	9,773	9,664	2,041	1,929	15,955	16,253
Repairs and maintenance	62,800	58,350	11,082	7,460	18,012	13,236	91,894	79,046
Depreciation / amortization	270,362	259,970	39,056	40,922	26,256	24,450	335,674	325,342
Traveling and conveyance	48,610	52,330	282,579	287,413	40,196	33,850	371,385	373,593
Handling, freight and transportation	-	-	195,004	211,737	-	-	195,004	211,737
Communication	77,444	5,208	22,302	25,572	13,167	5,293	112,913	36,073
Security and maintenance	24,139	21,184	5,717	5,345	9,955	5,994	39,811	32,523
Publication and subscription	829	440	331	528	813	981	1,973	1,949
Electronic and print media	-	-	129,922	106,532	-	-	129,922	106,532
Conferences and exhibitions	-	-	191,914	199,510	-	-	191,914	199,510
Market research	-	-	24,801	28,600	-	-	24,801	28,600
Clinical trials	-	-	7,701	17,511	-	-	7,701	17,511
Patient care	-	-	50,153	24,153	-	-	50,153	24,153
Samples	-	-	5,788	31,903	-	-	5,788	31,903
Sales promotion	-	-	52,105	33,778	-	-	52,105	33,778
Sales commission	-	-	120,367	108,072	-	-	120,367	108,072
Software license / maintenance fee	4,623	3,449	1,902	1,968	4,471	1,722	10,996	7,139
Other expenses	5,651	7,640	13,486	33,829	7,222	3,916	26,359	45,385
	5,342,991	5,270,556	2,136,935	2,083,427	429,266	310,457	7,909,192	7,664,440
Recovery of service charges from outside parties	(9,305)	(8,776)	-	-	-	-	(9,305)	(8,776)
	5,333,686	5,261,780	2,136,935	2,083,427	429,266	310,457	7,899,887	7,655,664
Opening work-in-process	64,145	81,534						
Closing work-in-process	(37,598)	(64,145)						
Cost of goods manufactured	5,360,233	5,279,169						
Opening stock of finished goods	1,362,251	1,575,217						
Finished goods purchased	2,671,227	2,253,525						
Cost of samples included under distribution and marketing expenses	(5,788)	(31,903)						
Finished goods written off (note 20.2)	78,787	93,086						
Provision against finished goods (note 8.3)	47,382	62,263						
Closing stock of finished goods	(1,503,811)	(1,362,251)						
	8,010,281	7,869,106						

20.1 Staff Costs

	Cost of sales 2017	Cost of sales 2016	Distribution and marketing costs 2017	Distribution and marketing costs 2016	Administrative expenses 2017	Administrative expenses 2016	Total 2017	Total 2016
Salaries, wages and other benefits	541,303	561,404	773,847	792,885	223,087	165,871	1,538,237	1,520,160
Training expenses	230	228	20,948	13,044	2,653	303	23,831	13,575
Defined benefit plan	16,718	17,203	44,600	37,420	19,716	18,603	81,034	73,226
Defined contribution plan	13,179	14,062	29,884	27,556	9,553	6,763	52,616	48,381
Voluntary separation scheme	-	-	70,725	-	-	-	70,725	-
Share-based payments	5,189	4,203	8,004	6,748	15,833	15,314	29,026	26,265
	576,619	597,100	948,008	877,653	270,842	206,854	1,795,469	1,681,607

20.2 Includes Rs.56.655 million against finished goods destroyed due to fire at third party warehouse in December 2017.

		Note	December 31, 2017	December 31, 2016
			-------- Rupees in '000	--------
21.	OTHER EXPENSES			
	Auditors' remuneration	21.1	3,128	2,676
	Workers' Profits Participation Fund	16.3	85,247	77,572
	Workers' Welfare Fund		27,460	24,546
	Central Research Fund		17,049	15,514
	Legal and consultancy charges		8,281	14,160
	Donations	21.2	3,511	1,000
	Exchange loss - net		206,537	-
	Loss on sale of operating fixed assets		1,195	835
	Others		578	572
			352,986	136,875
21.1	Auditors' remuneration			
	Audit fee		1,394	1,238
	Review of half yearly financial statements		432	389
	Report on Code of Corporate Governance and special certification		1,075	798
	Out-of-pocket expenses		227	251
			3,128	2,676

21.2 No directors or their spouses have any interest in any donees fund to which donations were made.

		December 31, 2017	December 31, 2016
		-------- Rupees in '000	--------
22.	OTHER INCOME		
	Income from financial assets		
	Interest on loans to employees	24	40
	Liabilities no longer payable written back	2,866	5,179
	Exchange gain - net	-	25,146
		2,890	30,365
	Income from non-financial assets		
	License fee	30,951	19,299
	Insurance claim recovery	20,157	17,145
	Scrap sales	8,983	9,536
	Miscellaneous	2,000	-
		62,091	45,980
		64,981	76,345
23.	FINANCE COSTS		
	Mark-up on:		
	long-term financing	11,160	50,909
	short-term borrowings	12,001	96,496
		23,161	147,405
	Bank charges	12,248	11,922
		35,409	159,327
24.	TAXATION		
	Current	555,997	392,857
	Prior	42,037	29,879
		598,034	422,736
	Deferred	(57,999)	(34,270)
		540,035	388,466

		December 31, 2017	December 31, 2016
		-------- Rupees in '000 --------	
24.1	**Relationship between accounting profit and tax expense:**		
	Accounting profit before taxation	1,546,156	1,407,388
	Tax at the applicable tax rate of 30% (2016: 31%)	463,847	436,290
	Tax effects of:		
	- Income subject to Final Tax Regime	(14,482)	(66,704)
	- Tax credits	(12,740)	(13,462)
	- Super Tax	51,703	-
	- Expenses not allowable for tax purposes	9,670	5,526
	- Prior year	42,037	29,879
	- Others	-	(3,063)
		540,035	388,466

25. EARNINGS PER SHARE - basic and diluted

	December 31, 2017	December 31, 2016
Profit after taxation	1,006,121	1,018,922
	Number of shares	
Weighted average number of ordinary shares	9,644,760	9,644,760
	-------- Rupees --------	
Earnings per share - basic and diluted	104.32	105.65

25.1 There is no dilutive effect on the basic earnings per share of the Company.

26. CASH GENERATED FROM OPERATIONS

	Note	December 31, 2017	December 31, 2016
		-------- Rupees in '000 --------	
Profit before taxation		1,546,156	1,407,388
Adjustment for non-cash charges and other items:			
Depreciation / amortization		335,674	325,342
Loss on sale of operating fixed assets		1,195	835
Expenses arising from equity settled share-based payment plans		29,026	26,265
Retirement benefits		81,034	73,226
Interest income		(24)	(40)
Finance costs		35,409	159,327
Working capital changes	26.1	265,473	754,672
		2,293,943	2,747,015

26.1 Working capital changes

	December 31, 2017	December 31, 2016
Decrease / (increase) in current assets:		
Stores and spares	(2,365)	5,902
Stock-in-trade	237,765	207,217
Trade debts	23,427	295,113
Loans and advances	13,578	44,722
Trade deposits and short-term prepayments	(32,964)	46,540
Other receivables	6,230	14,231
	245,671	613,725
Increase in current liabilities:		
Trade and other payables (excluding accruals for unclaimed dividend)	19,802	140,947
	265,473	754,672

	December 31, 2017	December 31, 2016
	-------- Rupees in '000	--------
27. CASH FLOWS FROM OPERATING ACTIVITIES (DIRECT METHOD)		
Cash receipts from customers	**12,469,479**	12,185,348
Cash paid to suppliers / service providers and employees	**(10,175,536)**	(9,438,333)
Finance costs paid	**(40,012)**	(196,711)
Income tax paid	**(844,214)**	(570,496)
Retirement benefits paid	**(79,933)**	(69,847)
Long-term loans - net	**(293)**	552
Long-term deposits - net	**-**	(827)
Net cash generated from operating activities	**1,329,491**	1,909,686
28. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**15,844**	50,440
Running finances utilized under mark-up arrangement	**(271,296)**	(175,441)
	(255,452)	(125,001)

29. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of group companies, associated undertakings, employees' retirement funds, directors and key management personnel. Transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	December 31, 2017				December 31, 2016			
	Group companies	Associated undertakings	Retirement funds	Total	Group companies	Associated undertakings	Retirement funds	Total
	---- Rupees in '000 ----							
Sales	**23,628**	**-**	**-**	**23,628**	27,679	-	-	27,679
Purchase of goods	**3,891,708**	**-**	**-**	**3,891,708**	3,700,802	-	-	3,700,802
Purchase of services	**90,156**	**8,799**	**-**	**98,955**	-	9,757	-	9,757
Insurance claim received	**-**	**20,157**	**-**	**20,157**	-	17,145	-	17,145
Contribution paid								
- Provident fund	**-**	**-**	**52,485**	**52,485**	-	-	48,238	48,238
- Gratuity fund	**-**	**-**	**38,156**	**38,156**	-	-	39,274	39,274
- Pension fund	**-**	**-**	**41,777**	**41,777**	-	-	30,573	30,573

30. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
	---- Rupees in '000 ----							
Managerial remuneration	**15,849**	13,979	**5,719**	4,472	**316,549**	266,318	**338,117**	284,769
Profit sharing bonus	**7,524**	6,600	**1,767**	1,336	**65,351**	56,853	**74,642**	64,789
Retirement benefits	**2,905**	2,562	**1,048**	820	**54,137**	48,816	**58,090**	52,198
Perquisites and benefits:								
Rent and utilities	**8,717**	7,688	**3,146**	2,460	**163,651**	146,475	**175,514**	156,623
Medical expenses	**74**	108	**112**	97	**14,084**	13,164	**14,270**	13,369
Club subscription	**49**	1,670	**-**	-	**298**	2,915	**347**	4,585
	35,118	32,607	**11,792**	9,185	**614,070**	534,541	**660,980**	576,333
Number of persons	**1**	1	**1**	1	**204**	201	**206**	203

In addition to the above remuneration, the Chief Executive, Directors and certain Executives are also provided with free use of the Company maintained cars and household equipment in accordance with the terms of employment.

Aggregate amount charged in the financial statements in respect of fee and expenses to Non-Executive Directors amount to Rs. 3.971 (2016: Rs. 1) million and NIL (2016: 3.775) million respectively.

Further, the impact of benefits available to the Chief Executive, Directors and certain Executives recognised by the Company on account of share-based payment plans aggregated to Rs. 8.581 (2016: Rs. 6.508) million, Rs. 0.877 (2016: 0.692) million and Rs. 19.569 (2016: Rs. 19.065) million, respectively.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's overall risk management programme focuses on minimizing potential adverse effects on the Company's financial performance. The overall risk management of the Company is carried out by the Company's senior management team under policies approved by the Board of Directors.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

31.1 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 equity price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range, and the management manages these risks as explained in the following paragraphs.

31.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk due to transactions denominated in foreign currencies primarily relating to its operating activities.

Exposure to foreign currency risk

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

	December 31,		December 31,		December 31,	
	2017	2016	**2017**	2016	**2017**	2016
	GBP in '000		Euro in '000		USD in '000	
Other receivables	**-**	-	**33**	34	**12**	15
Trade and other payables	**(2)**	(8)	**(4,421)**	(7,379)	**(95)**	(155)
	(2)	(8)	**(4,388)**	(7,345)	**(83)**	(140)

Sensitivity analysis

The following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all major currencies applied to assets and liabilities as at December 31, 2017 represented in foreign currencies, with all other variables held constant, of the Company's profit before tax.

		December 31, 2017	December 31, 2016
Change in exchange rate	±	**1%**	1%
Effect on profit before tax (Rs.000's)	±	**5,905**	8,238
Effect on equity (Rs.000's)	±	**3,842**	5,964

31.1.2 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 change in market interest rates. The Company's exposure to the risk of change in market interest rate relates primarily to the Company's liability against, long-term financing and short-term borrowings with floating interest rates.

Interest rate profile of financial instruments

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

	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Effective rates (%)		------------ Rupees in '000 -----------	
Financial assets				
Loans to employees	9.00	9.00	320	433
Financial liabilities				
Long-term financing	-	three months KIBOR + 0.4	-	500,000
Short-term borrowings	KIBOR+0.35 to KIBOR+0.40	KIBOR - 0.02 & KIBOR+0.35 to KIBOR+0.40	271,296	675,441
			271,296	1,175,441

Sensitivity analysis

A change of 100 basis points (1%) in interest rate at the reporting date would have changed Company's profit before tax for the year and equity by the amounts shown below, with all other variables held constant.

		December 31, 2017	December 31, 2016
Change in interest rate	±	1%	1%
Effect on profit before tax (Rs.000's)	±	2,713	7,152
Effect on equity (Rs.000's)	±	1,765	5,178

31.1.3 Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity investments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares.

31.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balances with banks. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk on trade debts, the Company has developed a formal approval process, whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The credit risk on liquid funds such as balances with banks is limited because the counter parties are banks with reasonably high credit ratings.

Exposure to credit risk

The Company's maximum exposure to credit risk at the reporting date is as follows:

	December 31, 2017	December 31, 2016
	------- Rupees in '000	-------
Trade debts	**683,932**	707,359
Loans	**11,056**	10,632
Trade deposits	**186,005**	152,773
Other receivables	**23,175**	29,405
Cash at banks	**15,630**	33,136
	919,798	933,305

Quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or default history of counter parties as shown below:

	December 31, 2017	December 31, 2016
	------- Rupees in '000	-------
31.2.1 Trade debts		
The carrying values of trade receivables that are neither past due nor impaired are analysed as follows:		
Amounts not yet due	**532,937**	372,622
The ageing of trade debts past due but not impaired at the reporting date is as under. These relate to a number of independent customers from whom there is no history of default.		
1 – 30 days	**31,598**	223,506
31 – 60 days	**25,074**	62,921
61 – 90 days	**2,320**	7,345
91 – 120 days	**1,875**	9,396
121 – 150 days	**4,806**	12,973
151 – 180 days	**3,387**	297
181 – 365 days	**73,302**	7,706
Over 365 days	**8,633**	10,593
	150,995	334,737
	683,932	707,359

	December 31, 2017	December 31, 2016
	------- Rupees in '000	-------
The maximum exposure to credit risk for trade debts as at the reporting date by type of counter parties was:		
Government institutions and hospitals	**370,492**	215,843
Private institutions and hospitals	**59,953**	131,156
Credit Distributors	**189,473**	114,843
Export customer	**64,945**	246,448
	684,863	708,290
Provision for doubtful debts	**(931)**	(931)
	683,932	707,359

31.2.2 Cash at banks

The carrying values of bank balances are analysed as follows:

	December 31, 2017	December 31, 2016
A1+	**9,708**	32,048
P-1	**871**	871
P-2	**5,051**	217
	15,630	33,136

31.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company maintains flexibility in funding by maintaining availability under control committed credit lines.

The table below summarizes the maturity profile of the Company's financial liabilities as at reporting date.

	Carrying amount	less than 12 months	1 to 2 years
	------------------	Rupees in '000	--------------
December 31, 2017			
Trade and other payables	**2,016,814**	**2,016,814**	**-**
Accrued mark-up	**1,435**	**1,435**	**-**
Short-term borrowings	**271,296**	**271,296**	**-**
	2,289,545	**2,289,545**	**-**
December 31, 2016			
Long-term financing	500,000	-	500,000
Trade and other payables	2,028,099	2,028,099	-
Accrued mark-up	6,038	6,038	-
Short-term borrowings	675,441	675,441	-
	3,209,578	2,709,578	500,000

31.4 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As of the balance sheet date, the carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

31.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may regulate the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings less cash and bank balances. Total capital is calculated as equity, as shown in the balance sheet plus net debt.

The gearing ratio as at December 31, 2017 and 2016 were as follows:

	Note	December 31, 2017	December 31, 2016
		------- Rupees in '000	-------
Long-term financing (including current maturity)		-	500,000
Short-term borrowings	17	271,296	675,441
Total borrowings		271,296	1,175,441
Less: Cash and bank balances	13	(15,844)	(50,440)
Net debt		255,452	1,125,001
Total equity	14 & 15	4,148,618	3,412,340
		4,404,070	4,537,341
Gearing ratio		6%	25%

32. ENTITY WIDE INFORMATION

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

	December 31, 2017	December 31, 2016
	------- Rupees in '000	-------
32.2 Information about classes of products		
Pharmaceutical	11,541,535	11,110,825
Vaccine	904,517	779,410
	12,446,052	11,890,235
32.3 Information about geographical areas		
Sales to external customers, net of returns and discounts		
Pakistan	12,291,851	11,494,251
Afghanistan	130,573	368,305
Others	23,628	27,679
	12,446,052	11,890,235

32.4 Information about major customers

There were three major customers of the Company who contributed 10.28%, 10.13% and 10.09% of the Company's total net sales. This revenue was generated in pharmaceutical and vaccine products.

33. CAPACITY AND PRODUCTION

The capacity and production of the Company's manufacturing facility is not determinable as it is a multiproduct plant involving varying processes of manufacture.

