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sanofi-aventis Pakistan limited

**CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE QUARTER ENDED
MARCH 31, 2019

(UN-AUDITED)



SANOFI

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Company Information

Board of Directors

Syed Babar Ali
Asim Jamal
Yasser Pir Muhammad
Syed Hyder Ali
Arshad Ali Gohar
Imtiaz Ahmed Husain Laliwala
Ana Arcos
Thomas Rouckout

Chairman
Chief Executive Officer
Chief Financial Officer

Company Secretary

Muhammad Yousuf

URL

www.sanofi.com.pk

Auditors

EY Ford Rhodes,
Chartered Accountants

Bankers

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

Legal Advisors

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

Registrars & Share

Transfer Office

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

Registered Office

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

Postal Address

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

Contact

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



Directors' Report to the Shareholders

The Directors are pleased to present the un-audited interim condensed financial statements of your Company, for the first quarter ended March 31, 2019. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - "Interim Financial Reporting" and the provisions of and the directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

The Company started the year 2019 on a positive note and continued to exhibit stable growth despite substantial macro-economic challenges. Total net sales of the Company for the quarter increased by 8.2% over the same period last year, reaching to Rs. 3,592 million (2018: Rs. 3,321 million). This includes sales of Rs. 3,017 million (2018: Rs. 2,821 million) from pharmaceutical business, reflecting a growth of 7.0% over prior comparative period. Sales of consumer healthcare business showed a substantial growth of 15.1% over comparative prior period reaching to Rs. 485 million (2018: 422 million). The overall growth of the Company was mainly driven by Flagyl[®], Clexane[®] and No Spa[®] which grew by 26%, 29% and 18% respectively.

The gross margin for the period stands at 27% of net sales, compared to 37.1% for same period last year mainly due to continuous devaluation of Pakistan Rupee, resulting in substantially higher cost of imports.

Distribution and marketing expenses for the quarter decreased marginally as a percentage of net sales, compared with the prior period. Administrative expenses reduced to 3.2% of net sales, compared to 3.5% for comparative prior period.

Profit after tax for the quarter ended March 31, 2019 amounted to Rs. 122 million (2018: 268 million) because of the reasons explained above.

Volatile economic situation and devaluation of Pakistan Rupee remains a key concern for the pharmaceutical companies in general as majority of the active pharmaceutical ingredients and finished goods are imported. Despite these challenges, the outlook of pharma market is positive and the management is also confident that your Company would perform well too.

The Board of Directors would like to acknowledge the efforts and commitment of the employees in achieving Company's objectives.

By order of the Board

Syed Babar Ali
Chairman

Asim Jamal
Chief Executive Officer

Karachi: April 23rd, 2019.

حصص یا فینگان کے لئے ڈائریکٹرز کی رپورٹ



بورڈ آف ڈائریکٹرز آپ کی کمپنی کے 31 مارچ، 2019 کو ختم شدہ پہلی سہ ماہی کے غیر آڈٹ شدہ عبوری فنانشل اسٹیٹمنٹس پیش کرتے ہوئے خوشی محسوس کرتا ہے۔ یہ فنانشل اسٹیٹمنٹس انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز (IAS) 34 "انٹیرم فنانشل رپورٹنگ" کے مطابق اور کمپنیز ایکٹ، 2017 کے تحت جاری شدہ ہدایات کی روشنی میں تیار کیے گئے ہیں اگر کہیں پر ضرورت مختلف ہیں تو کمپنیز ایکٹ، 2017 ہدایات پر عمل کیا گیا ہے۔

