SANOFI

ANNUAL REPORT 2015

CONTENTS

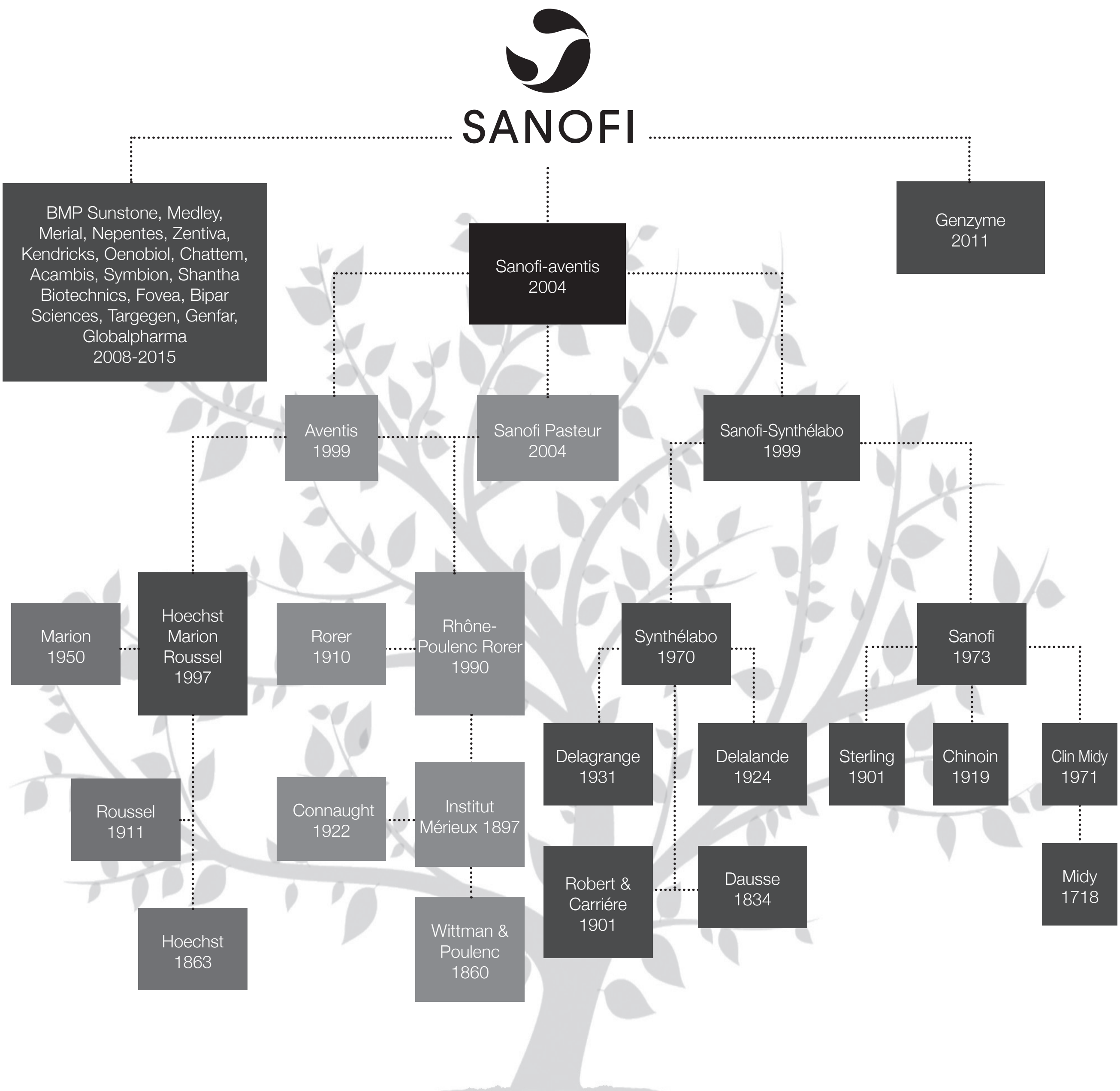
VISION

To be a diversified healthcare leader, focused on patients' needs.

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.

GROUP HISTORY



GROUP PROFILE

Committed to 7 billion people

Over the years, Sanofi has evolved to meet the new challenges of healthcare worldwide. Today, Sanofi is a global healthcare leader focused on one ultimate goal: to improve the lives of patients around the world. Patients are at the heart of our approach. We listen to their needs, support them in their disease and treat them. We have reinvented our research & development approach to accelerate both the pace of innovation and the development of breakthrough health solutions for patients. Through our diversified portfolio of medicines, vaccines and innovative therapeutic solutions, we strive to protect the health and meet the needs and hopes of the world's 7 billion people.

A **global healthcare leader**

A **diversified offering** of medicines, consumer healthcare products, generics and animal health

A world leader in **human vaccines**

A broad and **balanced presence** on both traditional and emerging markets

More than **110,000** employees in **100** countries

2015 Total aggregate Group sales:
€37,057 million

New CEO of the Group

Olivier Brandicourt joined the Sanofi Group as Chief Executive Officer in April 2015.

A physician by training, Olivier Brandicourt has 28 years of global experience in the pharmaceutical industry. He joined Sanofi in April 2015 after serving as Chief Executive Officer of Bayer Healthcare AG since 2013. In this role, he was responsible for leading the company's global portfolio across the pharmaceuticals, consumer care, animal health, and medical care businesses. Prior to Bayer Healthcare, Olivier worked at Pfizer for 13 years.

He is a member of the Board of Management of the Pharmaceutical Research and Manufacturers of America (PhRMA), as well as a member of the Council of the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA). He is also an Honorary Member of the Royal College of Physicians in London and a board member of the Children's Aid Society in New York.

Olivier Brandicourt studied medicine in Paris where he specialized in Infectious Diseases and Tropical Medicine (University of Paris V) and holds an Advanced Degree in Cellular and Immunological Pathophysiology from the Paris Descartes University. He also holds a Master's Degree in Biology (University of Paris XII).

STRATEGIC OBJECTIVES

At the heart of everything we do are people. Through our vaccines and medicines, we help prevent and where needed, treat those in need. As economies and societies evolve, we need healthy populations to meet future challenges. Healthcare needs have changed and will continue to do so and as an industry we have to adapt to meet these needs.

To have a real impact, we have to build a sustainable business to invest in delivering innovative solutions. At the same time we need to improve access to medicines and improved healthcare. In order to move along in this ambition, we continue to push forward with our key strategic priorities:

1. Be a global healthcare leader with synergistic platforms

We have significantly transformed the Group to be focused on the seven strategic growth platforms of diabetes, vaccines, consumer healthcare, rare diseases & multiple sclerosis, other innovative products, animal health and emerging markets. Not only will these enable us to improve access to quality healthcare and meet unmet needs, but they will also deliver the sustainable growth required to allow us to continue to invest in innovative research & development.

Our ambition is to offer an integrated set of businesses within the healthcare space with opportunities to create synergies across activities, both upstream and at an R&D level and downstream in the market place.

2. Bring innovative products to the market

R&D has always been and will continue to be the cornerstone of our company. The advancements in science mean that more targeted, more effective treatments are within reach and we are ready to take on this challenge. We have built a revitalized R&D organization centered on patients' needs and delivering truly innovative solutions.

3. Seizing value-enhancing growth opportunities

The changing face of the industry, healthcare needs and scientific discovery led us to the realization that we need to diversify to grow the business. We need to look outside at partnerships and acquisitions to succeed in delivering future innovative solutions. We have been successful in searching out the best science and the best companies to acquire and partner with. We have strongly reinforced our business in particular areas such as diabetes, oncology, rare diseases and consumer healthcare. We will continue to look for opportunities and partner with the best, whomever and wherever they may be.

4. Adapt structure for future challenges and opportunities

The successful companies of tomorrow are those that go beyond delivering products to delivering real solutions and services. We have identified and delivered on our growth platforms and we have undergone a deep organizational transformation. We have evolved our R&D model and have expanded our footprint in biotechnology through the acquisition of Genzyme and refocused regional and global operations to be ready to meet the next challenge and opportunity around the corner.

OUR VALUES

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

INNOVATION

Forward-Thinking

We encourage our people and partners to embrace creative solutions and excel through entrepreneurship.

RESPECT

Embracing Difference

We recognise and respect the diversity and needs of our people, patients and partners, ensuring transparent and constructive interactions through mutual trust.

CONFIDENCE

Standing Out

We are confident; standing up for what we believe in and pursuing our goals passionately. Always resilient, we dare to challenge the norm.

SOLIDARITY

Socially Responsible

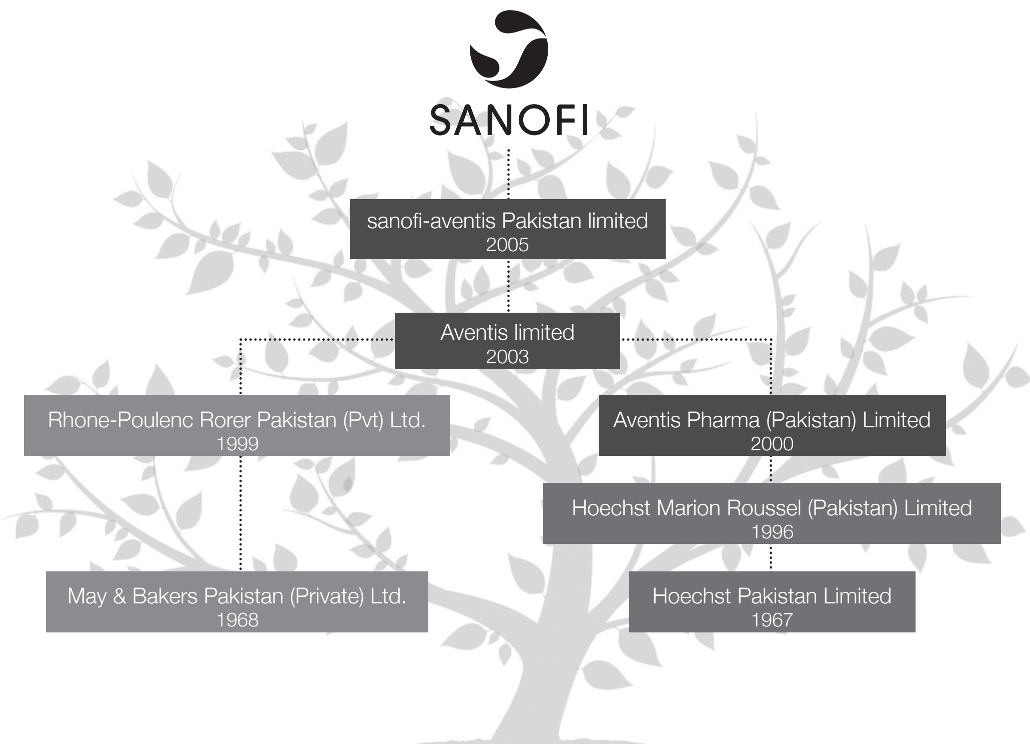
We are united in shared responsibility for our actions, our people, the wellbeing of our patients and in achieving a sustainable impact on the environment.

INTEGRITY

Acting Ethically

We commit to maintain the highest ethical and quality standards without compromise.

SANOFI PAKISTAN CORPORATE PROFILE



History of Sanofi in Pakistan

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 remain the same i.e sanofi-aventis Pakistan limited.

Today, Sanofi is the 7th largest pharmaceutical company in Pakistan with a market share of 3.5% and growth rate of 6.5%.

NEW CEO OF SANOFI IN PAKISTAN

In June 2015, Dr. Asim Jamal was appointed General Manager & Managing Director of Sanofi Pakistan.

Dr. Asim Jamal is a graduate in Medicine and Surgery and also holds two MBA degrees.

He has a cumulative experience of over 24 years in various functions within the Medical sector. He began his career as a General Practitioner & House Officer in Pakistan. Subsequently, he joined Novartis Pakistan and moved to Eli Lilly 4 years later as Sales Training Manager. Over the next 6 years he progressed steadily in Eli Lilly, taking on various local and regional roles in Sales, Medical, Marketing and New Product Planning.