34. PROVIDENT FUND

	December 31, 2017 (Un-Audited)	December 31, 2016 (Un-Audited)
	------- Rupees in '000	-------
Size of the trust	**558,524**	557,780
Cost of investments	**489,735**	448,790
Fair value of investments	**521,259**	540,241
Percentage of investments made	**93.33%**	96.86%

34.1 Break-up of investments:

	2017 (Un-Audited)		2016 (Un-Audited)	
	Investments (Rs '000)	Investment as a % of size of the fund	Investments (Rs '000)	Investment as a % of size of the fund
Government securities	**443,320**	**79.37%**	431,898	77.43%
Listed securities and mutual fund units	**77,939**	**13.95%**	108,343	19.43%
	521,259	**93.33%**	540,241	96.86%

34.2 Investments out of provident fund have been made in accordance with the provisions of the section 227 of the repealed Ordinance, and the rules formulated for this purpose.

35. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 07, 2018 by the Board of Directors of the Company.

36. DIVIDEND AND APPROPRIATIONS

Subsequent to year ended December 31, 2017, the Board of Directors in its meeting held on March 07, 2018 proposed final cash dividend @ Rs. 45/- per share amounting to Rs. 434.014 million for approval of the members at the Annual General Meeting. The Board has further approved the transfer of Rs. 600 million from unappropriated profit to general reserve.

The Finance Act, 2017 introduced tax on every public company at the rate of 7.5% of accounting income before tax. However, this tax shall not be applied in case of a public company which distributes profit equal to 40% of its after tax profits within six months from the end of the year. Based on the fact, the Board of Directors of the Company has proposed cash dividend amounting to Rs. 434.014 million for the year ended December 31, 2017 which exceeds the above prescribed minimum dividend requirement. The Company believes that it would not eventually be liable to pay tax on its undistributed profits as of December 31, 2017. The financial statements for the year ended December 31, 2017 do not include the effect of the final cash dividend which will be accounted for in the financial statements for the year ending December 31, 2018.

37. GENERAL

37.1 The number of employees as at December 31, 2017 was 1,189 (2016: 1,295) and average number of employees during the year was 1,230 (2016: 1,343).

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

Syed Babar Ali	Asim Jamal	Yasser Pirmuhammad
Chairman	Chief Executive Officer	Chief Financial Officer

Pattern of Shareholding

As at December 31, 2017

No of Shareholders	No. of Shareholdings From	To	Total Shares
649	1	100	24,487
354	101	500	103,976
74	501	1,000	56,200
70	1,001	5,000	119,734
9	5,001	10,000	62,631
1	10,001	15,000	10,080
4	15,001	20,000	73,223
2	20,001	25,000	43,668
2	50,001	55,000	105,442
1	85,001	90,000	89,700
1	200,001	205,000	204,099
1	225,001	230,000	228,461
1	255,001	260,000	255,700
1	510,001	515,000	510,212
1	815,001	820,000	815,939
1	1,840,001	1,845,000	1,841,739
1	5,095,001	5,100,000	5,099,469
1,173			**9,644,760**

S. No.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	7	1,391,903	14.43
2	Associated Companies, Undertakings and Related Parties	4	7,082,350	73.43
3	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	169	0.00
4	Insurance Companies	2	223,299	2.32
5	Modarabas and Mutual Funds	1	228,461	2.37
6	General Public Local	1,137	412,710	4.28
7	Others	20	305,868	3.17
	Total	**1,173**	**9,644,760**	**100.00**

Pattern of Shareholding

As at December 31, 2017

Directors, Chief Executive Officer, and their spouse and minor children

Name	Holding
Syed Babar Ali	510,212
Perwin Babar Ali	22,690
Syeda Henna Babar Ali	18,114
Syed Hyder Ali	16,914
Naiyar Zamani Gohar	7,434
Syeda Henna Babar Ali	600
Arshad Ali Gohar	815,939
Total	1,391,903

Associated Companies, Undertakings and Related Parties

Name	Holding
Ali Gohar & Co. (Pvt) Ltd.	51,442
SECIPE of Paris (France)	5,099,469
IGI Insurance Limited	1,841,739
AGT Holdings (Private) Limited	89,700
Total	7,082,350

Banks, Development Financial Institutions, Non Banking Financial Institutions

Name	Holding
MCB Bank Ltd.	40
National Bank of Pakistan	129
Total	169

Insurance Companies

Name	Holding
State Life Insurance Corp. of Pakistan	204,099
EFU General Insurance Limited	19,200
Total	223,299

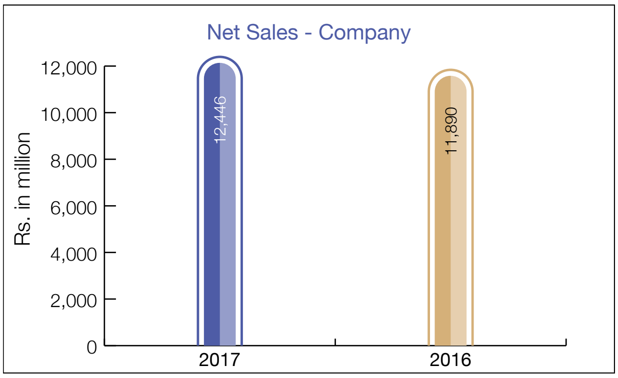
Modarabas and Mutual Funds

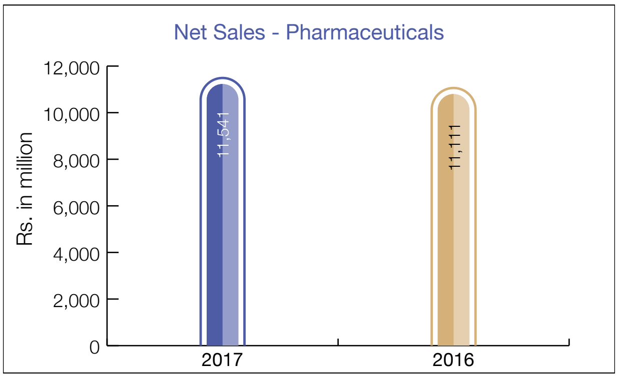
Name	Holding
CDC - Trustee National Investment (Unit) Trust	228,461
Total	228,461

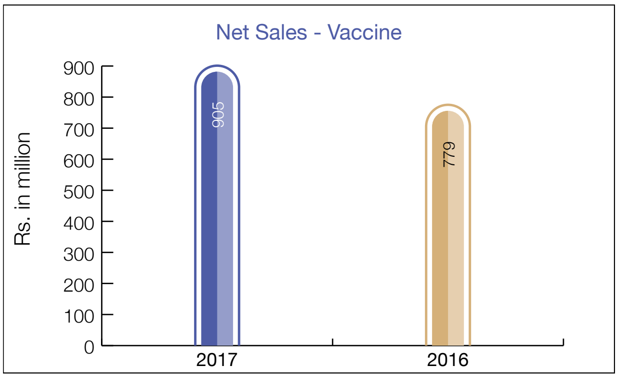
Shareholders holding five percent or more voting rights in the Company

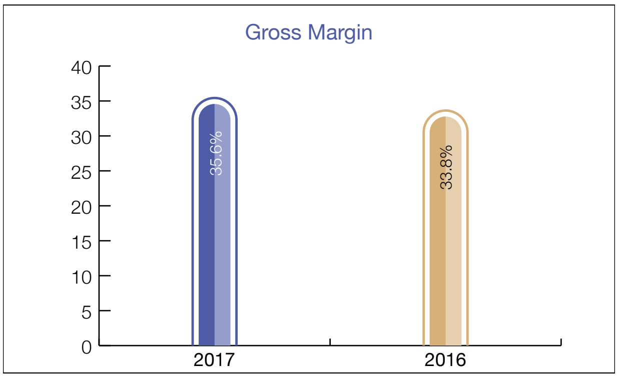
Name	Holding
SECIPE of Paris (France)	5,099,469
IGI Insurance Limited	1,841,739
Arshad Ali Gohar	815,939
Syed Babar Ali	510,212
Total	8,267,359