کمپنی نے سال 2019 کا آغاز مثبت انداز میں کیا اور بڑے بیکرو اکٹناک چیلنجز کے باوجود مستحکم ترقی کے تسلسل کو برقرار رکھا۔ پہلی سہ ماہی کے دوران کمپنی کی نیٹ سیلز 3,592 ملین روپے رہی، جو کہ 2018 میں اسی دورانیہ کے (ملین Rs. 3,321) کے مقابلے میں 8.2% زیادہ ہے۔ اس میں فارما سیونٹیکل برنس سے 3,017 ملین روپے کی سیلز شامل ہے جو کہ 2018 میں اسی دورانیہ کے (ملین Rs. 2,281) کے مقابلے میں 7.0% زیادہ ہے۔ کنزیومر ہیلتھ کیئر برنس کی سیلز 485 ملین روپے رہی جو کہ 2018 میں اسی دورانیہ کے (ملین Rs. 422) کے مقابلے میں 15.1% زیادہ ہے۔ مجموعی طور پر کمپنی کی سیلز میں اضافہ فیملی، کلکیزین اور نوپا کی سیلز بڑھنے سے ہوا، جس میں ہونے والا اضافہ بالترتیب 26%، 29% اور 18% ہے۔

نیٹ سیلز کی شرح کے لحاظ سے مجموعی منافع گزشتہ سال اسی دورانیہ کے 37.1% کے مقابلے میں 27% تک رہا جس کی بنیادی وجہ پاکستانی روپے کی قدر میں مسلسل کمی ہے جس کا اثر درآمدات کی قیمتوں کے اضافے میں بھی ہوا۔

رواں سہ ماہی کے دوران ڈسٹری بیوٹن اور مارکیٹنگ اخراجات میں نیٹ سیلز کی شرح کے لحاظ سے گزشتہ سال اسی دورانیہ کے مقابلے میں تھوڑی کمی ریکارڈ کی گئی ہے۔ انتظامی اخراجات میں گزشتہ سال اسی دورانیہ کے مقابلے میں کمی آئی اور اس کی شرح نیٹ سیلز کے 3.5% سے کم ہو کر 3.2% تک آگئی ہے۔

مندرجہ بالا اسباب کی وجہ سے 31 مارچ، 2019 کو ختم شدہ سہ ماہی میں بعد از ٹیکس منافع 122 ملین روپے رہا (ملین Rs. 268) (2018)۔

غیر مستحکم معاشی صورتحال اور پاکستانی روپے کی قدر میں کمی کے باعث فارما سیونٹیکل کمپنیاں عمومی طور پر مسائل سے دوچار ہیں کیونکہ دواؤں میں استعمال ہونے والے زیادہ تر اجزاء اور دیگر تیار شدہ اشیاء درآمد کی جاتی ہیں۔ ان مشکلات کے باوجود، فارما مارکیٹ کا مستقبل مثبت ہے اور انتظامیہ بھی پراعتماد ہے کہ آپ کی کمپنی بہتر کارکردگی کا مظاہرہ کرے گی۔

بورڈ آف ڈائریکٹرز کمپنی کے تمام ملازمین کی جانب سے سخت محنت اور کمپنی کے مقاصد کے حصول کے لیے ان کی کاوشوں کے شکر گزار ہیں۔

بحکم بورڈ

Asim Rana

عاصم رحمان
چیف ایگزیکٹو آفیسر

Sulaiman

سید باہر علی
چیرمین

کراچی: 23 اپریل، 2019

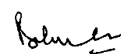


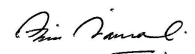
Condensed Interim Statement of Financial Position