In 2003, Dr. Jamal joined Sanofi Pakistan as Business Unit Head, subsequently taking up the position of Marketing Director. Between 2008 and 2010, he spent 2 years in the Vietnam affiliate of Sanofi as Marketing Director, returning to the Pakistan affiliate as Business Development & Excellence Director. Prior to his appointment as GM of Sanofi Pakistan in June 2015, Dr. Jamal was GM of Sanofi Bangladesh.

COMPANY INFORMATION

SANOFI

Board of Directors

Syed Babar Ali	Chairman
Dr. Asim Jamal	Chief Executive & Managing Director
Arshad Ali Gohar	
Syed Hyder Ali	
Patrick Aghanian	
Franck Vidor	
Patrick Chocat	
Javed Iqbal	
Yasser Pirmuhammad	Chief Financial Officer

Company Secretary
Saad Usman

Auditors
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

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

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

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

Contact
Tel : +92 21 3506 0221-35
contact.pk@sanofi.com

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

Share Registrars
FAMCO Associates (Pvt.) Ltd.
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal,
Karachi
Tel : +92 21 34380101-5
Fax : +92 21 34380106
URL : www.famco.com.pk

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

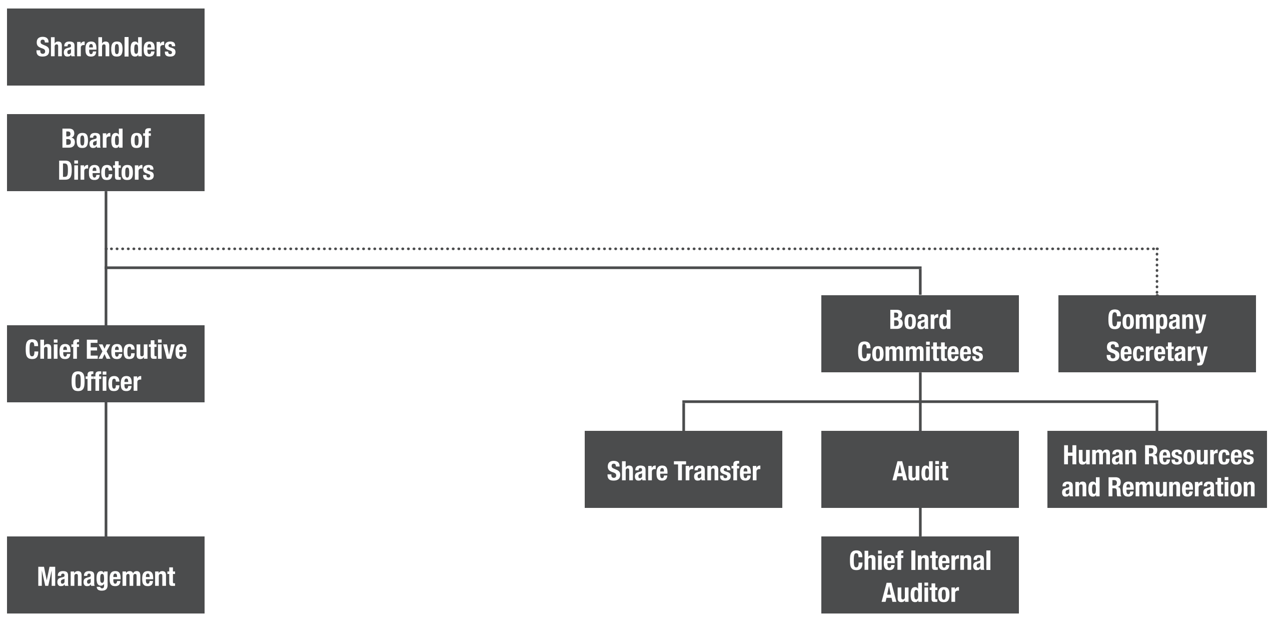
DIRECTORS' PROFILE*

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 • Gurmani Foundation • IGI Insurance Limited • IGI Investment Bank 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 **Pro-Chancellor:** • Lahore University of Management Sciences (LUMS)
Dr. Asim Jamal Chief Executive (Executive Director)	June 1, 2015	**Member:** • Board of Governors of National Management Foundation (Governing body of LUMS) • Pakistan Pharmaceuticals Manufacturers' Association – represents sanofi-aventis Pakistan limited • Pakistan France Business Alliance – represents sanofi-aventis Pakistan limited • Co-Chairman: Pharma Bureau – represents sanofi-aventis Pakistan limited
Arshad Ali Gohar (Non-Executive Director)	February 11, 2011	**Director:** • Ali Gohar & Company (Private) Limited • AGT Holdings (Private) Limited • AGC (Private) Limited
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 Lanka (Pvt) Limited • Packages Limited • Pakistan Business Council • Pakistan Centre for Philanthropy • Syed Maratib Ali Religious & Charitable Trust Society • Tetra Pak Pakistan Limited • Tri-Pack Films Limited • World Wide Fund for Nature

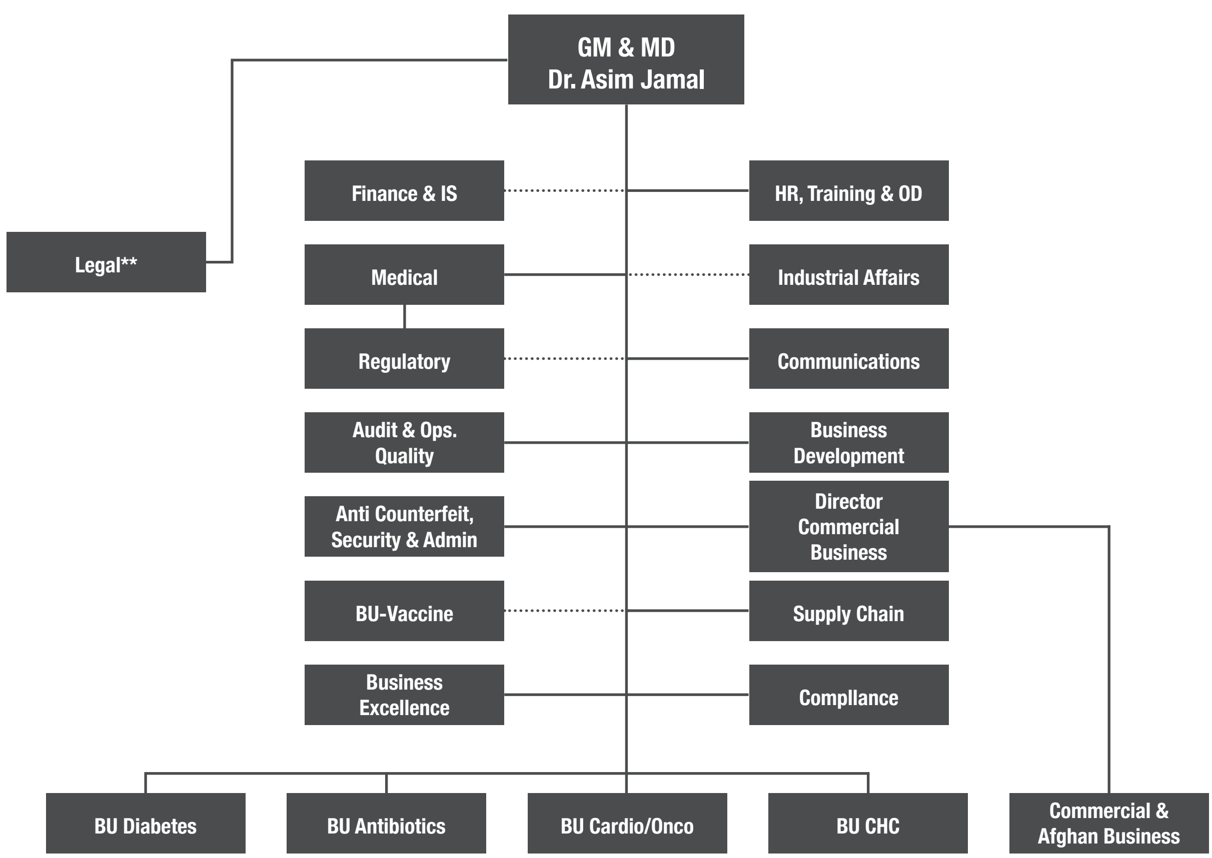
Name of director	Date of joining board	Other engagements
		Member: • Ali Institute of Education • International Chamber of Commerce, Pakistan • Lahore University of Management Sciences
Javed Iqbal (Independant Director)	April 25, 2014	**Director:** • Professional Education Foundation Trust • Samba Bank Pakistan Ltd
Franck Vidor (Non-Executive Director)	October 30, 2015	None
Patrick Chocat (Non-Executive Director)	October 30, 2015	None
Patrick Aghanian (Non-Executive Director)	March 12,2015	None
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

**As at Feb 29th 2016*

CORPORATE STRUCTURE



ORGANIZATION CHART*



*As at December 31st 2015
**Manager Legal reports directly to GM, however is not as an MC member

MANAGEMENT COMMITTEE*

The Management Committee provides direction & leadership to the organization by:

- Setting strategic direction.
- Formulating policies and implementing risk management and internal control procedures.
- Ensuring effective management of resources.
- Monitoning activities to ensure objectives are met in a transparent, ethical manner in line with the values of the organization.

Asim Jamal	General Management
Ali Hasani	Industrial Affairs
Laila Khan	External Affairs
Yasser Pirmuhammad	Finance & Information Solutions
Shujauddin Shaikh	Regulatory Affairs
Amanullah Khan	Medical
Munawar Uqaili	Business Unit, Vaccines
Aamer Waheed	Trade & Revenue Management
Zubair Rizvi	Business Unit, Diabetes
Syed Ahmed Iqbal	Business Unit, Classic
Shakeel Mapara	Human Resources & Training
Amjad Javed	Anti-counterfeit & Security
Saiyed Raza	Business Operations
Saifullah Khan	Portfolio Management
Munzir Ishaq Rajput	Business Unit, Cardiology & Oncology
Salman Shamim	Business Unit, Core

**As at Feb 1st 2016*

CORPORATE 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 directors, 1 independent director and 2 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 of Directors

Syed Babar Ali	Chairman	Non-Executive Director
Dr. Asim Jamal	CEO & MD	Executive Director
Javed Iqbal		Independent Director
Arshad Ali Gohar		Non-Executive Director
Syed Hyder Ali		Non-Executive Director
Patrick Aghanian		Non-Executive Director
Franck Vidor		Non-Executive Director
Patrick Chocat		Non-Executive Director
Yasser Pirmuhammad	CFO	Executive Director

Board Committees

The Board has formed the following Committees in line with the Best Practices of Corporate Governance and the 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 Audit Committee comprises of three directors, two non-executive and one independent. The Chairman of the Audit Committee is a non-executive director. The Audit Committee is structured as follows:

Syed Hyder Ali	Chairman	Non-Executive Director
Franck Vidor		Non-Executive Director
Javed Iqbal		Independent Director

The position of the Secretary, which was previously occupied by the Head of Internal Audit, is currently vacant.

Human Resource and Remuneration Committee

This Committee assists the Board of Directors 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 committee is structured as follows:

Arshad Ali Gohar	Chairman	Non-Executive Director
Syed Hyder Ali		Non-Executive Director
Dr. Asim Jamal	CEO & MD	Executive Director
Shakeel Mapara	Secretary	Director Human Resource

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 of Directors in subsequent meetings. The committee is structured as follows:

Dr. Asim Jamal	CEO & MD	Executive Director
Yasser Pirmuhammad	CFO	Executive Director

Board Performance Evaluation

The Code of Corporate Governance 2012 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

Performance Evaluation of the Chief Executive

The performance of the Chief Executive (CEO) is based on the criteria defined by the Sanofi group, 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.

PRODUCTS

Oral Anti-Diabetics

Amaryl® and Amaryl M®

Amaryl® (glimepiride) and Amaryl M® (glimepiride + metformin) are oral blood glucose-lowering drugs of the sulfonylurea class, administered once a day to treat Type 2 diabetes in combination with diet and exercise measures.