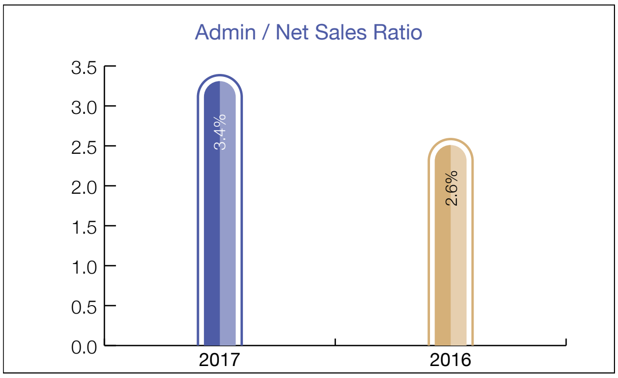
Analytical Review

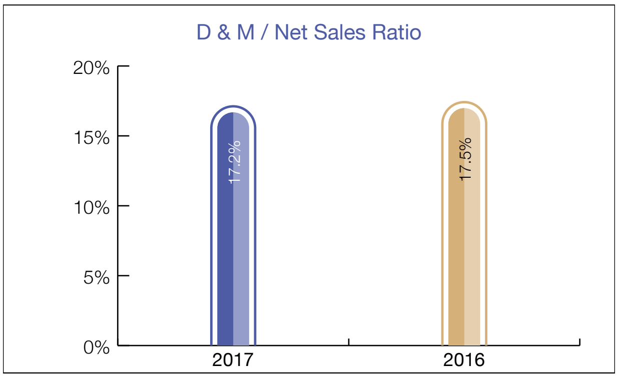


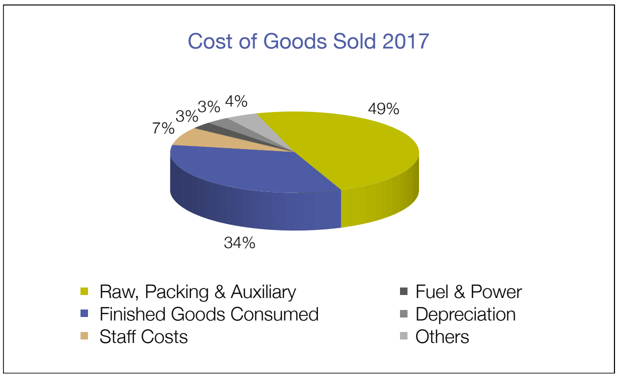


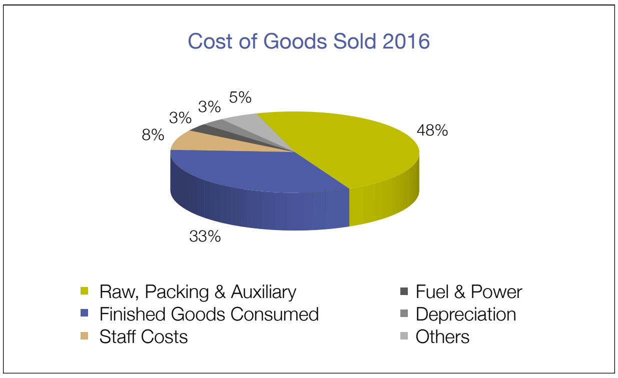




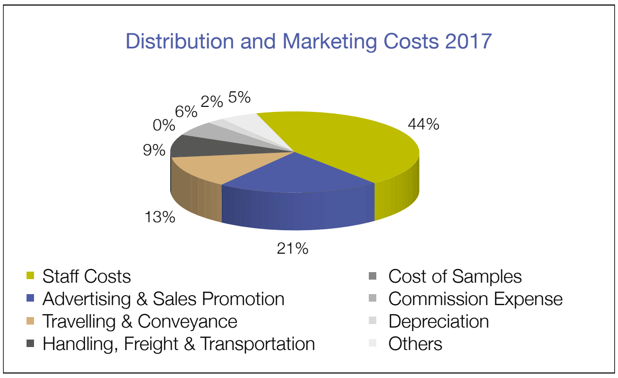


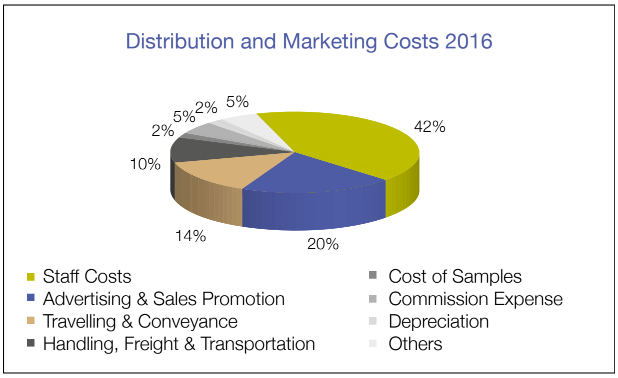


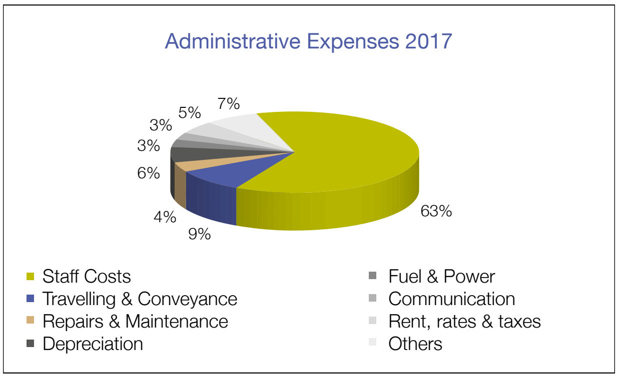


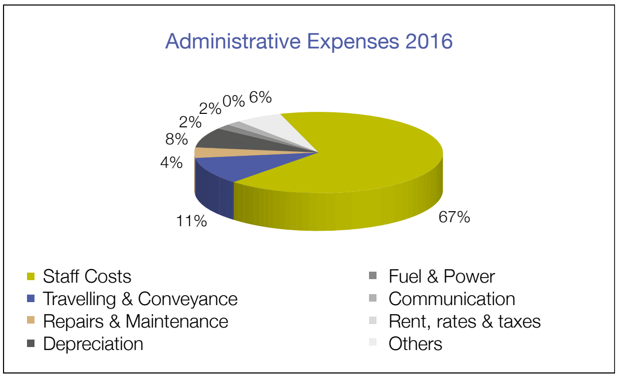


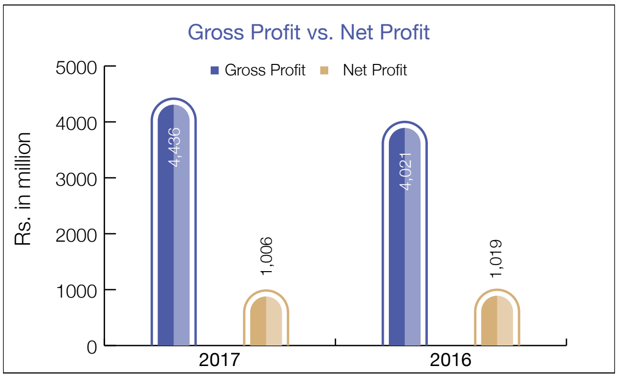
Analytical Review

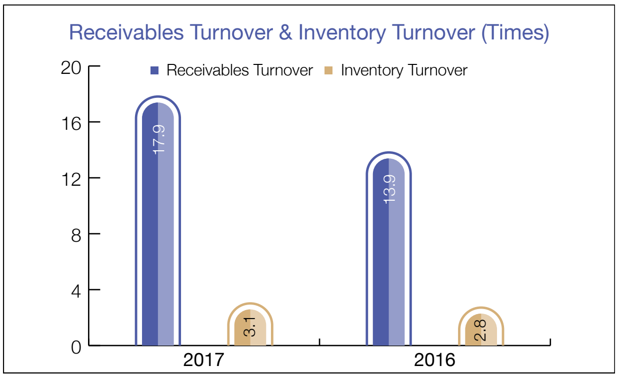






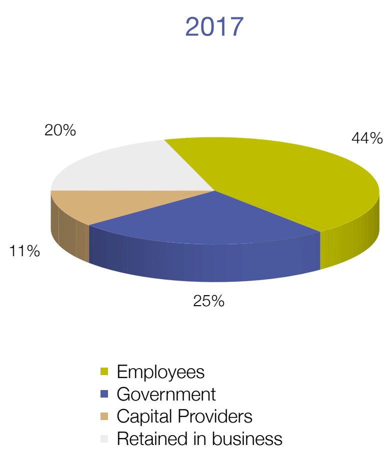


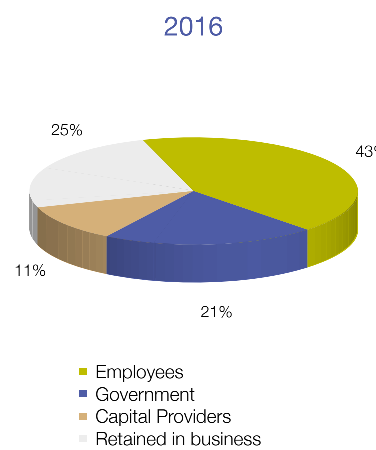




Statement of Value Added

	2017 Rs.000	%	2016 Rs.000	%
Net sales	12,446,052	100	11,890,235	100
Materials and services	(8,130,200)	(65)	(7,748,141)	(65)
	4,315,852	35	4,142,094	35
DISTRIBUTED AS FOLLOWS:				
Employees				
Staff cost	1,795,469	42	1,681,607	41
Workers' Profit Participation Fund	85,247	2	77,572	2
	1,880,716	44	1,759,179	43
Government				
Income tax	540,035	13	388,466	9
Custom duty, Sales Tax & Others	485,636	11	462,720	11
Central Research Fund	17,049	-	15,514	-
Workers' Welfare Fund	27,460	1	24,546	1
	1,070,180	25	891,246	21
Capital Providers				
Dividend to shareholders	434,014	10	289,343	7
Mark-up on borrowed funds	23,161	1	147,405	4
	457,175	11	436,748	11
Retained in business				
Depreciation / amortisation	335,674	8	325,342	8
Net Earnings	572,107	12	729,579	17
	907,781	20	1,054,921	25
	4,315,852	100	4,142,094	100