As at March 31, 2019

		(Un-audited)	(Audited)
	Note	March 31, 2019	December 31, 2018
ASSETS			
.....Rupees in `000.....			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	1,651,678	1,661,132
Intangible assets		2,530	2,706
		<u>1,654,208</u>	<u>1,663,838</u>
Long-term loans		5,163	5,572
Long-term deposits		13,643	13,643
Deferred taxation		30,495	39,388
		<u>1,703,509</u>	<u>1,722,441</u>
CURRENT ASSETS			
Stores and spares		50,638	52,020
Stock-in-trade	6	3,322,378	2,879,645
Trade debts		682,100	582,001
Loans and advances		126,667	133,735
Trade deposits and short-term prepayments		448,309	399,052
Other receivables	7	37,024	31,095
Taxation - net		1,725,537	1,751,093
Cash and bank balances		46,083	254,648
		<u>6,438,736</u>	<u>6,083,289</u>
TOTAL ASSETS		<u><u>8,142,245</u></u>	<u><u>7,805,730</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorized			
10,000,000 Ordinary shares of Rs. 10 each		<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up		96,448	96,448
Reserves			
Capital reserves		297,234	289,967
Revenue reserves		4,032,440	3,911,250
		<u>4,329,674</u>	<u>4,201,217</u>
		4,426,122	4,297,665
CURRENT LIABILITIES			
Trade and other payables	8	3,405,177	3,499,761
Accrued mark-up		3,087	339
Unclaimed dividend		7,663	7,965
Short-term borrowings		300,196	-
		<u>3,716,123</u>	<u>3,508,065</u>
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		<u><u>8,142,245</u></u>	<u><u>7,805,730</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Syed Babar Ali
Chairman


Asim Jamal
Chief Executive Officer


Yasser Pirmuhammad
Chief Financial Officer



Condensed Interim Statement of Profit or Loss

For the quarter ended March 31, 2019 (Un-audited)

	March 31, 2019	March 31, 2018
	.....Rupees in `000.....	
NET SALES	3,592,000	3,320,653
Cost of sales	<u>(2,623,801)</u>	<u>(2,088,496)</u>
GORSS PROFIT	968,199	1,232,157
Distribution and marketing costs	<u>(620,435)</u>	<u>(578,083)</u>
Administrative expenses	<u>(116,013)</u>	<u>(115,425)</u>
Other expenses	<u>(94)</u>	<u>(138,675)</u>
Other income	<u>8,764</u>	<u>7,638</u>
	<u>(727,778)</u>	<u>(824,545)</u>
OPERATING PROFIT	<u>240,421</u>	<u>407,612</u>
Finance Costs	<u>(6,011)</u>	<u>(4,048)</u>
PROFIT BEFORE TAXATION	234,410	403,564
Taxation - Current	<u>(104,328)</u>	<u>(146,670)</u>
- Prior	<u>-</u>	<u>13,959</u>
- Deferred	<u>(7,766)</u>	<u>(2,583)</u>
	<u>(112,094)</u>	<u>(135,294)</u>
PROFIT AFTER TAXATION	<u>122,316</u>	<u>268,270</u>
EARNINGS PER SHARE - basic and diluted (Rupees)	<u>12.68</u>	<u>27.82</u>

The annexed notes 1 to 14 form an integral part of these interim condensed financial statements.

Syed Babar Ali
Chairman

Asim Jamal
Chief Executive Officer

Yasser Pir Muhammad
Chief Financial Officer



Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2019 (Un-audited)

	March 31, 2019	March 31, 2018
	.....Rupees in `000.....	
Net profit for the period	122,316	268,270
Other comprehensive loss items not to be reclassified to statement of profit or loss in subsequent periods		
Impact of rate change on deferred tax on acturial loss directly recognized in equity	<u>(1,126)</u>	<u>-</u>
Total other comprehensive loss	<u>(1,126)</u>	<u>-</u>
Total comprehensive income for the period	<u>121,190</u>	<u>268,270</u>

The annexed notes 1 to 14 form an integral part of these interim condensed financial statements.

Syed Babar Ali
Chairman

Asim Jamal
Chief Executive Officer

Yasser Pir Muhammad
Chief Financial Officer

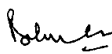



Condensed Interim Statement of Cash Flows


For the quarter ended March 31, 2019 (Un-audited)