Daonil® and Daonil - M®

Daonil® (gilbenclamide) and Daonil – M® (glibenclamide + metformin) are oral hypoglycemic agents belonging to sulfonylurea class. Daonil® is used in the treatment of non-insulin dependent diabetes. Daonil® is used in conjunction with proper diet and exercise to decrease blood sugar levels.

Neodipar®

Neodipar® (metformin) is an oral diabetes medicine that helps control blood sugar levels. It is used for the management of type 2 diabetes. At times this is used in combination with insulin or other medications for more efficient blood glucose control.

Insulins

Lantus®

Sanofi improved significantly diabetes management with Lantus® (insulin glargine) – 24-hour, once-daily basal insulin injection. With clinical experience covering more than 100,000 patients, as well as post-marketing surveillance arising from over 30 million patient-years of experience, Lantus® has demonstrated a strong efficacy and safety profile over the past 10 years – and remains the subject of ongoing studies even now, to optimise its use for people with diabetes.

Apidra®

Apidra® (insulin glulisine) is a fast-acting insulin for people with Type 1 and advanced Type 2 diabetes. It is usually combined with long-acting insulin or basal insulin analogues, such as Lantus®. Apidra® is more flexible than fast-acting human insulin because it is administered subcutaneously just before or immediately after meals.

SoloSTAR®

SoloSTAR® (Insulin injection pen) is a pre-filled, disposable pen that enables patients to inject up to 80 units of insulin, if necessary in one shot. It was designed to meet the everyday needs of people with diabetes. They can easily see the insulin dose and the injection is almost painless, as slight pressure suffices to inject the right dose (30% less force than similar devices).

Cancer

Jevtana®

Jevtana® (cabazitaxel) is a prescription anti-cancer medicine used with the steroid medicine prednisone. Jevtana® is used to treat people with prostate cancer that has worsened (progressed) after treatment with other anti-cancer medicines, including docetexal (Taxotere®).

Taxotere®

Taxotere® (docetaxel) is a drug in the taxoid class, which inhibits cancer cell division by essentially “freezing” the cell’s internal skeleton, comprised of microtubules which assemble and disassemble during a cell cycle. Taxotere® promotes assembly and blocks disassembly, thereby preventing cancer cells from dividing and resulting in their death.

Eloxatin®

Eloxatin® (oxaliplatin) is a new-generation platinum salt that has brought major progress in the treatment of metastatic colorectal cancer by making surgery possible for a significant proportion of patients with isolated hepatic metastases by rapidly and significantly reducing metastasis size. Eloxatin® holds out the hope of an extended lifespan and possible recovery for these patients.

Fludara®

Fludara (fludarabine) is a chemotherapy drug used in the treatment of hematological malignancies (cancers of blood cells such as leukemias and lymphomas). It causes the death of cancer cells by interfering with their growth and reproduction. Fludara® is used to treat a type of cancer known as chronic lymphocytic leukemia (CLL) in people for whom other treatments have not worked. The injectable form of this medication may also be used to treat low-grade non-

Hodgkin's lymphoma (Lg-NHL) in people for whom other treatments have not worked.

Pain Management

No-Spa®

This is used as an antispasmodic in the management of biliary-tract, urinary-tract, and gastrointestinal spasm. No-Spa® (drotaverine HCl) is indicated in the management of irritable bowel syndrome, renal colic, biliary colic, and the management of severe pain during menstruation.

Gardan®

Gardan® (mefanamic acid) is used to relieve mild to moderate pain including soft tissue injuries, other painful musculoskeletal conditions, headache, dental pain, post-operative pain & dysmenorrhea.

Muscoril®

Muscoril® (thiochochicoside) is a muscle relaxant drug with anti-inflammatory and analgesic properties. It is used for treating muscular spasms, and rheumatologic, orthopedic, and traumatologic disorders.

Profenid®

An anti-inflammatory analgesic and antipyretic. Profenid® (ketoprofen) is used in the treatment of rheumatoid arthritis, osteoarthritis and to alleviate moderate pain.

Allergy Management

Telfast®

Telfast®(fexofenadine) is an effective and potent antihistaminic agent, devoid of sedative effects and with a prolonged duration of action allowing administration once every 12 or 24 hours. It is indicated for the treatment of hay fever and chronic idiopathic urticaria. The Telfast-D® formulation combines this antihistaminic with a prolonged-release decongestion agent.

Avil®

One of the oldest and most trusted antihistamine. Avil® (pheniramine maleate) is used to treat allergic conditions such as hay fever or urticaria.

Nasacort®

Nasacort® (triamcinolone acetonide)- Allergy Nasal Spray is a once-a-day treatment for hay fever. Nasacort® prevents the body from releasing the chemicals that cause the symptoms of hay fever (sneezing, itching and a runny or blocked nose) and controls symptoms.

Phenergan®

Phenergan® (promethazine) is one of the most established antihistamines in the local market. It is useful in perennial and seasonal allergic rhinitis, allergic conjunctivitis, urticaria and pruritis. Phenergan® also prevents motion sickness, and treats nausea and vomiting after surgery and is effective in the relief of apprehension and inducing light sleep from which a patient can easily be aroused.

Avomine®

Avomine® (promethazine theoclate) is an antihistamine. It works by preventing the action of histamine. Avomine® is an active, anti-emetic for the use in the prevention and treatment of nausea and motion sickness.

Cough & Cold

Rhinathiol®

Rhinathiol® (carbocisteine) is a mucolytic agent for the adjunctive therapy of respiratory tract disorders characterized by excessive, viscous mucus, including otitis media with effusion (glue ear) and chronic obstructive airway disease.

Tixylix®

Tixylix® is a cough syrup for children containing promethazine hydrochloride and pholcodine in a pleasant blackcurrant flavor. Tixylix® is indicated for the symptomatic relief of cough and as an adjuvant in the treatment of upper respiratory tract infections in children. It is also useful for the relief of irritating night cough and spasm of whooping cough in children.

Sleep Disorders

Stilnox®

Stilnox® (zolpidem) is the leading hypnotic worldwide and is indicated in the short-term treatment of insomnia. It rapidly induces sleep that is qualitatively close to natural sleep and devoid of certain side effects that are characteristic of the benzodiazepine class as a whole. Its action lasts for a minimum of six hours, and it is generally well tolerated, allowing the patient to awake with a reduced risk of impaired attention, decreased alertness or memory lapses throughout the day.

Emergency Care

Haemaccel®

Haemaccel® (polygeline) is an emergency care / life-saving product. It is a plasma substitute for volume replacement used to correct or avert circulatory insufficiency due to plasma / blood volume deficiency, resulting from bleeding or from a shift in plasma volume between the circulatory compartments. It is a ready-for-use solution for intravenous infusion and can also be used as a carrier solution for various medicines. Haemaccel® is recommended by the World Health Organization (WHO) on its list of ‘Essential Medicines’.

Cardiology

Plavix®

Millions of patients all over the world are being treated with Plavix® (clopidogrel bisulphate) for the prevention of ischemic events caused by atherothrombosis, confirming the favourable benefit-to-risk ratio of long-term management of atherothrombosis. In Pakistan, Plavix® is rapidly consolidating its position as the foremost platelet antiaggregate agent for the secondary prevention of stroke.

CoPlavix®

Co-Plavix® (clopidogrel acetylsalicylic acid) is a fixed-dose combination of clopidogrel and acetylsalicylic acid. CoPlavix® is used to prevent blood clots forming in hardened blood vessels (a process known as atherothrombosis) which can lead to events such as stroke, heart attack or death.. CoPlavix® was launched earlier in 2014 in Pakistan at a very economical price. Physicians have warmly welcomed this combination and have already started transferring its benefits to patients.

Aprovel®

Aprovel® (irbesartan)is indicated for the treatment of hypertension and diabetic nephropathy in patients with Type 2 diabetes. It acts by blocking the effect of angiotensin, the hormone responsible for the contraction of blood vessels, thereby permitting the normalization of arterial blood pressure.

Co Aprovel®

CoAprovel® (irbesartan and hydrochlorothiazide) is indicated for treatment of hypertension (essential hypertension). It may be used either alone or in combination with other antihypertensive agents. CoAprovel® may also be used as initial therapy in patients who are likely to need multiple drugs to achieve their blood pressure goals.

Clexane®

Clexane® (enoxaparin sodium) is the most widely studied and used low molecular weight heparin (LMWH) in the world & is approved for more clinical indications than any other LMWH. Clexane® is an anti-coagulant used to inhibit the formation of clots in veins and arteries, thereby preventing possible acute or chronic complications associated with deep vein or arterial thrombosis.

Tritace®

Tritace® contains the active ingredient ramipril, which is an ACE inhibitor. It is used to lower blood pressure and control hypertension (high blood pressure). It may also be used as treatment following a heart attack (myocardial infarction) complicated with heart failure or to reduce the risk of heart attack or stroke.

Co Tritace®

Co Tritace® is a combination product with two active ingredients: ramipril and hydrochlorothiazide. Ramipril relaxes blood vessels and makes the heart pump more efficiently. Hydrochlorothiazide belongs to the class of medications known as diuretics and helps control blood pressure by eliminating excess salt and water from the body.

Winstor®

Winstor® (atorvastatin) is a member of the drug class known as statins, used for lowering blood cholesterol. It also stabilizes plaque and prevents strokes through anti-inflammatory and other mechanisms. This drug is indicated to prevent heart attacks, strokes, to lower cholesterol and other harmful types of cholesterol in the body and to slow the progress of heart disease.

Antibiotics

Tarivid®

Tarivid® (ofloxacin) is a fluroquinolone antibiotic with a broad anti-bacterial spectrum. Tarivid® is prescribed for acute, chronic or recurrent lower respiratory tract infections, skin and soft tissue infections, bone and joint infections, urinary tract infections and infections of the genital organs.

Claforan®

Claforan® is a third-generation cephalosporin injectable antibiotic for the treatment of a wide range of infections including those of the respiratory tract, skin and soft tissues, urinary tract, and meningitis due to susceptible pathogens in both adults and children. It is also indicated for surgical prophylaxis (i.e. prevention of surgical infections). Claforan® is manufactured in a state of the art facility located in Karachi.

Aventriax®

Aventriax® (ceftriaxone) is a third-generation cephalosporin antibiotic. Like other third-generation cephalosporins, it has broad spectrum activity against Gram-positive and Gram-negative bacteria. This drug is indicated for the treatment of lower respiratory tract infections, acute bacterial otitis media, skin infections, bone and joint infections, intra-abdominal and urinary tract infections, pelvic inflammatory disease (PID), uncomplicated gonorrhea, bacterial septicemia, and meningitis. Ceftriaxone injection is also given before certain types of surgery to prevent infections that may develop after the operation.

Rulid®

This antibiotic targets a wide range of bacterial infections and is commonly used to treat respiratory tract conditions such as acute bronchitis, tonsillitis and pneumonia. Rulid® (roxithromycin) also combats bacterial infections in the body's genitals, gastrointestinal tract and soft tissues.

Orelox®

The active ingredient of Orelox® is cefpodoxime, an antibiotic used to treat bacterial infections. It is a broad-spectrum antibiotic that kills a wide variety of bacteria that cause a wide variety of commonly-occurring infections of the upper and lower airways, skin and soft tissue. It may also be used to treat urinary tract infections.

Ciprozee®

Ciprozee® (ciprofloxacin), is an anti-infective that fights against multiple diseases, such as infectious diarrhea, urinary tract infections, typhoid and skin infections.

Tavanic®

Tavanic® (levofloxacin) is used to treat bacterial infections. Levofloxacin works by killing the bacteria that are causing an infection. As Levofloxacin is effective against a large number of bacteria, it is used to treat a range of infections, including infections of the chest, urinary tract and skin.

Targocid®

Targocid® (teicoplanin) injection is an antibiotic. It is used to kill bacteria responsible for infections which can occur in your blood (sepsis), bones or joints. This antibiotic is generally used when the bacteria causing the infection are not satisfactorily eliminated by other antibiotics or when patients may be allergic to other antibiotics.

