

If undelivered please return to:

sanofi-aventis Pakistan limited  
Plot No. 23, Sector 22,  
Korangi Industrial Area,  
Karachi-74900

**POSTAL ADDRESS**  
P.O. Box No. 4962,  
Karachi-74000

sanofi-aventis Pakistan limited

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**  
FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2017

(UN-AUDITED)



**SANOFI**



## Contents

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



## Company Information

### Board of Directors

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

Chairman  
Chief Executive Officer  
Chief Financial Officer

### Company Secretary

Saad Usman

### URL

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

### Auditors

EY Ford Rhodes,  
Chartered Accountants

### Bankers

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

### Legal Advisors

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

### Registrars & Share Transfer Office

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

### Registered Office

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

### Postal Address

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

### Contact

Tel: +92 21 35060221-35  
[contact.pk@sanofi.com](mailto:contact.pk@sanofi.com)



## Directors' Report to the Shareholders

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

During the year, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the old law i.e. the Ordinance. The Act, through its promulgation has introduced many changes in presentation and disclosure in the financial statements. Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 23 of 2017 dated October 4, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year closes on or before December 31, 2017. Hence, the condensed interim financial statements are prepared under the Ordinance.

The Company's net sales for the nine months ended September 30, 2017 amounted to Rs.9,768 (2016: Rs.9,449) million registering a growth of 3.4% over comparative prior period. The net sales of Company's pharmaceutical and vaccine businesses for the nine months reached Rs. 8,982 (2016: Rs. 8,747) million and Rs.786 (2016: Rs.701) million respectively recording an increase of 2.7% and 12.1% over the comparative prior period.

The gross margin also improved during the nine months ended September 30, 2017 compared to the corresponding period last year.

The distribution and marketing expenses during the nine months increased by 0.6%, over the comparative prior period, whereas administrative expenses for the same period increased by 31.2% mainly due to higher personnel cost, IT related costs, travelling costs as well as fuel cost partly offset by savings in security expenses.

Other operating cost for the year-to-date September increased over the comparative prior period mainly due to increase in net exchange losses by Rs.161.1 million, increase in statutory charges by Rs.18.8 million and increase in other expenses by 18.2 million. During the quarter, owing to better cash flows, the Company was able to repay all of its short term borrowings to the banks and consequently became debt free as of September 30, 2017.

Profit after taxes for the nine months increased by Rs.340.6 million (56.0%) over the comparative prior period because of the reasons explained above.

During the nine months the Company spent Rs.120.7 million (2016: Rs.120.9) million on capital expenditure and paid Rs.287.9 (2016: Rs.28.8) million in dividends.

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

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

By order of the Board

Syed Babar Ali  
Chairman

Dr. Asim Jamal  
Chief Executive Officer

## حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

سنوئی۔ ایپنس پاکستان لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنی کمپنی کی 30 ستمبر، 2017 کو ختم شدہ نو مہینے کے غیر آڈٹ شدہ عبوری فیاضل اسٹیٹمنٹس کو پیش کرتے ہوئے خوشی محسوس کرتا ہے۔ ان فیاضل اسٹیٹمنٹس کی تیاری میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز 34 (IAS)۔ ”عبوری فیاضل رپورٹنگ“ کی ضروریات اور پیننیر آرڈیننس، 1984 کے قواعد و ضوابط پر عملدرآمد کو یقینی بنایا گیا ہے۔ جہاں پر اگر ضروریات مختلف ہیں، تو پیننیر آرڈیننس، کے تحت جاری شدہ ہدایات کے ضوابط پر عمل کیا گیا ہے۔

رواں سال کے دوران، کمپنیز ایکٹ، 2017 (دی ایکٹ) منوثر ہو چکا ہے، جس سے پرانا قانون یعنی آرڈیننس منسوخ ہو گیا ہے۔ نئے ایکٹ کے مطابق فیاضل اسٹیٹمنٹس کی تیاری اور اجراء میں متعدد تبدیلیاں کی گئی ہیں۔ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے مورخہ 14 اکتوبر 2017 کو اپنے 2017 کے سرکلر نمبر 23 میں ایسی کمپنیز کے فیاضل اسٹیٹمنٹس کی تیاری کے حوالے سے ایکٹ پر عملدرآمد کو منوثر کر دیا ہے جن کا مالیاتی سال 31 دسمبر، 2017 پر یا اس سے قبل ختم ہوتا ہے۔ لہذا عبوری فیاضل اسٹیٹمنٹس کی تیاری آرڈیننس کے تحت کی گئی ہے۔