	March 31, 2019	March 31, 2018
	.....Rupees in `000.....	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	234,410	403,564
Adjustments for non-cash charges and other items:		
Depreciation / amortization	87,093	85,456
Loss on disposal of operating fixed assets	3,626	195
Expenses arising from equity settled share based payment plans	7,267	8,500
Retirement benefits	20,566	20,495
Interest income	(10)	(5)
Finance costs	6,011	4,048
	<u>358,963</u>	<u>522,253</u>
(Increase) / Decrease in current assets		
Stores and spares	1,382	1,744
Stock-in-trade	(442,733)	(236,977)
Trade debts	(100,099)	503
Loans and advances	7,068	(51,356)
Trade deposits and short-term prepayments	(49,257)	1,654
Other receivables	(5,929)	(9,221)
	<u>(589,568)</u>	<u>(293,653)</u>
	(230,605)	228,600
(Decrease) / Increase in current liabilities		
Trade and other payables (excluding liabilities for employees' pension and gratuity fund)	(115,150)	369,372
Cash (used in) / generated from operations	(345,755)	597,972
Finance costs paid	(3,263)	(4,395)
Income tax paid	(78,772)	(183,541)
Long-term loans	409	336
Net cash (used in) / generated from operating activities	<u>(427,381)</u>	<u>410,372</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(94,106)	(44,622)
Sale proceeds from disposal of operating fixed assets	13,018	7,566
Interest received	10	5
Net cash used in investing activities	<u>(81,078)</u>	<u>(37,051)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(302)	(54)
Net cash used in financing activities	<u>(302)</u>	<u>(54)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(508,761)</u>	<u>373,267</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	254,648	(255,452)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10 <u>(254,113)</u>	<u>117,815</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Syed Babar Ali
Chairman


Asim Jamal
Chief Executive Officer

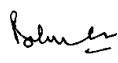

Yasser Pir Muhammad
Chief Financial Officer




**Condensed Interim Statement of
Changes in Equity**
For the quarter ended March 31, 2019 (Un-audited)

	Capital Reserves				Revenue Reserves		Total
	Issued, subscribed and paid-up share capital	Long term liabilities forgone	Difference of share capital under scheme of arrangement for amalgamation	Other	General reserve	Unappropriated profit	
	Rupees in '000.						
Balance as at January 1, 2018	96,448	5,935	18,000	238,109	2,735,538	1,054,588	4,148,618
Employee benefits cost under IFRS - 2 "Share based payment"	-	-	-	8,500	-	-	8,500
Transfer to general reserve	-	-	-	-	600,000	(600,000)	-
Profit after taxation	-	-	-	-	-	268,270	268,270
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	268,270	268,270
Balance as at March 31, 2018	<u>96,448</u>	<u>5,935</u>	<u>18,000</u>	<u>246,609</u>	<u>3,335,538</u>	<u>722,858</u>	<u>4,425,388</u>
Balance as at January 1, 2019	96,448	5,935	18,000	266,032	3,335,538	575,712	4,297,665
Employee benefits cost under IFRS 2 - "Share based payment"	-	-	-	7,267	-	-	7,267
Transfer to general reserve	-	-	-	-	200,000	(200,000)	-
Profit after taxation	-	-	-	-	-	122,316	122,316
Other comprehensive loss for the period	-	-	-	-	-	(1,126)	(1,126)
Total comprehensive income for the period	-	-	-	-	-	121,190	121,190
Balance as at March 31, 2019	<u>96,448</u>	<u>5,935</u>	<u>18,000</u>	<u>273,299</u>	<u>3,535,538</u>	<u>496,902</u>	<u>4,426,122</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Syed Babar Ali
Chairman


Asim Jamal
Chief Executive Officer


Yasser Pirmuhammad
Chief Financial Officer



Notes to the Condensed Interim Financial Statements For the quarter ended March 31, 2019 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan in 1967 as a Public Limited Company. The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Sanofi Foreign Participations B.V., registered in Netherlands (the Parent Company). The Ultimate Parent Company is Sanofi S.A., France. The Company is one of the well-established healthcare companies of Pakistan, focused on patient needs and engaged in the manufacture and sale of pharmaceutical and consumer healthcare products. It is also engaged in the sale of vaccines.

The registered office of the Company is located at Plot 23, Sector 22, Korangi Industrial Area, Karachi.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the first quarter ended March 31, 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are un-audited 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, 2018.