Diarrhea

Flagyl®

Today a household name and among the top-selling drugs in the country, Flagyl® (metronidazole) is effective for the treatment of parasitic infections caused by trichomonas vaginalis or entamoeba histolytica known to cause diarrhoeal disease.

Flagyl Plus®

Flagyl Plus® combines metronidazole (Flagyl®) and diloxanide furoate. This combination provides broad spectrum amoebicidal activity through the coverage of both tropozoites & cysts forms, providing not only cure in symptomatic Amoebiasis but also actively preventing the spread of the disease.

Secnidal®

Secnidal® (secnidazole) is an antibiotic that is effective against bacteria. It is used to treat certain infections caused by bacteria, such as infection of the intestines or vagina.

Enterogermina®

Enterogermina® (bacillus clausii) is an oral suspension probiotic offered in single doses. It restores the intestinal bacteria balance in case of an intestinal disorder. Enterogermina® can be used for preventive or curative treatment.

Gastric Disease

Xerosec®

Proton pump inhibitors (PPI) block the production of acid by the stomach. Xerosec® (omeprazole) is used in the treatment of dyspepsia, peptic ulcer disease (PUD), gastroesophageal reflux disease (GORD/ GERD) and Zollinger-Ellison syndrome, all caused by stomach acid. Omeprazole blocks the enzyme in the wall of the stomach that produces acid.

Meldere®

Meldere® (esomeprazole) also belongs to the PPI class and is used to treat the symptoms of gastroesophageal reflux disease (GERD), a condition in which backward flow of acid from the stomach causes heartburn and possible injury of the esophagus. It belongs to a class of medications called proton pump inhibitors and works by decreasing the amount of acid made in the stomach.

It may also be used to decrease the chance of development of ulcers in patients taking non-steroidal anti-inflammatory drugs (NSAIDs). It is also used with other medications to treat and prevent the return of stomach ulcers caused by a certain type of bacteria (H. pylori).

Anti-malaria

Nivaquine®

Nivaquine® contains the active ingredient chloroquine sulphate, which is an antimalarial medicine, available in tablets and suspension. Chloroquine works by attacking the parasites once they have entered the red blood cells. It kills the parasites and prevents them from multiplying further.

Consumer Healthcare

Selsun Blue®

Initially owned globally by Abbott Laboratories, Selsun Blue® was introduced in Pakistan in the late 80's. Chattem, a US based consumer healthcare company acquired by the Sanofi Group, acquired Selsun Blue® from Abbott globally in 2002 but the brand was licensed to Abbott for Manufacturing, Marketing and Sales.

In early 2012, Sanofi Pakistan acquired Selsun Blue® from Abbott locally and subsequently launched its first Consumer Healthcare brand, Selsun Blue® dandruff shampoo.

Seacod®

Seacod® is a health supplement. Packed with essential Omega- 3 Fatty Acids, Seacod® is a natural source of Vitamin A and Vitamin D, which builds immunity and offers protection from diseases. Seacod helps build immunity, prevent cough and cold, and maintains all-round health naturally.

Seacod ACTIVE®

Seacod Active® tablets contain 190mg of Omega-3 fatty acids. The power of Omega-3 helps keep the heart healthy and active. It reduces malfunctioning of the heart while also reducing body stiffness and ensuring wellness of the heart. Presence of Plus DHA in Seacod Active® helps maintain healthy brain function.

CollaFlex®

CollaFlex® improves joint flexibility, and helps keep joints healthy.

E-Cod Plus®

E-Cod Plus® comes with the added advantage of T3 (tocotrienol), which keeps the heart healthy by maintaining good cholesterol levels. It also contains Vitamin E which helps prevent leg cramps. The additional benefits of Cod liver oil in E-Cod Plus keeps muscles healthy.

SANOFI PASTEUR

Our vision is a world in which no one suffers or dies from a vaccine-preventable disease.

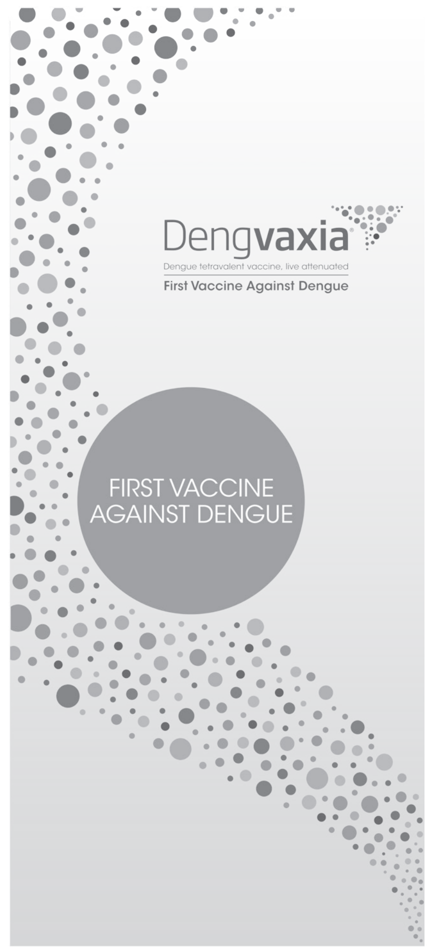
Dengvaxia®
World's First Dengue Vaccine

In December 2015, Sanofi Pasteur, the vaccines division of Sanofi, announced that the Mexican authorities have granted marketing authorization to Dengvaxia®, making it the first vaccine to be licensed in the world for the prevention of dengue.

> *"When Sanofi set out to develop a dengue vaccine 20 years ago together with local and global public health and scientific communities, it was with the intention of developing an innovative vaccine to tackle this global public health need,"* said Olivier Brandicourt, MD, Chief Executive Officer, Sanofi. *"Today, with this first marketing authorization of Dengvaxia®, we have achieved our goal of making dengue the next vaccine-preventable disease. This is a historic milestone for our company, for the global public health community and, most importantly, for half the world's population who lives at risk of dengue."*

Sanofi Pasteur's vaccine is the culmination of over two decades of scientific innovation and collaboration, as well as 25 clinical studies in 15 countries around the world. Over 40,000 volunteers participated in the Sanofi Pasteur dengue vaccine clinical study program (phase I, II and III), of whom, 29,000 volunteers received the vaccine. Dengvaxia® successfully completed phase III clinical studies in 2014 to evaluate the primary objective of vaccine efficacy.

Long-term follow-up studies of the vaccine, recommended by WHO for all dengue vaccines in development, are currently ongoing. Additional pooled efficacy and integrated safety analyses from the 25-month Phase III efficacy studies and the ongoing long-term studies, respectively, were recently published in *The New England Journal of Medicine* reconfirming the vaccine's consistent efficacy and longer-term safety profile in populations 9 years of age and older. In a pooled efficacy analysis in volunteers aged 9-16 who participated in the two Phase III 25-month efficacy studies, Dengvaxia® was shown to reduce dengue due to all four serotypes in two-thirds of the participants. Furthermore, this pooled efficacy analysis showed that Dengvaxia® prevented 9 out of 10 cases of severe dengue and 8 out 10 hospitalizations due to dengue in this age group.



SANOFI PASTEUR

Dengvaxia® is the first vaccine licensed for the prevention of dengue in the world. First doses of the vaccine have been produced and full scale production capacity will be reaching 100 million vaccine doses annually.

PRODUCTS

Vaccines

Menactra®

Menactra® is Meningococcal (Groups A, C, Y, W-135) Polysaccharide Diphtheria Toxoid Conjugate Vaccine. Menactra is indicated for active immunization to prevent meningococcal diseases caused by Neisseria Meningitidis serogroups A, C, Y and W-135. Menactra is approved for use in individuals 9 months through 55 years of age.

Verorab

Verorab is Inactivated Rabies vaccine for Human use, prepared on Cell Cultures. It is indicated for the prevention of rabies in children and adults. It can be used before or after exposure as a primary vaccination or as a booster dose. Rabies is a serious infection caused by a virus. The virus affects the brain. Verorab works by causing the body to protect itself against rabies.

Pentaxim

Pentaxim is a pentavalent (5 in 1) combination vaccine indicated for active immunization of infants from six weeks of age against Diphtheria, Tetanus, Pertussis, Poliomyelitis and invasive infections caused by Haemophilus influenzae type b (such as meningitis, septicaemia, cellulitis, arthritis, epiglottitis, pneumopathy and osteomyelitis). The vaccine contains acellular pertussis and inactivated polio vaccine, both of which have been found to be effective and have a better side effect profile. It is also indicated for booster in children who have previously received a primary vaccination with this vaccine or a diphtheria-tetanus-(whole cell or acellular) pertussis-poliomyelitis vaccine, whether mixed or not with the freeze-dried conjugate Haemophilus influenzae type b vaccine.

Typhim Vi

Typhim Vi (Typhoid Vi Polysaccharide Vaccine), for intramuscular use, is a sterile solution containing the cell surface Vi polysaccharide extracted from Salmonella Typhi, S typhi Ty2 strain. Typhim Vi works by preventing onset of typhoid fever in adults and children over 2 years of age, A single injection of Typhim provides protection for at least 3 years.

Avaxim

Avaxim is an inactivated Hepatitis A vaccine used for active immunization against infection caused by the hepatitis A virus. Hepatitis A is an infection caused by a virus which is usually transmitted in unclean food or drink. It may also be transmitted by sharing needles and some sexual practices. Avaxim is available in 2 SKUs, Avaxim 80 U which is indicated for active immunization against infection caused by the hepatitis A virus in children aged from 12 months to 15 years inclusive & Avaxim 160 Adult vaccine which is indicated for active immunization against infection caused by the hepatitis A virus in adolescents from 16 years of age and above.

Imovax Polio

IMOVAX Polio [Inactivated Poliomyelitis Vaccine (Vero Cell Origin)] is indicated for active immunization against poliomyelitis caused by poliovirus types 1, 2 and 3 in infants, children and adults both for primary immunization and for boosters. Imovax Polio is also indicated for subjects for whom oral vaccination is contraindicated. It is recommended that all infants, unimmunized children and adolescents not previously immunized be vaccinated routinely against paralytic poliomyelitis.

Stamaril

Stamaril is a vaccine that provides protection against a serious infectious disease called yellow fever. Yellow fever occurs in certain areas of the world and is spread to man through the bites of infected mosquitoes.

Stamaril is given to people who:

- Are travelling to, passing through or living in an area where yellow fever occurs
- Are travelling to any country that requires an International Certificate of Vaccination for entry
- May handle infectious materials such as laboratory workers.

Stamaril is given as a single dose to adults and children from 6 months of age.

Vaxigrip

Vaxigrip is a purified, inactivated, split virion vaccine for the prevention of influenza caused by Influenza Virus types A and B in adults and children aged 6 months and over. New types of influenza virus can appear each year hence vaccination is recommended every year

The Sanofi Medical team has a vision to provide Healthcare Professionals and Patients with added value quality solutions tackling local medical needs to improve health outcomes and enhance business performance. A team of diverse individuals set standards for clinical, scientific and operational excellence and compliance.

The 2015 clinical research plan was focused on the therapeutic fields of Diabetes, Oncology, Cardiology and CHC. In 2014–2015, as many as 15 local and regional clinical studies were conducted involving 707 investigators, enrolling a pool of over 6,000 patients. These studies are principally designed to understand disease distribution and its epidemiology.

In Pakistan, according to the International Diabetes Federation (IDF) there were over 7 million adults with diabetes and 2.9 million adults with undiagnosed diabetes in 2015. Therefore, data on screening and management strategies is needed in order for plans to be devised and implemented at the national level. Recognizing the need for effective screening, Sanofi Pakistan conducted the first nation-wide large scale study designed to detect undiagnosed Diabetes cases at 100 General Practice clinics. More than 10,000 patients were screened over 6 months using the American Diabetes Association guidelines for detection of diabetes. The prevalence of undiagnosed T2DM was 6.4%. A poster for the SCREEN Diabetes study was presented at the IDF Congress in Vancouver in December, 2015.