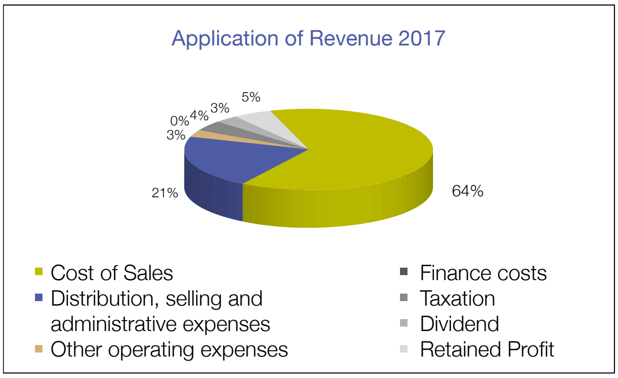


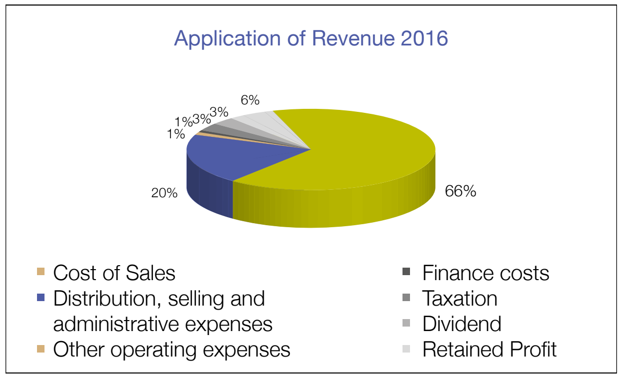
Operating & Financial Highlights

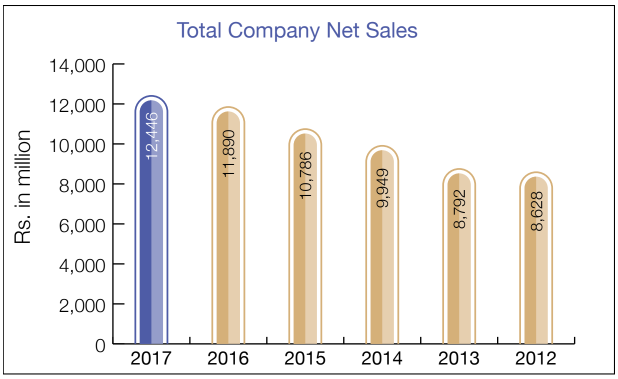
		2017	2016	2015	2014	2013	2012
Liquidity Ratios							
Current Ratio	Times	**2.0**	1.7	1.2	1.2	1.4	1.2
Quick Ratio	Times	**1.0**	0.8	0.6	0.4	0.7	0.5
Cash to Current Liabilities	Times	**(0.10)**	(0.04)	(0.01)	(0.44)	(0.52)	(0.43)
Cash Flow from Operations to Sales	%	**18.4**	23.1	14.8	2.6	1.7	4.3
Net Working Capital	Rs. M	**2,421**	2,082	973	994	1,006	530
Net Assets	Rs. M	**4,149**	3,412	2,410	2,392	2,227	2,015
Operating Cycle	Days	**66**	82	107	107	85	54
Current assets to Total assets	%	**73.9**	72.3	72.5	74.1	71.6	69.9
Inventory / Current Assets	%	**50.2**	54.6	54.1	65.6	53.5	53.0
Inventory to Total Assets	%	**37.1**	39.5	39.2	48.6	38.3	37.0
Activity Ratios							
Inventory Turnover	Times	**3.1**	2.8	2.4	2.3	2.7	3.2
Average No of Days inventory in stock	Days	**117**	130	154	156	135	113
Accounts Receivable Turnover	Times	**17.9**	13.9	12.4	12.1	9.5	13.9
Average Collection Period	Days	**20**	26	29	30	38	26
Creditors Turnover	Times	**5.1**	4.9	4.8	4.6	4.2	4.3
Average Payment Period	Days	**72**	74	76	79	88	85
Fixed Assets Turnover	Times	**7.3**	6.4	5.4	4.9	4.8	5.3
Operating Assets Turnover	Times	**7.9**	7.0	5.9	5.5	5.9	6.3
Total Assets Turnover	Times	**1.9**	1.7	1.5	1.3	1.3	1.6
Leverage							
Interest Coverage	Times	**44.7**	9.8	1.6	2.1	3.3	5.5
Fixed Assets to Equity	Times	**0.4**	0.5	0.8	0.8	0.8	0.8
Financial Leverage	Times	**0.1**	0.3	1.2	1.4	1.1	0.8
Profitability Ratios							
Sales Growth	%	**4.7**	10.2	8.4	13.2	1.9	13.2
COGS to Net Sales	%	**64.4**	66.2	74.0	74.4	69.5	69.5
EBITDA* to Net Sales	%	**15.4**	15.9	7.3	8.8	11.5	12.9
Profit Before Tax to Net Sales	%	**12.4**	11.8	1.6	3.4	6.1	8.2
Net Profit Margin	%	**8.1**	8.6	0.6	2.4	3.5	5.6
Gross Profit Margin	%	**35.6**	33.8	26.0	25.6	30.5	30.5
Operating Profit Margin	%	**12.7**	13.2	4.3	6.3	8.8	10.1
Return on Assets	%	**15.2**	14.9	0.9	3.0	4.7	8.9
Return on Equity	%	**24.3**	29.9	2.8	10.0	13.9	24.2
Return on Capital Employed	%	**39.0**	44.9	15.5	21.1	30.5	42.8
Admin.Dist.&Mktg. Exp. to Net Sales	%	**20.6**	20.1	22.9	21.0	19.3	20.7
Admin.Dist.&Mktg. Exp. Variance	%	**7.2**	(2.9)	17.8	23.4	(5.2)	12.5
Financial Charges to Net Income	%	**3.5**	15.6	440.3	123.2	75.3	32.6
Market Value							
Market Value Per Share	Rs.	**1,244**	2,856	670	750	767	370
Market / Book Ratio	Times	**2.9**	8.1	2.7	3.0	3.3	1.8
Earnings per share (before tax)	Rs.	**160.3**	145.9	18.3	34.8	56.0	73.7
Earnings per share (after tax)	Rs.	**104.3**	105.6	6.9	24.7	32.1	50.5
Price Earning Ratio	Times	**11.9**	27.0	97.2	30.3	23.9	7.3
Dividend per Share	Rs.	**45.00**	30.00	3.00	7.00	10.00	12.50
Dividend Yield	%	**3.6**	1.1	0.4	0.9	1.3	3.4
Dividend cover	Times	**2.3**	3.5	2.3	3.4	3.2	4.0
Payout Ratio (after tax)	%	**43.1**	28.4	43.5	28.3	31.1	24.7
Market Capitalisation	Rs.M	**11,993**	27,545	6,462	7,234	7,398	3,569
Break-up value	Rs.	**430.1**	353.8	249.9	248.0	230.9	209.0

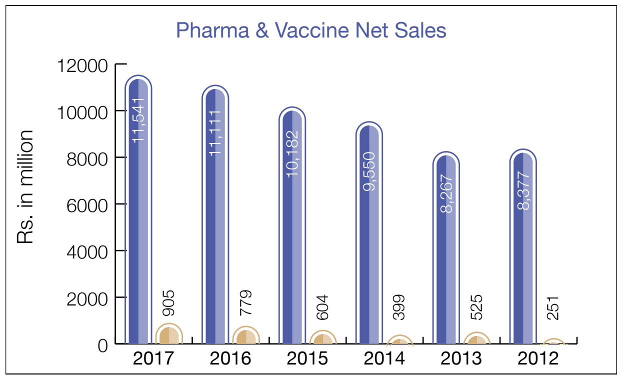
*EBITDA = Earnings before interest, taxes and depreciation & amortization