30 ستمبر، 2017 کو ختم شدہ نو مہینوں میں کمپنی کی خالص سیلز میں 3.4% اضافہ ہوا ہے جو کہ گزشتہ سال (ملین) 2016: Rs. 9,449 کے مقابلے میں اس سال Rs. 9,768 ملین تک پہنچ گئی ہے۔ کمپنی کے فارماسیوٹیکل اور دیگر سیکٹرز کے اعتبار سے نو مہینوں کے دوران خالص سیلز میں بالترتیب 2.7% اور 12.1% اضافہ ہوا ہے اس طرح یہ سیلز بالترتیب Rs. 8,982 (2016: Rs. 8,747) ملین اور Rs. 786 (2016: Rs. 701) ملین تک پہنچ گئی ہے۔

کمپنی کے مجموعی منافع میں بھی گزشتہ سال کے مقابلے میں اس سال 30 ستمبر، 2017 کو ختم شدہ نو مہینوں میں اضافہ ریکارڈ کیا گیا ہے۔

گزشتہ سال اسی عرصے کے مقابلے میں اس سال ڈسٹری بیوٹن اور مارکیٹنگ اخراجات میں 0.6% اضافہ ہوا جبکہ انتظامی اخراجات میں 31.2% اضافہ ہوا ہے۔ اخراجات میں اضافے کی وجوہات میں ملازمتیں کی تنخواہیں، آئی ٹی سے منسلک خرچے، سفری اور ایجنسیوں کی مدد میں ہونے والے اخراجات جبکہ نیکیورٹی اخراجات میں کمی شامل ہیں۔

گزشتہ سال اسی عرصے کے مقابلے میں اس سال تھریک دیگر کاروباری اخراجات میں اضافہ ہوا ہے جس کی وجوہات میں زرمبادلہ کے خساروں میں 161.1 ملین روپے اضافہ، اسٹیٹوٹری چارجز میں 18.8 ملین روپے تک اضافہ اور دیگر اخراجات میں 18.2 ملین روپے کا اضافہ شامل ہے۔ اس عرصے کے دوران بہتر کیش فلوی کی بنیاد پر کمپنی ہنگامہ کو تمام واجب الادا قرضہ جات واپس کرنے کی اہل ہو گئی اور 30 ستمبر، 2017 کو قرضہ جات سے سہرا ہو چکی ہے۔

مذکورہ بالا وجوہات کی بنا پر گزشتہ سال کے مقابلے میں اس سال نو مہینوں کے لیے بعد از ٹیکس منافع میں (56.0%) اضافہ ہوا ہے اور یہ 340.6 ملین روپے تک جا پہنچا ہے۔

کمپنی نے نو مہینوں کے دوران سرمایہ جاتی اخراجات کی مدد میں 120.7 (2016: Rs. 120.9) ملین روپے اور منافع منقسمہ کی مدد میں 287.9 (2016: Rs. 28.8) ملین روپے خرچ کیے ہیں۔

کمپنی کو تو قعات ہیں کہ اس سال کے دوران ملٹی نیشنل فارماسیوٹیکل بزنس مارکیٹ کے اعتبار سے فروغ حاصل کرے گا لیکن کچھ نابدیدہ بڑے خطرات کا بھی خدشہ ہے۔

کمپنی ڈرگ ریگولیشن اتھارٹی کے ساتھ قیمتوں کے مسائل سے متعلق قانونی اور کاروباری اثرات کو بھی باریک بینی سے دیکھ رہی ہے اور ان مسائل پر قابو پانے کے لیے انڈسٹری کے لیے قابل قبول پرائیونگ پالیسی کے حق میں متعلقہ حکام کے سامنے مناسب نمائندگی کو یقینی بنانے کے لیے ضروری اقدام کرے گی۔