A mainstay of managing Diabetes is insulin therapy. Patients with Diabetes are generally started on insulin therapy late. Also, the precise time taken to initiate insulin treatment is currently unknown in the local population. In 2015, the large scale local INITIATE Insulin study was initiated. The study will be documenting the time taken by physicians to initiate insulin therapy in Type 2 diabetic patients in Pakistan as patients with complications of diabetes usually need insulin therapy for managing their blood sugar levels. Keeping in mind the high burden of diabetic complications in the local population, Sanofi Pakistan initiated DETECT. This is a nation-wide study which will help document the burden of diabetic complications in newly diagnosed Type 2 diabetic patients in Pakistan. Both studies randomly engage Family Physicians, Diabetologists and Internists across the country.

Head and Neck (H&N) cancers are one of the most common cancers overall in the Pakistani population. It is known that the use of tobacco, including cigarettes, chewing tobacco, and snuff greatly increase the chance of these cancers. In 2014-2015, a local phase 2 clinical trial in advanced H & N cancer reflected our resolve to fight this emergent cancer epidemic. The DECIDE study assessed the response rates of a particular chemotherapy regime in patients from study sites in Karachi, Multan and Faisalabad. The study was completed in October 2015. Data is currently being analyzed.

Diarrheal disease is a major burden on the health of Pakistani children. Children under 5 are the main victims of mortality due to severe dehydration associated with gastroenteritis. Continuing its program of studies in the pediatric population, a local study called MIRACLE was initiated in 2015. The study will focus on the management of acute gastroenteritis in children between the ages of 1 month to 5 years. This will help identify gaps (if any) between clinical practice versus national & international guidelines. For the first time ever, a program of independent follow-ups by a third party was initiated to assist investigators minimize loss to follow-up. This study is the second step after the MANDATE study in gathering information on, and understanding acute gastroenteritis in children under five.

An important problem in the hospital settings is that of surgical site infections. The NASPAK study to assess the patterns of surgical prophylaxis in Pakistan was published in the Pakistan Journal of Surgery (Journal of The Society of Surgeons of Pakistan) in the January-March 2015 issue. The study was well received by academia and has established Sanofi's standing in the anti-infective arena. To further understand the burden of surgical site infections in surgeries in tertiary care hospitals in Pakistan, the SurgiPak study had been performed. After completion, the study manuscript has been accepted for publication in the Journal of Rawalpindi Medical College in 2016.

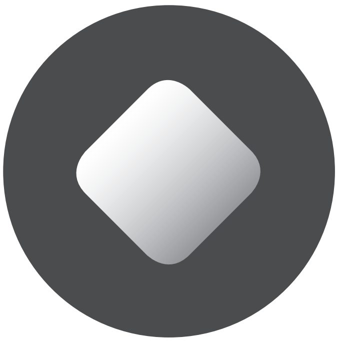
A significant population of Pakistan suffers from the silent killer of Hypertension. There is a need for data on cardiovascular risk factors as well. To address this, a local study was conducted across the country which estimated the number of newly diagnosed & established cases of hypertension in patients visiting their Primary Care Physician. The study poster has been accepted for presentation in the World Heart Federation's premier World Cardiology Congress to be held in May 2016.

The Medical Information Service (MIS) at Sanofi is a robust process which addresses the information needs of physicians all over Pakistan. Queries to address specific queries related to diseases or products are forwarded to MIS and a response is usually provided within 48 hours.

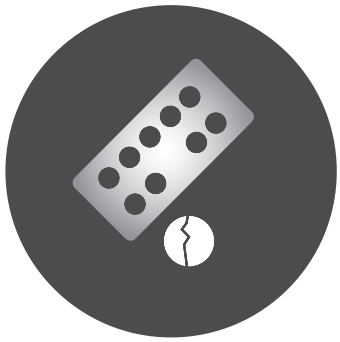
Sanofi is cognizant of and vigilant about the safety of its patients. Pharmacovigilance at Sanofi has evolved into an organized and well recognized system. All employees across the organization receive regular training so that they recognize with the importance of timely suspected adverse event reporting (24hrs).
The Medical Department is conscious of forthcoming challenges and it has diversified into distinct entities related to clinical operations, pharmacovigilance, medical information, marketing support & medical governance.

QUALITY MATTERS

At Sanofi, we are committed to our responsibility towards patient safety, which is why we take issues related to the quality of our products very seriously. Local manufacturing and Quality function complies with Sanofi's global standards. Despite strict checks and balances, we recognize that issues may still arise, technical issues or those related to packaging or physical appearance. Some examples of this could be:



Discoloration



Broken or missing tablet

Melted capsule

Particles in the solution

Mislabeling (misprinted text, batch No. &/or missing expiry date)

Cracked vial/ bottle or ampoule

If you come across any such issue or any other concern with a Sanofi product, please communicate immediately on the quality page on **www.sanofi.com.pk** or simply email at **quality.pk@sanofi.com** with the following details:

- Your name and contact details
- Sanofi product name and dosage
- Batch number of the product
- Quality issue or complaint
- Name and location of chemist from where you purchased the product
- Availability of product on which you have concern

Thank you for being part of our Patient Safety initiative!

INDUSTRIAL AFFAIRS

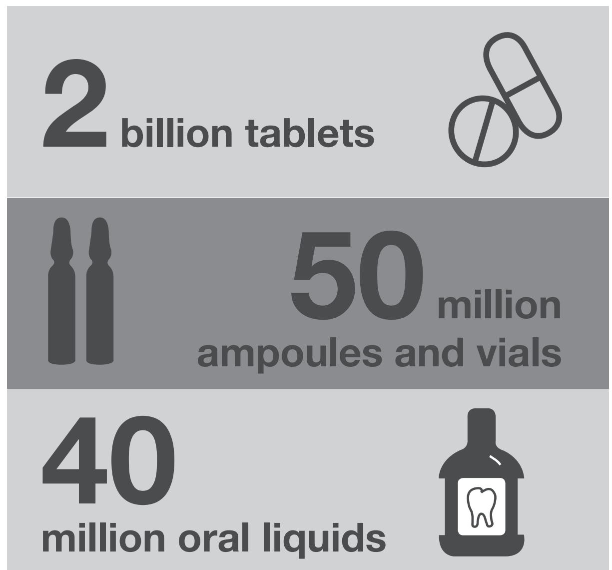
The manufacturing facility that provides health solutions to patients

The manufacturing site of Sanofi Pakistan is one of the most complex sites within the Africa, Middle East & South Asia Region. This is due to the diverse nature of products manufactured here, from single and double layer tablets, capsules, oral liquids, sterile ampoules, cephalosporin vials to an extremely sophisticated blood plasma substitute, Haemaccel®.

The site is currently producing over 2 billion tablets, 50 million ampoules and vials, and 40 million oral liquids.

2015 has been a year of further improvement for the site. In 2015, the site strengthened a quality and safety based culture and demonstrated tremendous solidarity by working together to successfully close audit observations. Below is a glimpse of 2015 at the Karachi Site.

- **IA Innovation Award (Leadership & Responsibility category)**. The Site won the silver award for changing mindset through a Behavior Based Safety program at the Site. The program encouraged observation of safe and unsafe behaviors, provided feedback and helped stop unsafe behaviors. The program engaged people at all levels across the Site. It enhanced knowledge regarding risks, strengthened vigilance at the Site and increased workers interest in learning HSE (Health Safety, Environment) systems.
- A high speed double layer rotary compression machine was commissioned. It is attached to the gravimetric granules transfer system which is energy efficient and compliant to standards of ergonomic risks.
- Installation of electronic detection system on all packaging lines to further improve GMP (Good Manufacturing Practices).
- Brevetti inspection machine fully qualified and operational. This has led to automation and minimized headcounts.
- Reverse Osmosis (RO) plant installed to enhance capacity in the sterile plant.
- Three million safe man-hours achieved. (Use image)
- Motivated employees are productive employees:
- Participated in SWAP program. An employee spent six months at Scopitto Site in Italy.
- Job rotations within departments and functions as well as cross-functionally.



Quality – at the heart of our activities

Quality and Compliance play a key role in any pharmaceutical manufacturing organization for producing quality products. This is not only instrumental in building trust in physicians, patients, and customers for the good quality of products but also to generate a high level of trust and confidence in the robust processes for manufacturing quality products.

The Karachi site quality systems are well-equipped with the latest chromatographic techniques, spectrophotometry and conventional analytical techniques for routine and real time testing of API, raw, packaging materials and finished products.

Near Infra-Red (NIR) spectroscopy technology is being used for 100% identification of materials, which has simplified the process of raw material testing by reducing lead time of end-to-end process of producing finished products.

In 2015, the Industrial Quality & Compliance (IQC) organization:

- Received GMP certificate from DRAP (Drug Regulatory Authority of Pakistan).
- Attained certification by Malaysian FDA as per PIC/S standards.
- Introduced GMP talks to reinforce GMP culture.
- Engaged employees across the Site by initiating GMP poster competition.
- Deployed PHENIX inspection management module at Site to monitor and manage local as well as international regulatory inspection.
- Implemented Pharmacopeia methods for all raw materials and finished goods.

In addition, the Site got approvals for supplies after successful audit by the international NGO, Marie Stopes Society.

HUMAN RESOURCES

Creating Professionalism for Business Impact

A Company's true source of competitive advantage and sustainable growth lies in the quality of its human resource, i.e. its people. At Sanofi we take pride in the excellence of our human assets and our team's continued commitment to organizational success. Our human resource policies, development programs and promotion / incentive activities are designed to create an exemplary team.

Talent Acquisition

A critical aspect of our corporate strategy is to identify, induct and engage diverse talent from across Pakistan. We not only recruit experienced talent but also provide opportunities to potential young university graduates eager to make their mark. The Company boasts of a robust Internship Program which helps students to familiarize themselves with the healthcare industry and corporate environment. Furthermore, our Internship Program also enables students to attain a stronger understanding of their specific area of interest.

We have been actively engaged in conducting Career Counseling workshops and participating at job fairs in the country's leading educational institutes, reflecting our determination and enthusiasm to build a dynamic and highly competent team.

Our Internal Job Posting process provides existing employees the opportunity to apply for vacant positions across functions throughout the company, aiding their professional growth and enabling them to meet personal career aspirations. Our case studies, role plays and behavior-based interview guides are developed considering real life situations. This gives us a clear idea about the candidates' thought process and ability, thereby enabling us to recruit the most suitable candidate for each position.

Induction

In order to accelerate the assimilation of new employees into the organization, they attend a comprehensive orientation program, called 'Know Your Company'. This is designed to enhance their quick understanding of the Company, business and future outlook.

New inductees are also assigned a "Buddy" as a reference point, to help them understand processes and procedures specific to Sanofi. The "Buddy" program facilitates greater knowledge-sharing and fosters stronger connections by pairing people across disciplines and departments.

TRAINING & DEVELOPMENT

At the start of 2015, an extensive Training Need Analysis (TNA) was conducted internally to set the direction for 2015 and beyond. The entire Training Calendar was constituted based on the outcomes of the TNA and Talent Review Exercise. Throughout 2015, the main focus remained on building internal capability to save costs and other resources.

Most Soft Skills programs (18 out of 24) were internalized. In order to transform ‘Training & Development’ into ‘Learning & Development’ enterprise, various processes and tools were developed. Those tools are likely to impact performance through behavioral benchmarking and establishing a culture of coaching across the Sales Force.