These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

3.1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2018, except as disclosed below:

New Standards

IFRS 15	Revenue from Contract with Customers
IFRS 9	Financial Instruments
IFRS 16	Leases

3.2. The Company follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements.

3.3. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1. The preparation of these condensed interim financial statements is in conformity with the approved accounting standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

4.2. During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended December 31, 2018.



**Notes to the Condensed Interim
Financial Statements**
For the quarter ended March 31, 2019 (Un-audited)

		(Un-audited)	(Audited)
	Note	March 31, 2019	December 31, 2018
.....Rupees in `000.....			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,545,633	1,563,910
Capital work-in-progress	5.2	106,045	97,222
		<u>1,651,678</u>	<u>1,661,132</u>
5.1. OPERATING FIXED ASSETS			
Opening net book value		1,563,910	1,584,463
Additions during the period / year at cost	5.1.1	85,158	355,140
Disposals during the period / year	5.1.1	(16,644)	(32,686)
Write-off during the period / year		-	(2,160)
Depreciation charged during the period / year		(86,791)	(340,847)
		<u>1,545,633</u>	<u>1,563,910</u>
5.1.1. Additions to operating fixed assets, including transfers from capital work-in-progress and the disposals made during the period were as follows:			
		<u>Additions (at cost)</u>	<u>Disposals (at net book value)</u>
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2019	2018
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2019	2018
		.....Rupees in `000.....	
Building on leasehold land		-	29
Plant & machinery		3,141	5,548
Furniture & fixtures		360	3,110
Factory & office equipment		19,404	8,516
Motor vehicles - owned		62,253	6,414
		<u>85,158</u>	<u>23,617</u>
		-	1,211
		-	76
		<u>16,644</u>	<u>7,685</u>
		<u>16,644</u>	<u>7,761</u>
		(Un-audited)	(Audited)
		March 31,	December 31,
		2019	2018
		.....Rupees in `000.....	
5.2. Capital work-in-progress			
Building		20,703	12,826
Plant and machinery		61,333	51,320
Others		24,009	33,076
		<u>106,045</u>	<u>97,222</u>
		(Un-audited)	(Audited)
		March 31,	December 31,
		2019	2018
		.....Rupees in `000.....	
6. STOCK-IN-TRADE			
Raw and packing materials			
In hand		1,003,236	1,029,298
In transit		448,090	517,042
		<u>1,451,326</u>	<u>1,546,340</u>
Provision against raw and packing material	6.1	(134,980)	(130,155)
		<u>1,316,346</u>	<u>1,416,185</u>
Work-in-process		94,153	94,040
Finished goods			
In hand		1,665,566	1,307,235
In transit		485,421	247,342
		<u>2,150,987</u>	<u>1,554,577</u>
Provision against finished goods	6.2 & 6.3	(239,108)	(185,157)
		<u>1,911,879</u>	<u>1,369,420</u>
		<u>3,322,378</u>	<u>2,879,645</u>



Notes to the Condensed Interim
Financial Statements
For the quarter ended March 31, 2019

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	.....Rupees in `000.....	
6.1. Movement of provision against raw and packing material		
Opening balance	130,155	118,992
charge for the period / year	4,825	15,869
Write-off during the period / year	-	(4,706)
Closing balance	<u>134,980</u>	<u>130,155</u>

6.2. Includes write down of finished goods costing Rs. 397.640 (2018: Rs. 195.221) million, to their net realizable value of Rs. 336.447 (2018: Rs. 172.423) million.

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	.....Rupees in `000.....	
6.3. Movement of provision against finished goods		
Opening balance	185,157	162,181
Charge for the period / year	63,111	60,355
Write-off during the period / year	(9,160)	(37,379)
Closing balance	<u>239,108</u>	<u>185,157</u>

7. OTHER RECEIVABLES

Includes Rs. 6,797 (2018: Rs. 8,414) million receivable from related parties.