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

*Dr. Naimal*  
ڈاکٹر عاصم جمال  
چیف ایگزیکٹو آفیسر

بحکم بورڈ  
*Sidra*  
سید باہر علی  
چیئر مین




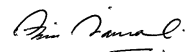
## Condensed Interim Balance Sheet

As at September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note		
.....Rupees in `000.....			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	4	1,725,167	1,866,455
Intangible assets		701	873
		<u>1,725,868</u>	<u>1,867,328</u>
Long-term loans		6,247	6,186
Long-term deposits		13,643	13,643
<b>CURRENT ASSETS</b>			
Stores and spares		52,134	48,808
Stock-in-trade	5	2,366,748	2,644,100
Trade debts		902,622	707,359
Loans and advances		83,893	73,517
Trade deposits and short-term prepayments		169,586	165,263
Other receivables		30,326	29,405
Taxation - payment less provision		1,268,546	1,212,703
Cash and bank balances	6	348,589	50,440
		<u>5,222,444</u>	<u>4,931,595</u>
<b>TOTAL ASSETS</b>		<u><u>6,968,202</u></u>	<u><u>6,818,752</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share capital</b>			
<b>Authorized</b>			
10,000,000 Ordinary shares of Rs. 10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up		96,448	96,448
<b>Reserves</b>			
Capital reserves		255,051	233,018
Revenue reserves		3,740,621	3,082,874
		<u>3,995,672</u>	<u>3,315,892</u>
		<u>4,092,120</u>	<u>3,412,340</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		-	500,000
Deferred taxation		19,031	56,676
		19,031	556,676
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,856,108	2,168,257
Accrued mark-up		943	6,038
Short term borrowings		-	675,441
		<u>2,857,051</u>	<u>2,849,736</u>
		<u>2,876,082</u>	<u>3,406,412</u>
<b>CONTINGENCIES AND COMMITMENTS 7</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>6,968,202</u></u>	<u><u>6,818,752</u></u>

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

  
Syed Babar Ali  
Chairman

  
Dr. Asim Jamal  
Chief Executive Officer

  
Yasser Pirmuhammad  
Chief Financial Officer



## Condensed Interim Profit and Loss Account

For nine months ended September 30, 2017 (Un-audited)

Note	Nine Months Ended		Quarter Ended	
	Sep. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016
	.....Rupees in `000.....			
NET SALES	9,767,953	9,448,593	3,138,836	3,732,987
COST OF SALES	(6,123,933)	(6,256,813)	(1,967,423)	(2,476,815)
GROSS PROFIT	3,644,020	3,191,780	1,171,413	1,256,172
Distribution and marketing expenses	(1,613,300)	(1,603,527)	(491,154)	(438,193)
Administrative expenses	(294,998)	(224,807)	(96,375)	(76,198)
Other expenses	(348,888)	(150,739)	(138,232)	(74,346)
Other income	35,858	27,331	8,242	9,989
	(2,221,328)	(1,951,742)	(717,519)	(578,748)
OPERATING PROFIT	1,422,692	1,240,038	453,894	677,424
FINANCE COSTS	(29,405)	(131,394)	(2,017)	(37,811)
PROFIT BEFORE TAXATION	1,393,287	1,108,644	451,877	639,613
Taxation - Current	(437,119)	(489,051)	(154,810)	(285,806)
- Prior	(46,723)	-	-	-
- Deferred	37,855	(12,954)	37,622	10,277
	(445,987)	(502,005)	(117,188)	(275,529)
NET PROFIT FOR THE PERIOD	947,300	606,639	334,689	364,084
BASIC AND DILUTED EARNING PER SHARE (Rupees)	98.22	62.90	34.70	37.75

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

Syed Babar Ali  
Chairman

Dr. Asim Jamal  
Chief Executive Officer

Yasser Pirmuhammad  
Chief Financial Officer



## Condensed Interim Statement of Comprehensive Income

For the nine months ended September 30, 2017 (Un-audited)

	Nine Months Ended		Quarter Ended	
	Sep. 30, 2017	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2016
	.....Rupees in `000.....			
Net Profit for the period	947,300	606,639	334,689	364,084
Other comprehensive income items not to be reclassified to profit and loss account in subsequent periods				
Defered tax on actuarial gain / (loss) recognised directly in equity	(210)	17	-	-
Total other comprehensive income	(210)	17	-	-
Total comprehensive income for the period	947,090	606,656	334,689	364,084

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

Syed Babar Ali  
Chairman

Dr. Asim Jamal  
Chief Executive Officer

Yasser Pirmuhammad  
Chief Financial Officer



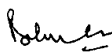



## Condensed Interim Cash Flow Statement


For the nine months ended September 30, 2017 (Un-audited)