3181 days of training.
Average number of training days per employee
4.43
(4.37 days average in 2012-14)

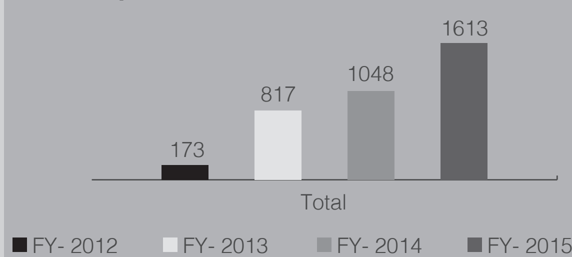
Key Initiatives 2015

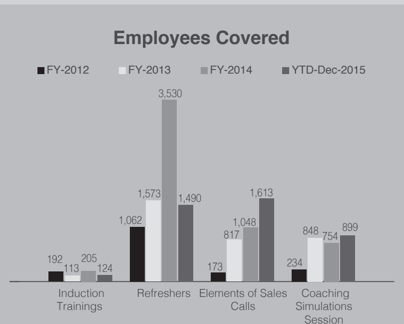
- Training Need Analysis & Training Calendar 2015
- Train The Trainer for Industrial Affairs
- Mandatory Compliance Online Training 2015
- Cross Product Training 2015-16
- Performance Excellence Workshops 2015
- Early Bird Sales Achievement Alerts
- eSLP (Online Coaching Tool)
- eRPAT (Online Performance Tool)

Soft Skills

1975 Employees Trained
Days / Employee **1.84**

Focus on Rep’s Development and Improve the In Clinic Performance





Technical Skills

5816 Employees Trained

Induction Training: 124 Reps
Cross Product Training: 734 Emp.
Field Coaching: 956 Emp.

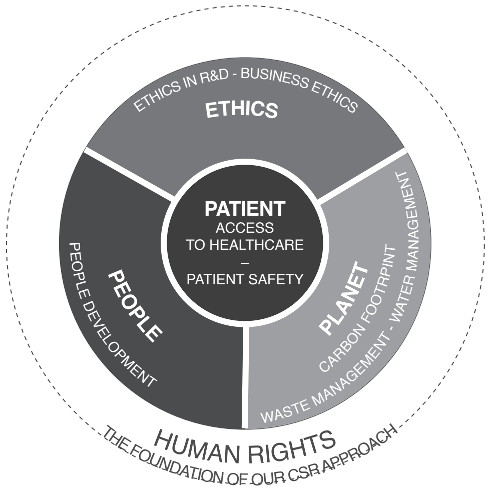
Training Type	Participants	Training Days
Soft Skills	1975	1559
Technical	4860	2216
Total Training	6835	3774

Training Type	Participants	Training Days
Field Coaching	956	965
Coaching Simulations	899	225
Total Coaching	1855	1190

Some Employee Development Sessions

- ‘Let’s Connect on Leadership’
- ‘Emotional Intelligence’
- ‘Interpersonal Skills’
- ‘Strategic Thinking’
- ‘Change Management’
- ‘Basic Supervisory Skills’

CORPORATE SOCIAL RESPONSIBILITY



Embedded into Sanofi's business strategy, CSR drives innovation and contributes to the company's success. We place the patient at the heart of our CSR strategy. In addition, our commitment to human rights provides the foundation for all our initiatives.

Our CSR strategy is organized in four pillars: Patient, Ethics, People and Planet. It includes six priority topics which have been defined in collaboration with over 100 stakeholders worldwide. These CSR priorities support, guide and inspire us as we seek to improve access to healthcare and deliver innovative solutions adapted to patients' needs across the globe.

SANOFI Kawish COMMUNITY SERVICE

Improving access to diabetes treatment

The Kawish Community Service Project, a diabetes management clinic set up in Shah Faisal Colony as a result of a partnership forged between RLCC (Raana Liaquat Craftmen's Colony) and Sanofi Pakistan in 2013, continued in 2015 to extend support to the people of Shah Faisal Colony.

The Kawish Community Service Project focuses on the following elements: outreach program (through RLCC health visitors), blood glucose testing activities to ensure quick diagnosis, access to a "Kawish" certified doctor at subsidized charges and access to quality therapies for diabetes management at a preferential price aligned to the economic conditions of the community.

The project benefited around 2,000 residents of Shah Faisal Colony through RLCC's outreach staff in 2015. 145 new patients and 379 follow-up patients received regular monitoring and treatment advice at the clinic in 2015.

SANOFI DIABETES

Education/sugar camps for public

In 2015, Sanofi Pakistan conducted 20,436 free-of-cost blood glucose testing-cum- education camps across Pakistan Through these camps, 303,529 individuals were reached for sugar testing, counselling, and awareness on diabetes management.

SANOFI GENZYME

Providing Hope to rare disease patients

Sanofi Genzyme, the specialty care business unit of Sanofi that focuses on rare diseases, multiple sclerosis, oncology, and immunology, provided free of cost diagnostic support for Lysosomal Storage Disorders (LSD) all across Pakistan.

In Pakistan, Gaucher is the most prevalent disease amongst all LSDs (Lysosomal Storage Disorders). According to experts, a number of suspected cases of Gaucher disease in Pakistan is due to intermarriages/ consanguinity.

Sanofi Genzyme launched a program in February 2015, in collaboration with the National LSD Core Committee. The Committee comprises of prominent Healthcare Practitioners in Pakistan dedicated towards highlighting the cause of children afflicted with LSDs.

Under the campaign- ***Darkness to Hope-*** a host of activities were launched to improve diagnosis, mobilize patient support groups, government & philanthropists to support patients in gaining access to therapy.

As a result of the campaign, 31% cases were declared positive after undergoing screening. Out of 22 patients identified for treatment, therapy cost for 10 patients was secured by virtue of this campaign. These patients have started receiving treatment with the help of philanthropists and state level funding.

Support for education

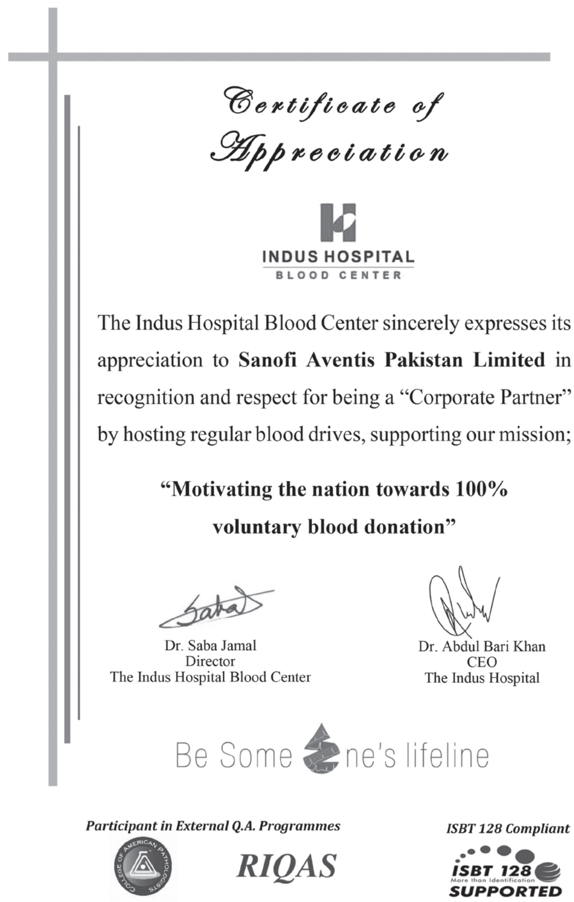
Sanofi Pakistan was declared Bronze winner at the Annual Sanofi Global CSR Awards Ceremony in January 2015. The prize included a cash component of €5000.

Sanofi Pakistan donated the cash prize to Literate Pakistan Foundation to support its efforts towards promoting literacy in Pakistan.

Donation for the Nation

In collaboration with the Indus Hospital Blood Centre, Sanofi Pakistan arranged a blood drive on its premises on August 18. A pre drive session was held a day prior to the blood camp wherein speakers from Indus Hospital addressed queries of potential donors and explained the process and eligibility criteria while also holding group discussions with unionized staff to motivate maximum colleagues to donate blood.

As a result of a compelling campaign which linked the activity with the Independence Day of Pakistan, an enthusiastic response from the colleagues was witnessed. 62 employees of Sanofi Pakistan donated blood at the camp.



Certificate of Appreciation

INDUS HOSPITAL
BLOOD CENTER

The Indus Hospital Blood Center sincerely expresses its appreciation to **Sanofi Aventis Pakistan Limited** in recognition and respect for being a "Corporate Partner" by hosting regular blood drives, supporting our mission;

"Motivating the nation towards 100% voluntary blood donation"

Dr. Saba Jamal
Director
The Indus Hospital Blood Center

Dr. Abdul Bari Khan
CEO
The Indus Hospital

Be Someone's lifeline

Participant in External Q.A. Programmes

RIQAS

ISBT 128 Compliant

ISBT 128 SUPPORTED

ETHICS & COMPLIANCE

Compliance is an integral part of how we do business at Sanofi and how we behave in the normal course of our job. It is having a responsible behavior, being accountable and acting in accordance with laws, codes, policies and procedures. All this is implemented through a dedicated function, 'Global Compliance & Business Integrity'.

Compliance as a function is not a regulator, but a partner to the business, and part of their mission is to support the achievements of business objectives within the frame of company values and standards. Compliance defines how we should interact with our customers, employees and our business partners. It defines how we should operate. Training on compliance and ethics principles is mandatory for all employees, with additional specialized trainings for certain categories of employees.

The Compliance function ensures that compliance policies are understood, implemented and monitors their implementation and handles the concerns that are communicated through the company's whistle blowing channels.

Compliance policies are also communicated to business partners, so that their conduct is also aligned with the Sanofi way of doing business.

The company has set up adequate whistle blowing channels, which are communicated to all concerned stakeholders. Internal as well as external stakeholders can communicate their concerns on Compliance at:
compliance.pk@sanofi.com

To ensure that compliance principles are fully understood at all levels in the organization, training programs have been implemented, which include Face-to-Face as well as eTrainings.

In addition to the Code of Ethics, Sanofi has implemented various policies to provide additional guidelines on specific areas.

EY
Building a better working world

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Chartered Accountants
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Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

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 2015 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange Limited, 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 a 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 controls 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 2015.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Audit Engagement Partner: Riaz A. Rehman Chamdia
Date: February 24, 2016
Place: Karachi

STATEMENT OF COMPLIANCE

With the Code of Corporate Governance for the year ended December 31, 2015

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in listing regulations of Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad stock exchanges) 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:-

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
Non-executive	Syed Babar Ali (Chairman)
Independent	Javed Iqbal
Executive	Dr. Asim Jamal (Chief Executive & Managing Director)
Non-executive	Syed Hyder Ali
Non-executive	Arshad Ali Gohar
Non-executive	Patrick Aghanian
Non-executive	Franck Vidor
Non-executive	Patrick Chocat
Executive	Yasser Pirmuhammad (CFO) – appointed subsequent to year end

The Independent director meets the criteria of independence under the Code.

The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

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.

Syed Babar Ali is a director of sanofi-aventis Pakistan limited, who also holds similar position in IGI Investment Bank 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.

Casual vacancies occurred in the Board during the year which were filled up by the directors within 90 days.

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.

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.

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.

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.

The Directors are well aware of their duties and responsibilities under the Code. During the year, one of the Directors attended the directors’ training program. The independent Director and two of the Non-Executive Directors of the company meet the criteria of exemption under the Code, and accordingly are exempted from attending the director’s training program. The Director who was appointed subsequent to the year-end, is already certified under the directors’ training program, whereas the remaining Directors shall also obtain certification in due course.

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. However, during the year there was no new appointment or change in the above positions. The Board approved the appointment, as well as terms and conditions of employment of the CFO, who was appointed after the year-end.

The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

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.

The Company has complied with the corporate and financial reporting requirements of the Code.

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.

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.

The Board has formed a Human Resources and Remuneration Committee. It comprises of three members, out of which 2 are non-executive directors including the Chairman of the Committee.

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.

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.

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.

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.

Material / price sensitive information has been disseminated among all market participants at once through the stock exchanges.

We confirm that other material principles contained in the Code have been complied with.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

Dated: February 24, 2016

DIRECTORS' REPORT

We would like to present the Annual Report and the Company's audited financial statements for the year ended December 31, 2015. These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. The directors' report is prepared under section 236 of the Companies Ordinance, 1984 and clause xvi of the Code of Corporate Governance, 2012.

Overview

The net sales for the year ended December 31, 2015 registered an overall growth of 8.41% over the last year, which includes sales attributable to pharmaceutical, vaccine and CHC products. The results for the pharmaceutical sales during the year were driven mainly by sales of major brands, Flagyl®, Lantus®, Amaryl®, Haemaccel® and Claforan®.