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	.....Rupees in `000.....	

8. TRADE AND OTHER PAYABLES

Trade creditors

Related parties	1,600,704	1,638,149
Other trade creditors	227,359	191,887
	<u>1,828,063</u>	<u>1,830,036</u>

Other payables

Accrued liabilities	875,830	967,713
Provision for Infrastructure Development Cess	318,430	306,669
Employees' Pension Fund	172,096	161,545
Employees' Gratuity Fund	43,001	32,986
Advances from customers	23,628	23,358
Workers' Profits Participation Fund	13,099	40,968
Workers' Welfare Fund	86,693	83,621
Central Research Fund	11,588	9,147
Compensated absences	13,121	23,494
Security deposits	775	775
Contractors' retention money	2,356	2,356
Sales tax payable	16,497	17,093
	<u>1,577,114</u>	<u>1,669,725</u>
	<u>3,405,177</u>	<u>3,499,761</u>

9. CONTINGENCIES AND COMMITMENTS

9.1. Contingencies

There is no change in the status of contingencies, as set out in note 18.1 to the annual financial statements of the Company for the year ended December 31, 2018.



Notes to the Condensed Interim
Financial Statements
For the quarter ended March 31, 2019 (Un-audited)

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	.....Rupees in `000.....	
9.2. Commitments		
Commitments for capital expenditure	<u>78,860</u>	<u>90,300</u>
Post-dated cheques issued to Collector of Customs	<u>20,613</u>	<u>20,613</u>
Outstanding letters of credit	<u>358,585</u>	<u>241,063</u>
Outstanding bank guarantees	<u>387,423</u>	<u>392,443</u>
Outstanding bank contracts	<u>1,664,487</u>	<u>2,289,595</u>
	(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	.....Rupees in `000.....	
10. CASH AND CASH EQUIVALENTS		
Cash and bank balance	46,083	157,662
Short-term borrowings	<u>(300,196)</u>	<u>(39,847)</u>
	<u>(254,113)</u>	<u>117,815</u>

11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies, associated undertakings, employees' provident fund, employees' gratuity fund, employees' pension fund, directors and key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties are executed at agreed terms duly approved by the Board of Directors of the Company.

There are no transactions with key management personnel other than under the terms of employment.

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

	March 31, 2019 (Un-audited)					March 31, 2018 (Un-audited)				
	Group Companies	Associates undertakings	Retirement Benefits Plans	Key management personnel	Total	Group Companies	Associates undertakings	Retirement Benefits Plans	Key management personnel	Total
	.....Rupees in `000.....									
i) Purchase of goods	1,712,358	6,418	-	-	1,718,776	1,380,650	-	-	-	1,380,650
ii) Purchase of services	20,241	8,797	-	-	29,038	8,799	5,386	-	-	14,185
iii) Insurance claim received	-	525	-	-	525	-	2,477	-	-	2,477
iv) Contribution paid to Provident fund	-	-	14,632	-	14,632	-	-	13,396	-	13,396
v) Remuneration of Key management personnel	-	-	-	69,397	69,397	-	-	-	62,347	62,347

12. ENTITY WIDE INFORMATION

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

12.2 Information about classes of products - net sales

	(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	.....Rupees in `000.....	
Pharmaceutical	3,016,969	2,820,790
Consumer Healthcare	485,175	421,697
Vaccine	89,856	78,166
	<u>3,592,000</u>	<u>3,320,653</u>



Notes to the Condensed Interim
Financial Statements
For the quarter ended March 31, 2019 (Un-audited)

	(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	.....Rupees in `000.....	
12.3. Information about geographical areas - net sales		
Pakistan	3,524,179	3,318,180
Afghanistan	67,821	2,473
	<u>3,592,000</u>	<u>3,320,653</u>

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 23, 2019 by the Board of Directors of the Company.

14. GENERAL

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

Syed Babar Ali
Chairman

Asim Jamal
Chief Executive Officer

Yasser Pir Muhammad
Chief Financial Officer