	September 30, 2017	September 30, 2016
	Rupees in `000.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,393,287	1,108,644
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation / amortization	251,026	241,177
Loss on disposal of operating fixed assets	921	325
Expenses arising from equity settled share based payment plans	22,033	19,825
Retirement benefits	58,744	52,385
Interest income	(18)	(32)
Finance costs	29,405	131,394
	<u>1,755,398</u>	<u>1,553,718</u>
<b>Decrease in current assets</b>		
Stores and spares	(3,326)	2,020
Stock-in-trade	277,352	294,720
Trade debts	(195,263)	(261,460)
Short-term loans and advances	(10,376)	39,928
Trade deposits and short-term prepayments	(4,323)	30,485
Other receivables	(921)	5,338
	<u>63,143</u>	<u>111,031</u>
	<u>1,818,541</u>	<u>1,664,749</u>
<b>Increase in current liabilities</b>		
Trade and other payables (excluding unclaimed dividend)	646,202	158,588
Cash generated from operations	<u>2,464,743</u>	<u>1,823,337</u>
Finance costs paid	(34,500)	(147,972)
Income tax paid	(539,685)	(447,765)
Retirement benefits paid	(18,448)	(46,564)
Long-term deposits	-	(379)
Long-term loans and advances	(61)	417
Net cash generated from operating activities	<u>1,872,049</u>	<u>1,181,074</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(120,753)	(120,954)
Sale proceeds from disposal of operating fixed assets	10,266	8,616
Interest received	18	32
Net cash used in investing activities	<u>(110,469)</u>	<u>(112,306)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings repaid	(500,000)	(420,000)
Long term financing repaid	(500,000)	(500,000)
Dividends paid	(287,990)	(28,826)
Net cash used in financing activities	<u>(1,287,990)</u>	<u>(948,826)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>473,590</u>	<u>119,942</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>(125,001)</u>	<u>(27,391)</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>348,589</u></u>	<u><u>92,551</u></u>

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

  
Syed Babar Ali  
Chairman

  
Dr. Asim Jamal  
Chief Executive Officer

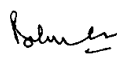
  
Yasser Pir Muhammad  
Chief Financial Officer





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

	Capital Reserves				Revenue Reserves		Total
	Issued, subscribed and paid-up share capital	Long term liabilities forgone	Difference of share capital under scheme of arrangement for amalgamation	Other	General reserve	Unappropri- ated profit	
	Rupees in '000.						
Balance as at January 1, 2016	96,448	5,935	18,000	182,818	1,935,538	171,287	2,410,026
Employee benefits cost under IFRS - 2 "Share based payment"	-	-	-	19,825	-	-	19,825
Final dividend @ Rs.3/- per ordinary share for the year ended December 31, 2015	-	-	-	-	-	(28,934)	(28,934)
Transfer to general reserve	-	-	-	-	100,000	(100,000)	-
Net profit for the period	-	-	-	-	-	606,639	606,639
Other comprehensive income for the period	-	-	-	-	-	17	17
Total comprehensive income for the period	-	-	-	-	-	606,656	606,656
<b>Balance as at September 30, 2016</b>	<b>96,448</b>	<b>5,935</b>	<b>18,000</b>	<b>202,643</b>	<b>2,035,538</b>	<b>649,009</b>	<b>3,007,573</b>
Balance as at January 1, 2017	96,448	5,935	18,000	209,083	2,035,538	1,047,336	3,412,340
Employee benefit cost under IFRS 2 - "Share based Payment"	-	-	-	22,033	-	-	22,033
Final dividend @ Rs.30/- per ordinary share for the year ended December 31, 2016	-	-	-	-	-	(289,343)	(289,343)
Transfer to general reserve	-	-	-	-	700,000	(700,000)	-
Net profit for the period	-	-	-	-	-	947,300	947,300
Other comprehensive income for the period	-	-	-	-	-	(210)	(210)
Total comprehensive income for the period	-	-	-	-	-	947,090	947,090
<b>Balance as at September 30, 2017</b>	<b>96,448</b>	<b>5,935</b>	<b>18,000</b>	<b>231,116</b>	<b>2,735,538</b>	<b>1,005,083</b>	<b>4,092,120</b>

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

  
Syed Babar Ali  
Chairman

  
Dr. Asim Jamal  
Chief Executive Officer

  
Yasser Pir Muhammad  
Chief Financial Officer



## Notes to the Condensed Interim Financial Statements For the nine months ended September 30, 2017 (Un-audited)

### 1. THE COMPANY AND ITS OPERATIONS

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

### 2. BASIS OF PREPARATION

- 2.1. During the current period, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the Companies Ordinance 1984. The Act through its promulgation has introduced many changes in presentation and disclosure in the financial statements. However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 23 of 2017 dated October 4, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year closes on or before December 31, 2017.