The vaccines sales of the Company during the year amounted to Rs.604 million, an increase of 51.4% over last year. Private vaccines business observed a healthy growth of 34.7% over last year despite acute stock shortages. The growth was mainly driven by Verorab®, Vaxigrip®, Trimovax® and Menectra®. The public vaccines business observed a strong growth of 109.3% because of higher Trivalent Oral Polio Vaccine (tOPV) sales in 2015.

Gross margin for the year ended December 31, 2015 has increased from Rs. 2,547 million to Rs. 2,806 million in absolute terms and from 25.6% to 26.0% as a percentage of Net Sales. The slight improvement is attributable to lower cost of imports after devaluation of import currency, increased operational efficiency and better product mix.

Distribution and marketing expenses have increased by 18.72% from last year in absolute terms and 1.7% as a percentage of net sales. The increase is attributable to higher personnel costs including certain restructuring costs on account of planned staff redundancies as well as higher freight and transportation expenses and rent and taxes.

The Company has improved controls on working capital needs and this coupled with lower interest rates led to a decrease in finance costs.

The Company, like the rest of the industry, continued to face challenges due to the absence of a viable, fair and transparent pricing policy. This, in addition to the main factors described above, resulted in the decline of profit after tax by 72.1% from Rs. 238 million to Rs. 66 million

Industry leadership

According to the latest IMS market report for the period MAT Dec 2015, sanofi-aventis maintains its 7th rank in the pharmaceutical industry of Pakistan, with a market share and growth rate of 3.5% and 6.5% respectively.

Capital expenditure

The Company continued to invest in plant and machinery. During the year under report, an amount of Rs. 347.6 million was incurred on capital expenditure in various areas of our manufacturing facilities for balancing, modernization and upgrading infrastructure.

Profit, finance & taxation

The Company's total turnover has increased by 8.4% over the last year due to strategies adopted to ensure the overall sustainability as well as appropriate return for the shareholders.

The profit, taxation and proposed appropriations are stated below:

		(Rs. in '000')
Profit for the year before taxation		176,251
Taxation :		
Current	- for the year	(132,362)
Prior		(12,211)
Deferred		34,799
Total		(109,774)
Profit after taxation		66,477
Unappropriated profit brought forward		103,666
Actuarial gain recognized directly in equity – net of deferred taxation		1,144
Profit available for appropriations		171,287
Appropriations :		
Proposed final dividend @ 30% out of profits for the year ended Dec 31, 2015		(28,934)
Transfer to reserve		(100,000)
		(128,934)
Unappropriated profit carried forward		42,353

Considering the profitability for the year the directors of the Company recommend a final dividend of Rs.3 per share (30%), for approval by the shareholders.

Cash flows

Total bank borrowings as at December 31, 2015 stood at Rs. 2,852.9 million and comprised of long term financing of Rs. 500 million and short term borrowings including bank overdrafts of Rs. 2,352.9 million. The decrease of Rs. 396 million is mainly due to lower import payments resulting from a favorable EUR to PKR exchange parity as well as improvement in management of working capital during the year.

Business risks and challenges

Important factors that could cause actual financial, business or operating results to differ materially from expectations are disclosed in the respective notes to the financial statements, including without limitation the following risk factors. In addition to the risks listed below, the Company may be subject to other material risks that, as of the date of this report, are not currently known to us or that are deemed immaterial at this time.

We face uncertainties over the pricing of pharmaceutical products

The commercial success of our products depends in part on the pricing mechanism of our product portfolio, in order to compensate for the local inflation and depreciation of Pak Rupee.

The Drug Regulatory Authority of Pakistan (DRAP) had announced a new pricing policy dated 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 pharma industry has strongly objected to salient provisions / clauses of this policy and has filed a Constitutional Petition in the Hon’able 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, sanofi-aventis Pakistan limited (Sanofi Pakistan) approached the Sindh High Court and obtained an Order for increasing the prices of its pending Hardship cases only. This increase, when implemented, will apply to such specific products only (.i.e. thirteen SKUs). Sanofi Pakistan was compelled to exercise its constitutional right to seek legal redress in order to ensure continuity of supply of quality medicines to patients.

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.

A slowdown of economic growth could have negative consequences for our business

The future growth of the pharmaceutical market depends on the growth of national economy, any decline in which could negatively affect the pharmaceutical market and, as a result, adversely affect our business.

We rely on third parties for the manufacture and supply of a substantial portion of our raw materials and active ingredients

Third parties supply us with a substantial portion of our raw materials and active ingredients which exposes us to the risk of a supply shortage or interruption in the event that these suppliers are unable to manufacture products meeting group quality standards, experience financial difficulties. Even though we aim to have backup sources of supply whenever possible, however, we cannot be certain that they will be sufficient if our principal sources become unavailable. Any of these factors could adversely affect our business.

Counterfeit products harm our business

The prescription drugs supply has been increasingly challenged by vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in the market. Reports of adverse reactions to counterfeit drugs or increased levels of counterfeiting could materially affect patient confidence in the genuine product and could harm the business as well as the image of the company.

The Company has a dedicated anti-counterfeit function which aims to trace/identify fake drug manufacturing units across the country and dismantle the units in collaboration with law enforcement agencies.

Changes in mark-up rates could affect our profits before tax

Since the Company's cash flow management is dependent on the committed financing facilities, accordingly, changes in mark-up rates could also significantly impact Company's operating results. The Company's management is taking initiatives as described in detail below (see "Future Outlook – Cash Flow Management") to ensure effective management of this risk.

We are subject to the risk of non-payment by our customers

We run the risk of non-payment by our customers, which consist principally of distributors, hospitals and government institutions. In order to minimize the credit risk exposure, we sell our products either on cash basis or on credit to those customers with good credit standing. We also seek to manage our credit risk exposure as described in note 33.2 to the financial statements.

We rely on our patents and proprietary rights to provide exclusive rights to market certain of our products, and if such patents and other rights were limited or circumvented, our financial results could be materially and adversely affected

Through patent and other proprietary rights we hold exclusivity rights for a number of our products. Patent rights are limited in time and do not always provide effective protection for our products: competitors may successfully avoid patents through design innovation, we may not hold sufficient evidence of infringement to bring suit, manufacturers of generic products are also increasingly seeking to challenge patents before they expire, and our infringement claim may not result in a decision that our rights are valid, enforceable or infringed.

Product liability claims could adversely affect our business, results of operations and financial condition.

Product liability is a significant business risk for any pharmaceutical Company. Substantial damage awards and/or settlements have been handed down in some countries against pharmaceutical companies based on claims for injuries allegedly caused by the use of their products. Often the side effect profile of pharmaceutical drugs cannot be fully established based on preapproval clinical studies involving only several hundred to several thousand patients. Routine review and analysis of the continually growing body of post-marketing safety surveillance and clinical trials provide additional information and may cause product labeling to evolve, including restrictions of therapeutic indications, new contra-indications, warnings or precautions, and occasionally even the suspension or withdrawal of a product marketing authorization.

Product liability claims, regardless of their merits or the ultimate success of our defense, are costly, divert management attention, may harm our reputation and can impact the demand for our products.

Claims and investigations relating to compliance, competition law, marketing practices, pricing, as well as other legal matters, could adversely affect our business, results of operations and financial condition.

The marketing of our products is heavily regulated. Our business covers an extremely wide range of activities and involves numerous partners. Any failure to comply directly or indirectly (including as a result of a business partners' breach) with law could lead to substantial liabilities. The Company is taking all necessary measures to ensure that the Company, as well as its business partners, conduct their affairs in a compliant manner, including but not limited to insisting the counter parties to adhere to the Company's code of ethics.

We may lose market share to competing remedies or generic brands.

We are faced with intense competition from generic products and biosimilars. Doctors or patients may choose these products over ours if they perceive them to be safer, more reliable, more effective, easier to administer or less expensive, which could cause our revenues to decline and affect our results of operations.

Our pension and gratuity liabilities are affected by factors such as the performance of plan assets, interest rates, actuarial data and experience and changes in laws and regulations

Our future funding obligations for our defined-benefit pension and gratuity plan depend on changes in the future performance of assets held in trust for these plans, the interest rates used to determine funding levels (or Company liabilities), actuarial data and experience, inflation trends, the level of benefits provided for by the plans, as well as changes in laws and regulations. Adverse changes in those factors could increase our unfunded obligations under such plans, which would require more funds to be contributed and hence negatively affect our cash flows and results.

Risks relating to Financial Markets

Exchange rate fluctuations could affect our operating profits

Since significant parts of the Company's operations are based on imported raw material, active ingredients and finished goods, exchange rate fluctuations can significantly impact the Company's operations as well as cash flow management. We are particularly sensitive to movements in exchange rates for the Euro and the U.S. dollar. The management policy to manage the currency risk has been described in note 33.1.1 to the financial statements.

Related party transactions

All related party transactions, during the year 2015, 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 31 to the financial statements.

Contribution to the national exchequer

During the year the Company paid around Rs. 810 million to the Government and its various agencies on account of various Government levies including Custom Duty, Income Tax, Sales Tax and Workers Welfare Fund.

Contribution to the country's economy

At sanofi-aventis, our aim has always been to make noteworthy contributions to the economy we operate in. One of the primary areas of focus has been the creation of employment opportunities. Supporting a large industrial and sales workforce, we have also been a prominent employment provider through third party contractors.

Our contribution to the corporate social responsibility program has been a cornerstone in the quest towards the improvement of the society at large and specifically to the improvement of healthcare standards. We also prefer buying goods / material from local vendors over imports provided these meet the requisite quality standards in order to support local industry and economy.

Corporate social responsibility

The Company operates in a socially responsible manner and is committed to the highest standards of corporate behavior. CSR is embedded into sanofi-aventis' core business strategy, focused on the patient at the center of our activity.

The details of our participation in various community support initiatives are mentioned in detail on pages from 30 to 31 of the Annual Report.

Information technology

In line with the Company's continuous endeavors to regularly upgrade information systems we continued to increasingly invest in information technology (IT) and to upgrade related infrastructure along with incorporating automation to the processes. Thereby continuously improving and enhancing both qualitative and quantitative aspects of management reporting including decision making processes.

Product Quality

The Company is committed to and recognizes its responsibility towards patients and the community. Company's products carry a promise of Quality and we take issues related to the quality of our products very seriously. In order to handle concerns on product quality, a "Quality" page is available on the sanofi-aventis corporate website. Users can use the form on the website or simply email their concerns to the attention of our Country Quality Head at quality.pk@sanofi.com

Website

All stakeholders and the general public can visit the sanofi-aventis Pakistan limited website, www.sanofi.com.pk, which has a dedicated section for investors containing information related to annual and quarterly financial statements. The website also has Urdu content, as required by the SECP

In addition, information pertaining to Company products, social responsibility initiatives, product quality as well as general health related issues is also given on the website. The Company also maintains a dedicated website on diabetes (www.sanofidiabetes.com.pk) which contains information for public awareness related to diabetes.

Health, Safety & Environment

The Company is committed to maintain the standards of health, safety and environment (HSE) at the highest level. 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.

Environment

The Company has a dedicated Waste Water Treatment Plant (WWTP) to treat effluent. An upgrade project was started in 2014 for improving the efficiency and enhancing the capacity of the existing WWTP. The project will be completed in 2016.

Directors

During and subsequent to the year end, following changes were made in the Board of Directors:

Resignations	Effective Date	In place of
Dr. Pius Hornstein	February 13, 2015	
Mr. Ayub Siddiqui	March 24, 2015	
Mr. Shakeel Mapara	June 1, 2015	
Mr. Mohammad Ibadullah	October 7, 2015	
Mr. Francois Jean Louis Briens	October 30, 2015	
Mr. Jean-Marc Georges	October 30, 2015	
Appointments		
Mr. Patrick Aghanian	March 12, 2015	Dr. Pius Hornstein
Mr. Shakeel Mapara	March 25, 2015	Mr. Ayub Siddiqui
Dr. Asim Jamal	June 1, 2015	Mr. Shakeel Mapara
Mr. Franck Vidor	October 30, 2015	Mr. Francois Jean Louis Briens
Mr. Patrick Chocat	October 30, 2015	Mr. Jean-Marc Georges
Mr. Yasser Pirmuhammad	January 1, 2016	Mr. Mohammad Ibadullah

Compliance with the Code of Corporate Governance

The Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges) has included in the Listing Rules, the Code of Corporate Governance ('the Code') issued by the Securities & Exchange Commission of Pakistan. The Company has adopted the Code and is implementing the same in letter and spirit.