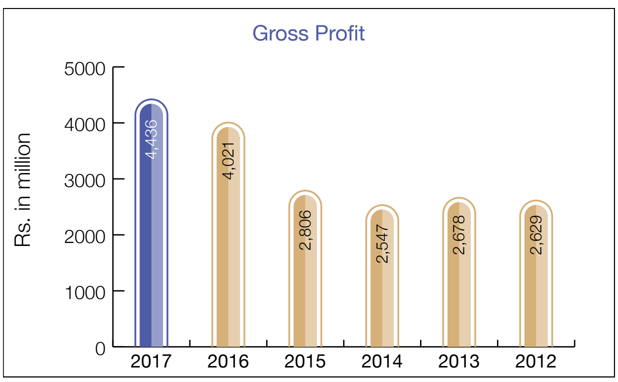
Operating & Financial Highlights

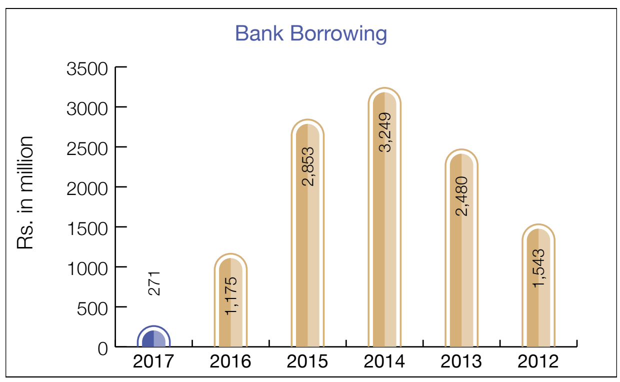


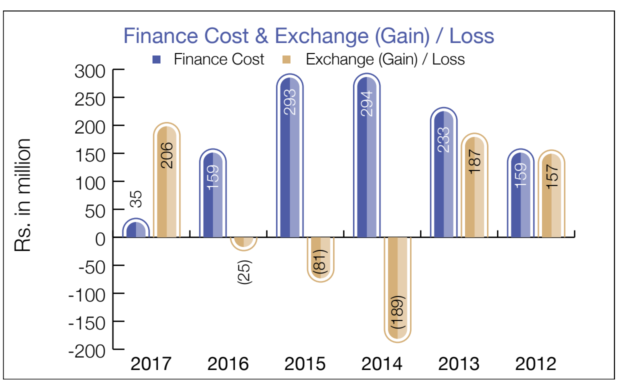


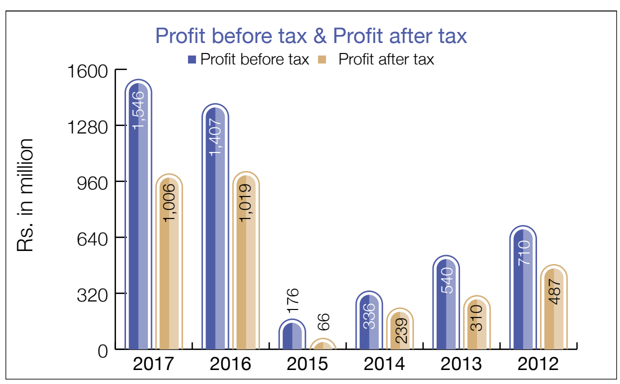




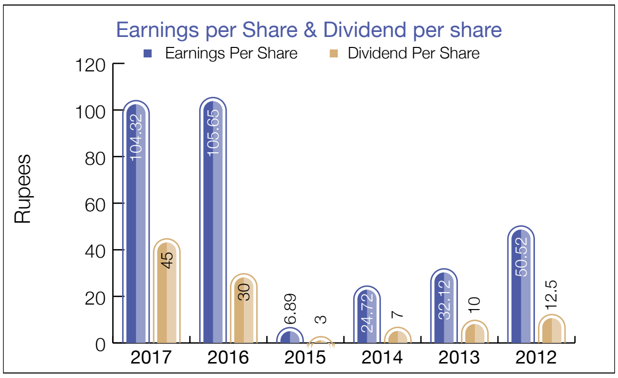


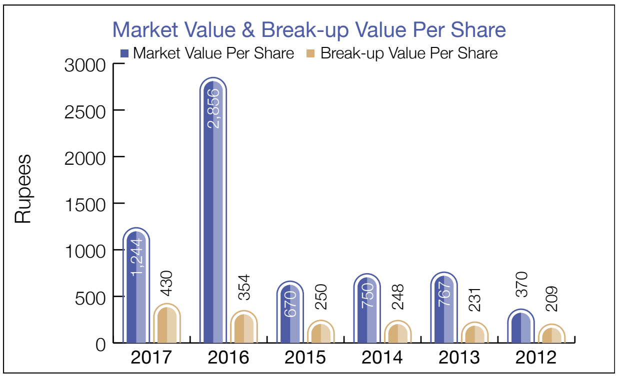


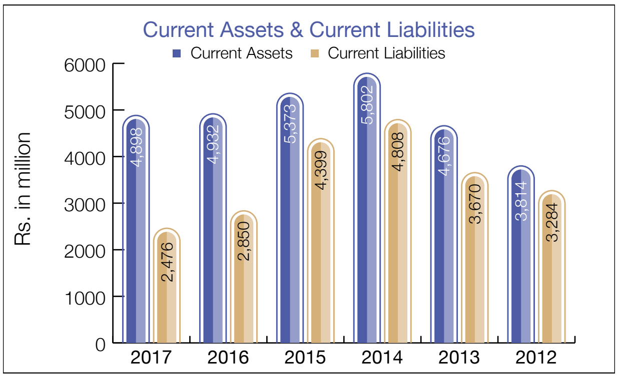


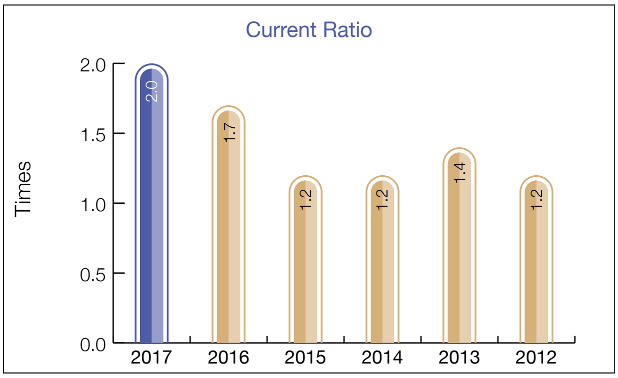


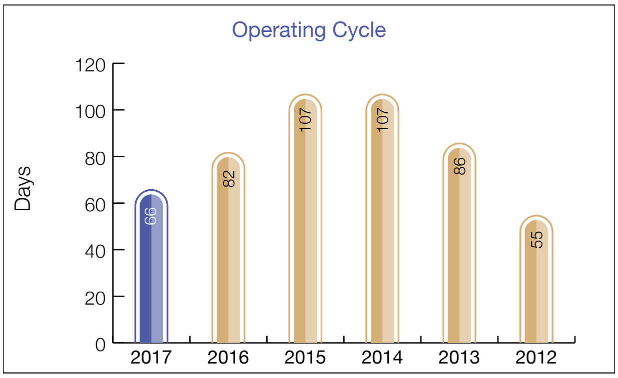
Operating & Financial Highlights

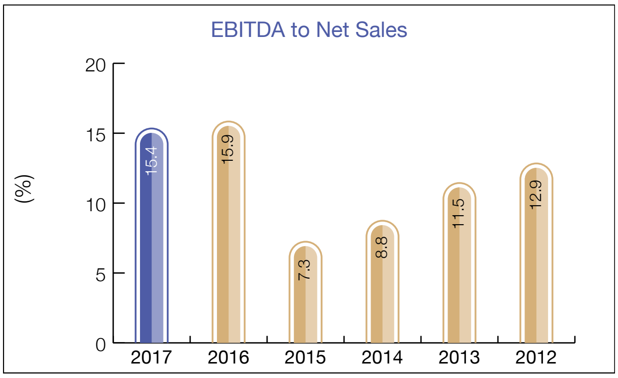


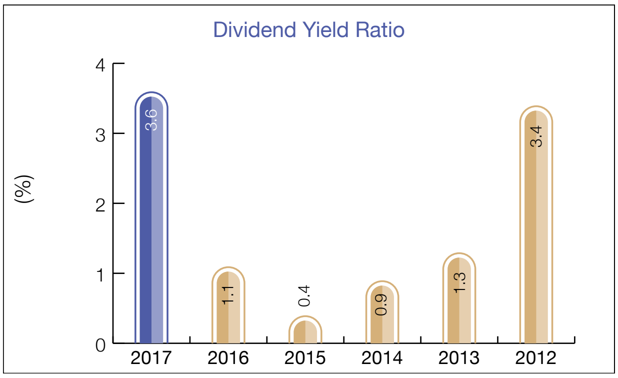












Horizontal Analysis

	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %	2015 Rs.	15 Vs. 14 %	2014 Rs.	14 Vs. 13 %	2013 Rs.	13 Vs. 12 %	2012 Rs.	12 Vs. 11 %
Operating Results (Rupees in million)												
Net sales	**12,446**	**4.7**	11,890	10.2	10,786	8.4	9,949	13.2	8,792	1.9	8,628	13.2
Cost of sales	**(8,010)**	**1.8**	(7,869)	(1.4)	(7,980)	7.8	(7,402)	21.1	(6,114)	1.9	(5,999)	7.4
Gross profit	**4,436**	**10.3**	4,021	43.3	2,806	10.2	2,547	(4.9)	2,678	1.9	2,629	29.3
Distribution,selling and administrative expenses	**(2,566)**	**7.2**	(2,394)	(2.8)	(2,464)	17.7	(2,093)	23.5	(1,695)	(5.2)	(1,788)	12.5
Other expenses	**(353)**	**157.7**	(137)	291.4	(35)	(23.9)	(46)	(81.6)	(250)	9.2	(229)	218.1
Other income	**65**	**(14.5)**	76	(53.1)	162	(27.0)	222	455.0	40	(84.4)	257	56.7
Operating profit	**1,582**	**1.0**	1,566	233.9	469	(25.6)	630	(18.5)	773	(11.0)	869	61.8
Finance costs	**(35)**	**(77.7)**	(159)	(45.7)	(293)	(0.3)	(294)	26.2	(233)	46.5	(159)	40.7
Profit before taxation	**1,546**	**9.9**	1,407	699.4	176	(47.6)	336	(37.8)	540	(23.9)	710	67.5
Taxation	**(540)**	**39.2**	(388)	252.7	(110)	13.4	(97)	(57.8)	(230)	3.1	(223)	14.9
Net profit	**1,006**	**(1.3)**	1,019	1,443.9	66	(72.4)	239	(22.9)	310	(36.3)	487	111.7
Balance Sheet (Rupees in million)												
Fixed assets	**1,702**	**(8.8)**	1,867	(7.3)	2,015	(0.2)	2,019	9.4	1,845	13.3	1,628	4.4
Other non-current assets	**25**	**26.1**	20	5.3	19	58.3	12	-	12	(7.7)	13	8.3
Current assets	**4,898**	**(0.7)**	4,932	(8.2)	5,373	(7.3)	5,798	24.0	4,676	22.6	3,814	34.8
Total assets	**6,625**	**(2.8)**	6,819	(7.9)	7,407	(5.4)	7,829	19.8	6,533	19.8	5,455	23.8
Ordinary share capital	**96**	**0.5**	96	-	96	-	96	-	96	-	96	-
Reserves	**4,052**	**22.2**	3,316	43.3	2,314	0.8	2,296	7.8	2,130	11.0	1,919	27.5
Non-current liabilities	**-**	**(100.0)**	557	(6.9)	598	(5.4)	632	(0.8)	637	308.3	156	(45.8)
Current liabilities	**2,476**	**(13.1)**	2,850	(35.2)	4,399	(8.4)	4,805	30.9	3,670	11.8	3,284	30.5
Total equity and liabilities	**6,625**	**(2.8)**	6,819	(7.9)	7,407	(5.4)	7,829	19.8	6,533	19.8	5,455	23.8
Cash Flows (Rupees in thousand)												
Cash generated from operations	**2,293,943**	**(16.5)**	2,747,015	72.3	1,594,235	521.2	256,633	72.9	148,443	(59.7)	368,763	(23.7)
Cash flows used in operating activities	**(964,452)**	**15.2**	(837,329)	4.4	(802,179)	53.0	(524,181)	4.8	(500,170)	(1.9)	(509,862)	4.1
Cash flows used in investing activities	**(171,843)**	**(3.7)**	(178,452)	(42.9)	(312,671)	(25.0)	(416,965)	(6.6)	(446,255)	418.1	(86,141)	(76.8)
Cash flows (used in) / generated from financing activities	**(1,288,099)**	**(29.6)**	(1,828,844)	(212.0)	1,632,811	1,472.1	103,863	(84.1)	652,540	(338.5)	(273,626)	(8.3)
Net (decrease) / increase in cash and cash equivalents	**(130,451)**	**(33.6)**	(97,610)	104.6	2,112,196	463.8	(580,650)	299.2	(145,442)	(71.0)	(500,866)	(25.9)