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

The Company has adopted the following amendments of IFRSs which became effective for the current period:

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

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

		(Un-audited) Note September 30, 2017	(Audited) December 31, 2016
		.....Rupees in `000.....	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	1,611,148	1,703,331
Capital work-in-progress	4.2	114,019	163,124
		<u>1,725,167</u>	<u>1,866,455</u>
<b>4.1. OPERATING FIXED ASSETS</b>			
Opening book value		1,703,331	1,842,490
Additions during the period / year	4.1.1	169,520	198,043
Disposals during the period / year	4.1.1	(11,188)	(12,534)
Depreciation charged during the period / year		<u>(250,514)</u>	<u>(324,668)</u>
		<u>1,611,148</u>	<u>1,703,331</u>



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

4.1.1. Details of additions and disposals are as follows:

	Additions (at cost)		Disposals (at book value)	
	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	.....Rupees in `000.....			
Building	26,756	11,351	-	-
Plant & machinery	89,025	104,738	1,589	-
Furniture & fixtures	321	3,047	-	-
Factory & office equipment	29,320	39,440	167	714
Motor vehicles	24,098	39,467	9,432	11,820
	<u>169,520</u>	<u>198,043</u>	<u>11,188</u>	<u>12,534</u>

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

4.2. Capital work-in-progress

Building	12,876	11,222
Plant and machinery	19,664	125,610
Others	81,479	26,292
	<u>114,019</u>	<u>163,124</u>

5. STOCK-IN-TRADE

Raw materials	1,317,261	1,447,485
Work-in-process	92,302	64,145
Finished goods	1,234,483	1,362,251
	<u>2,644,046</u>	<u>2,873,881</u>
Provision against stock-in-trade	<u>(277,298)</u>	<u>(229,781)</u>
	<u>2,366,748</u>	<u>2,644,100</u>

6. CASH AND BANK BALANCES

Cash in hand	44	159
Cheque in hand	-	17,145
Bank balances in current accounts	348,545	33,136
	<u>348,589</u>	<u>50,440</u>

7. CONTINGENCIES AND COMMITMENTS

7.1. Contingencies

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

7.2. Commitments

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	.....Rupees in `000.....	
Commitments for capital expenditure	<u>58,479</u>	<u>67,848</u>
Post-dated cheques issued to Collector of Customs	<u>21,440</u>	<u>21,440</u>
Outstanding letters of credit	<u>91,410</u>	<u>57,196</u>
Outstanding bank guarantees	<u>320,965</u>	<u>352,498</u>
Outstanding bank contracts	<u>124,907</u>	<u>692,437</u>



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

8. OTHER EXPENSES

Include exchange loss amounting to Rs. 199.4 million (September 30, 2016: Rs. 38.3 million) arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

9. TRANSACTIONS WITH RELATED PARTIES

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

	September 30, 2017 (Un-audited)				September 30, 2016 (Un-audited)			
	Associates	Retirement Funds	Key management personnel	Total	Associates	Retirement Funds	Key management personnel	Total
	Rupees in '000				Rupees in '000			
i) Gross Sales	11,576	-	-	11,576	27,679	-	-	27,679
ii) Purchase of goods	2,933,594	-	-	2,933,594	3,014,376	-	-	3,014,376
iii) Purchase of services	8,748	-	-	8,748	9,702	-	-	9,702
iv) Insurance claim received	6,736	-	-	6,736	-	-	-	-
v) Contribution paid								
- Provident fund	-	38,692	-	38,692	-	35,902	-	35,902
- Gratuity fund	-	9,563	-	9,563	-	26,183	-	26,183
- Pension fund	-	8,884	-	8,884	-	20,382	-	20,382
vi) Remuneration of key management personnel	-	-	151,788	151,788	-	-	139,932	139,932

10. ENTITY WIDE INFORMATION

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

10.2 Information about classes of products - net sales

	(Un-audited) September 30, 2017	(Un-audited) September 30, 2016
	.....Rupees in '000.....	
Pharmaceutical	8,982,192	8,747,231
Vaccine	785,761	701,361
	<u>9,767,953</u>	<u>9,448,593</u>

10.3 Information about geographical areas - net sales

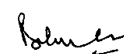
	(Un-audited) September 30, 2017	(Un-audited) September 30, 2016
Pakistan	9,623,607	9,110,166
Afghanistan	132,770	310,748
Others	11,576	27,679
	<u>9,767,953</u>	<u>9,448,593</u>

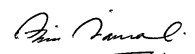
11. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorized for issue on October 26, 2017, by the Board of Directors of the Company.

12. GENERAL

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

  
Syed Babar Ali  
Chairman

  
Dr. Asim Jamal  
Chief Executive Officer

  
Yasser Pir Muhammad  
Chief Financial Officer