Number of Employees												
Number of permanent employees at year end	**964**		988		1000		1014		943		896	

Vertical Analysis

	2017		2016		2015		2014		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Results (Rupees in million)												
Net sales	12,446	100.0	11,890	100.0	10,786	100.0	9,949	100.0	8,792	100.0	8,628	100.0
Cost of sales	(8,010)	(64.4)	(7,869)	(66.2)	(7,980)	(74.0)	(7,402)	(74.4)	(6,114)	(69.5)	(5,999)	(69.5)
Gross profit	4,436	35.6	4,021	33.8	2,806	26.0	2,547	25.6	2,678	30.5	2,629	30.5
Distribution,selling and administrative expenses	(2,566)	(20.6)	(2,394)	(20.1)	(2,464)	(22.8)	(2,093)	(21.0)	(1,695)	(19.3)	(1,788)	(20.7)
Other expenses	(353)	(2.8)	(137)	(1.2)	(35)	(0.3)	(46)	(0.5)	(250)	(2.8)	(229)	(2.7)
Other income	65	0.5	76	0.6	162	1.5	222	2.2	40	0.5	257	3.0
Operating profit	1,582	12.7	1,566	13.1	469	4.4	630	6.3	773	8.9	869	10.1
Finance costs	(35)	(0.3)	(159)	(1.3)	(293)	(2.7)	(294)	(3.0)	(233)	(2.7)	(159)	(1.8)
Profit before taxation	1,546	12.4	1,407	11.8	176	1.7	336	3.3	540	6.2	710	8.3
Taxation	(540)	(4.3)	(388)	(3.3)	(110)	(1.0)	(97)	(1.0)	(230)	(2.6)	(223)	(2.6)
Net profit	1,006	8.1	1,019	8.5	66	0.7	239	2.3	310	3.6	487	5.7
Balance Sheet (Rupees in million)												
Fixed assets	1,702	25.7	1,867	27.4	2,015	27.2	2,019	25.7	1,845	28.2	1,628	29.8
Other non-current assets	25	0.4	20	0.3	19	0.3	12	0.2	12	0.2	13	0.2
Current assets	4,898	73.9	4,932	72.3	5,373	72.5	5,798	74.1	4,676	71.6	3,814	70.0
Total assets	6,625	100.0	6,819	100.0	7,407	100.0	7,829	100.0	6,533	100.0	5,455	100.0
Ordinary share capital	96	1.5	96	1.4	96	1.3	96	1.2	96	1.5	96	1.8
Reserves	4,052	61.1	3,316	48.6	2,314	31.2	2,296	29.3	2,130	32.6	1,919	35.2
Non-current liabilities	-	-	557	8.2	598	8.1	632	8.1	637	9.8	156	2.9
Current liabilities	2,476	37.4	2,850	41.8	4,399	59.4	4,805	61.4	3,670	56.1	3,284	60.1
Total equity and liabilities	6,625	100.0	6,819	100.0	7,407	100.0	7,829	100.0	6,533	100.0	5,455	100.0
Cash Flows (Rupees in thousand)												
Cash generated from operations	2,293,943	(1,758.5)	2,747,015	(2,814.3)	1,594,235	75.5	256,633	(44.2)	148,443	(102.0)	368,763	(73.6)
Cash flows used in operating activities	(964,452)	739.4	(837,329)	857.8	(802,179)	(38.0)	(524,181)	90.3	(500,170)	343.9	(509,862)	101.8
Cash flows used in investing activities	(171,843)	131.7	(178,452)	182.9	(312,671)	(14.8)	(416,965)	71.8	(446,255)	306.8	(86,141)	17.2
Cash flows (used in) / generated from financing activities	(1,288,099)	987.4	(1,828,844)	1,873.6	1,632,811	77.3	103,863	(17.9)	652,540	(448.7)	(273,626)	54.6
Net (decrease) / increase in cash and cash equivalents	(130,451)	100.0	(97,610)	100.0	2,112,196	100.0	(580,650)	100.0	(145,442)	100.0	(500,866)	100.0
Number of Employees												
Number of permanent employees at year end	964		988		1000		1,014		943		896	

Notice of Annual General Meeting

Notice is hereby given that the 50th Annual General Meeting of the Company will be held on Thursday, 26th April, 2018 at 14:00 hours at Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on 25th April, 2017.

2. To receive and adopt the Balance Sheet and Profit & Loss Account for the year ended 31st December, 2017 together with the Directors' and Auditors' reports thereon.

3. To approve and declare dividend on the ordinary shares of the company. The directors have recommended a cash dividend of Rs. 45.00 (450%) per share.

4. To appoint external auditors for the year ending 31st December, 2018 and to fix their remuneration. The present auditors, M/s. EY Ford Rhodes, Chartered Accountants being eligible, have offered themselves for re-appointment. The Audit Committee and Board of Directors have also recommended appointment of M/s. EY Ford Rhodes, Chartered Accountants as Auditors for the year ending 31st December, 2018.

5. To transact any other business with the permission of the Chair.

By order of the Board

Yasser Pirmuhammad
Company Secretary

Karachi, April 4, 2018.

Notes:

1. The Share Transfer Books of the Company shall remain closed from 20th April, 2018 to 26th April, 2018 (both days inclusive). Transfers received at Company's Share Registrar namely FAMCO ASSOCIATES (PVT) LTD, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi, by the close of business on April 19, 2018 will be considered in time for the purpose of payment of final dividend to the transferees.

2. A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his behalf. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in his own right. Instrument appointing proxy must be deposited at the registered office of the Company at least 48 hours before the time of the Meeting.

3. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

4. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

5. The proxy shall produce his original CNIC or original passport at the time of the meeting.

6. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.

7. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their original CNIC and account number in the CDC for verification.

8. In case of a corporate entity the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

9. Shareholders holding shares in physical form are requested to notify the change of their addresses, if any and provide the copy of their CNIC to Share Registrar, FAMCO ASSOCIATES (PVT) LTD, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi, if not already provided. Those holding shares in electronic form with CDC must notify change of address to their participants or CDC Investor Accounts Services with whom account is maintained.

10. CDC account holders will further have to follow the guidelines as laid down in Circular No.1, dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan for attending the meeting and appointment of proxies.

11. Annual Audited Financial Statements of the Company for the financial year ended December 31, 2017 have been uploaded on the Company's website i.e. www.sanofi.com.pk.

12. Members are hereby informed that pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 regarding electronic transmission of Annual Report, we have uploaded the request form on our Company's website. Members who want to avail this facility are requested to submit the request form duly filled to the Share Registrar.

13. In accordance with the requirement of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, shareholders are requested to provide their CNIC and bank account detail including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account instead of receiving it through dividend warrants. Therefore, all individual members who have not yet provided their CNIC and Bank Account details are requested to submit a copy of their CNIC and duly filled Dividend Bank Mandate form to the Share Registrar, if they hold shares in physical form or to CDC participants where they hold their shares in electronic form. The dividend mandate form has been uploaded on our Company's website www.sanofi.com.pk/investor.html. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the aforementioned provisions of Companies Act and Regulations.

14. Deduction of Income Tax from Dividend under Section 150 the Income Tax Ordinance, 2001:

i) The Government of Pakistan through Finance Act, 2017 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the account of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

a) For filers of income tax returns: 15%
b) For non-filers of income tax returns: 20%

To enable the company to make tax deduction on the amount of cash dividend at 15% instead of 20% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted at 20% instead of 15%.

ii) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to FAMCO ASSOCIATES (PVT) LTD., by the first day of book closure.

iii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

iv) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders, either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

15. Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more of shareholding residing in a geographical location to participate in the meeting through video conferencing at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conferencing facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Share Registrar Office if the Company i.e. Messrs. FAMCO Associates (Pvt.) Limited 9-F, near Hotel Faran, Nursery, Block 6, PECHS, Shahra-e-Faisal, Karachi and email address info.shares@famco.com.pk.

    I/We, being member(s) of sanofi-aventis Pakistan Limited, holder of Ordinary Shares(s) as per Register Folio No. ________ hereby opt for video conference facility at (Please insert name of City)

    ____
    Signature of member

16. For any query/problem/information, the investors may contact the Company Secretary at phone: 92 21 35060221 and email address company.secretary@sanofi.com and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: info.shares@famco.com.pk.

Proxy Form

I/We______________________________________of______________________________________

_______________________________ (full address) being a member of sanofi-aventis Pakistan limited holding ____ ordinary shares hereby appoint _______________________________________ of _______________________________________ (full address) or failing him ____ of ___________________________________ (full address) as my / our proxy in my/our absence to attend and vote for me / us and on my / our behalf at the 50th Annual General Meeting of the Company to be held on Thursday, April 26, 2018 and at any adjournment thereof.

As witness my / our hand this __________ day of __________ 2018.

Witness No.1

Name ___________________________________
Address _________________________________
C.N.I.C. No. _____________________________

Rs. 10/-
Revenue
Stamp

____
Signature of Member(s)

____
(Name in Block Letters)

Witness No.2

Name ___________________________________
Address _________________________________
C.N.I.C. No. _____________________________

Folio No. ____________________
Participant ID No. ______________
Account No. in CDS _____________

Important

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in Circular No.1 of 2000 of SECP.

2. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her, no person shall act as a proxy, who is not a member of the Company except that a Corporation may appoint a person who is not a member.

3. The instrument appointing a proxy, together with the Board of Directors' resolution/Power of Attorney (if any) under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time for holding the meeting.

4. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is corporation its common seal should be affixed to the instrument.

5. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.

6. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

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The Company Secretary

sanofi-aventis Pakistan limited
Plot 23, Sector 22, Korangi Industrial Area,
Karachi - 74900 Pakistan

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پراکسی فارم

میں مسمّی/مسمّاۃ---

------------- (مکمل پتہ) سنوفی۔ ایونٹس پاکستان لمیٹڈ کے رکن کی حیثیت سے یہاں پر مقرر کرتاہوں/کرتی ہوں/ کرتے ہیں

(مکمل پتہ) یا اس کی غیر موجودگی میں---

(مکمل پتہ) کو میرے / ہمارے پراکسی کے طورپر مقرر کرتاہوں/کرتی ہوں/ کرتے ہیں ہیں تاکہ وہ میرے/ ہماری جانب سے کمپنی کے ۵۰ویں سالانہ اجلاسِ عام، منعقدہ جمعرات، ۲۶ اپریل، ۲۰۱۸ میں شریک ہوکر میری/ ہماری جانب سے ووٹ دے سکے اور دیگر کسی التوا میں بھی شامل ہوسکے۔

میرے /ہمارے سامنے------بروز ------ ۲۰۱۸کو دستخط کئے گئے۔

گواہ نمبر ۱

نام ---------------------

پتہ ---------------------

سی این آئی سی نمبر -------------

گواہ نمبر ۲

نام ---------------------

پتہ ---------------------

سی این آئی سی نمبر -------------

۱۰ روپے
کا ریونیو
اسٹامپ

____

رکن(ارکان) کے دستخط

____

(نام جلی حروف میں)

فولیو نمبر -------

شریک ہونے والے کا آئی ڈی نمبر -------

سی ڈی ایس میں اکاؤنٹ نمبر ---------

ضروری

۱۔ سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست ہے کہ ایس ای سی پی کے سرکلر نمبر 1 آف ۲۰۰۰ کے رہنما اصولوں کی سختی سے پیروی کریں۔

۲۔ اجلاسِ عام میں شرکت کرنے والے رکن کو اختیار ہے کہ وہ اپنی جگہ اجلاس میں شرکت اور ووٹ دینے کے لئے پراکسی مقرر کرسکتا/کر سکتی ہے، کمپنی کے رکن کے علاوہ کوئی بھی شخص پراکسی کی حیثیت سے مقرر نہیں ہوسکتا، تاہم کارپوریشن کسی ایسے شخص کومقرر کرسکتی ہے جو رکن نہیں ہے۔

۳۔ پراکسی مقرر کرنے کی دستاویز کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی (اگر کوئی ہو) جس کے تحت اس پر دستخط کئے گئے ہیں یا پھر نوٹری پبلک سے تصدیق شدہ کاپی، اجلاس شروع ہونے سے ۴۸ گھنٹے قبل رجسٹرڈ آفس میں جمع کرانی ہوگی۔

۴۔ پراکسی کو مقرر کرنے کی دستاویز پر رکن یا اٹارنی کے تحریری دستخط ہونے چاہئیں۔ اگر رکن کارپوریشن ہے تو دستاویز پر مہر چسپاں ہونی چاہیے۔

۵۔ مکمل اور دستخط شدہ پراکسی فارم اجلاس شروع ہونے سے ۴۸ گھنٹے پہلے کمپنی کے رجسٹرڈ آفس پر موصول ہو جانا چاہیے۔

۶۔ اگر کوئی رکن ایک سے زیادہ پراکسی یا پراکسی کے ایک سے زیادہ دستاویزات کمپنی کے پاس جمع کراتا ہے تو یہ تمام invalid تصوّر کیے جائیں گے۔

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The Company Secretary

sanofi-aventis Pakistan limited
Plot 23, Sector 22, Korangi Industrial Area,
Karachi - 74900 Pakistan

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SANOFI

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