Code of Conduct

Compliance is an integral part of the way of doing business for the Company, 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 e-learning platform is also available to ensure that trainings on code of ethics and other compliance policies are standardized across geographical boundaries.

The company has also set up adequate whistle blowing channels, which are communicated to all concerned stakeholders. Internal as well as external stakeholders can communicate their concerns on Compliance at compliance.pk@sanofi.com

Anti-Corruption Measures

In order to prevent corruption in business dealings by Company employees, an anti-bribery and corruption policy has been implemented. This policy supplements the Company's Code of Conduct and applies to all employees and to third parties engaged in business with sanofi-aventis Pakistan, such as suppliers, distributors, consultants etc.

Audit committee

The Board Audit Committee comprises of following members:

• Syed Hyder Ali	Chairman (Non-Executive Director)
• Mr. Franck Vidor	Member (Non-Executive Director)
• Mr. Javed Iqbal	Member (Independent Director)

The position of the secretary, which was occupied by the head of internal audit, is currently vacant.

Human Resource & Remuneration Committee

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

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

Pattern of shareholding

A statement of the pattern of shareholding is given on page 88 to the financial statements.

Earnings per share

The earnings per share after tax was Rs.6.89.

Holding Company

The Company is a subsidiary of SECIPE, France, holding 5,099,469 (2014: 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 Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants have completed the annual audit for the year ended December 31, 2015 and have issued an unqualified report. The auditors shall retire at the conclusion of Annual General Meeting on April 25, 2016 and being eligible; have offered themselves for reappointment for the year 2016. As suggested by the Audit Committee, the Board recommends their reappointment for the year ending December 31, 2016.

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 93 to 97.

- The value of investments of provident, gratuity and pension funds based on their accounts (audit in progress) as at December 31, 2015 was as follows:

	Rs. in 000
Provident Fund	476,115
Gratuity Fund	387,756
Pension Fund	522,249

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

- During the last year five 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	5
Dr. Asim Jamal – Chief Executive Officer (appointed on the Board from June 1, 2015)	2
Mr. Shakeel Mapara – Acting Chief Executive Officer (remained on Board from March 25, 2015 till June 1, 2015)	2
Mr. Ayub Siddiqui – ex-Chief Executive Officer (remained on Board till March 25, 2015)	1
Syed Hyder Ali	5
Mr. Arshad Ali Gohar	5
Mr. Javed Iqbal	4
Mr. Patrick Aghanian (appointed on the Board from March 12, 2015)	1
Dr. Pius Hornstein (remained on Board till February 13, 2015)	None
Mr. Franck Vidor (appointed on the Board from October 30, 2015)	None
Mr. Francois Jean Louis Briens (remained on Board till October 30, 2015)	None
Mr. Patrick Chocat (appointed on the Board from October 30, 2015)	None
Mr. Jean-Marc Georges (remained on Board till October 30, 2015)	None
Mr. Mohammad Ibadullah (remained on Board till October 7, 2015)	4

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 and their spouses & minor children during the year.

Future outlook

Operations – pharmaceutical business sales & profitability

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 pharma market in Pakistan is mainly out of pocket, growing at a fast pace (CAGR 13.6% over past 5 years - MNCs is 9.8%). In parallel, pressured by local competition, the share of multinationals (MNC) has decreased in value from 59% in 2002 to 36.7% in 2015.

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

Cash flow management

The Company devotes utmost importance to cash flow management and regularly monitors its day to day working capital requirements which are financed through cash flows from operating activities as well as externally committed funding facilities. The Company's gearing ratio as of December 31, 2015 at 54% improved over last year mainly due to higher cash inflows from operations backed by decrease in working capital requirements as well as capital expenditure.

General

The Board looks forward to the forthcoming Annual General Meeting of the shareholders to discuss Company's performance during the year 2015, 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 the stakeholders, employees, customers, suppliers, shareholders, bankers and all others for their continued support and loyalty.

By order of the Board

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

Karachi: February 24, 2016

Building a better working world

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of sanofi-aventis Pakistan Limited as at 31 December 2015 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 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 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 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 accompanying 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 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 2015 and of the profit, the comprehensive income, its 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.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Audit Engagement Partner: Riaz A. Rehman Chamdia
Date: 24 February 2016
Place: Karachi

A member firm of Ernst & Young Global Limited

FINANCIAL STATEMENTS

BALANCE SHEET
As at December 31, 2015

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	3	2,013,546	2,018,562
Intangible assets	4	1,467	220
		2,015,013	2,018,782
Long-term loans	5	6,738	7,737
Long-term deposits		12,816	4,030
		2,034,567	2,030,549
CURRENT ASSETS			
Stores and spares	6	54,710	49,471
Stock-in-trade	7	2,851,317	3,758,056
Trade debts	8	1,002,472	733,717
Loans and advances	9	118,239	49,250
Trade deposits and short-term prepayments	10	211,803	218,792
Other receivables	11	43,636	178,899
Taxation - payment less provision		1,064,942	804,733
Cash and bank balances	12	25,484	9,280
		5,372,603	5,802,198
TOTAL ASSETS		7,407,170	7,832,747
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	96,448	96,448
Reserves			
Capital reserves		206,753	188,982
Revenue reserves		2,106,825	2,106,717
	14	2,313,578	2,295,699
		2,410,026	2,392,147
NON-CURRENT LIABILITIES			
Long-term financing	15	500,000	500,000
Deferred taxation	16	98,015	132,276
		598,015	632,276
CURRENT LIABILITIES			
Trade and other payables	17	2,002,832	1,991,679
Accrued mark-up		43,422	67,778
Short-term borrowings - secured	18	1,800,000	600,000
Running finances utilized under mark-up arrangements - secured	19	52,875	2,148,867
Current maturity of long-term financing	15	500,000	-
		4,399,129	4,808,324
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		7,407,170	7,832,747

The annexed notes 1 to 39 form an integral part of these financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2015

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
NET SALES	21	10,785,879	9,949,460
Cost of sales	22	(7,979,762)	(7,402,331)
GROSS PROFIT		2,806,117	2,547,129
Distribution and marketing costs	22	(2,160,041)	(1,819,415)
Administrative expenses	22	(304,597)	(273,665)
Other expenses	23	(34,837)	(46,480)
Other income	24	162,279	221,906
		(2,337,196)	(1,917,654)
OPERATING PROFIT		468,921	629,475
Finance costs	25	(292,670)	(293,678)
PROFIT BEFORE TAXATION		176,251	335,797
Taxation	26	(109,774)	(97,332)
PROFIT AFTER TAXATION		66,477	238,465
EARNINGS PER SHARE - basic and diluted (Rupees)	27	6.89	24.72

The annexed notes 1 to 39 form an integral part of these financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2015

	December 31, 2015	December 31, 2014
	--------- Rupees in '000	---------
Profit after taxation	66,477	238,465
Other comprehensive income / (loss)		
Items not be reclassified to profit and loss account in subsequent periods		
Actuarial gain / (loss) recognised directly in the equity	1,683	(18,100)
Deferred tax on actuarial gain / (loss) recognised directly in the equity	(539)	5,973
	1,144	(12,127)
Total comprehensive income	67,621	226,338

The annexed notes 1 to 39 form an integral part of these financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

CASH FLOW STATEMENT

For the year ended December 31, 2015

	Note	December 31, 2015	December 31, 2014
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	28	1,594,235	256,633
Finance costs paid		(317,026)	(290,195)
Income tax paid		(404,783)	(176,760)
Long-term loans - net		999	(351)
Retirement benefits paid		(72,583)	(56,875)
Long-term deposits - net		(8,786)	-
Net cash generated from / (used in) operating activities	29	792,056	(267,548)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(347,646)	(433,469)
Sale proceeds from disposal of operating fixed assets	3.1.2	34,853	16,359
Interest received		122	145
Net cash used in investing activities		(312,671)	(416,965)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings obtained		1,200,000	200,000
Long-term financing obtained		500,000	-
Dividends paid		(67,189)	(96,137)
Net cash generated from financing activities		1,632,811	103,863
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,112,196	(580,650)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		(2,139,587)	(1,558,937)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	30	(27,391)	(2,139,587)

The annexed notes 1 to 39 form an integral part of these financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2015

		Capital Reserves			Revenue Reserves		
	Issued, subscribed and paid-up share capital	long term liabilities forgone	Difference of share capital under scheme of arrangement for amalgamation	Other	General reserve	Unappro-priated profit	Total
	----------Rupees '000----------						
Balance as at January 1, 2014	96,448	5,935	18,000	129,403	1,535,538	441,289	2,226,613
Employee benefit cost under IFRS 2 - "Share-based Payment"	-	-	-	35,644	-	-	35,644
Final dividend @ Rs.10.00 per ordinary share of Rs. 10 each for the year ended December 31, 2013	-	-	-	-	-	(96,448)	(96,448)
Transfer to general reserve	-	-	-	-	200,000	(200,000)	-
Profit after taxation	-	-	-	-	-	238,465	238,465
Other comprehensive loss	-	-	-	-	-	(12,127)	(12,127)
Total comprehensive income	-	-	-	-	-	226,338	226,338
Balance as at December 31, 2014	96,448	5,935	18,000	165,047	1,735,538	371,179	2,392,147
Employee benefit cost under IFRS 2 - "Share-based Payment"	-	-	-	17,771	-	-	17,771
Final dividend @ Rs. 7.00 per ordinary share of Rs. 10 each for the year ended December 31, 2014	-	-	-	-	-	(67,513)	(67,513)
Transfer to general reserve	-	-	-	-	200,000	(200,000)	-
Profit after taxation	-	-	-	-	-	66,477	66,477
Other comprehensive income	-	-	-	-	-	1,144	1,144
Total comprehensive income	-	-	-	-	-	67,621	67,621
Balance as at December 31, 2015	96,448	5,935	18,000	182,818	1,935,538	171,287	2,410,026

The annexed notes 1 to 39 form an integral part of these financial statements.

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan in 1967 under the Companies Act, VII of 1913 (now the Companies Ordinance, 1984), as a Public Limited Company. The shares of the Company are listed on Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges). 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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 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 ammended standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

New Standards, Interpretations and Ammendments

The Company has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 - Consolidated Financial Statements
IFRS 11 - Joint Arrangements
IFRS 12 - Disclosure of Interests in Other Entities
IFRS 13 - Fair Value Measurement
IAS 19 - Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

Improvements to Accounting Standards Issued by the IASB in December 2013

IFRS 2 - Share-based Payment - Definitions of vesting conditions

IFRS 3 - Business Combinations – Accounting for contingent consideration in a business combination

IFRS 3 - Business Combinations - Scope exceptions for joint ventures

IFRS 8 - Operating Segments – Aggregation of operating segments

IFRS 8 - Reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS 16 & IAS 38 - Property, Plant and Equipment & Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation

IAS 24 - Related Party Disclosures - Key management personnel

IAS 40 - Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

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

2.4 Property, plant and equipment

(i) Operating fixed assets

These are stated at cost less accumulated depreciation, except for capital work-in-progress, which is stated at cost.

Cost of 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 the financial statements.

In respect of additions, depreciation is charged from the month in which asset is put to 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

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of tangible fixed assets in the course of their construction and installation.

2.5 Intangible asset – computer software and product license

Computer software licenses acquired by the Company are stated at cost less accumulated amortization. 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 the financial statements.

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

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.

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

Long-term loans and deposits 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 moving 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 necessarily 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 amounts of retirement benefits are usually dependent on one or more factors such as age, years of service and salary.

The liabilities recognised in respect of gratuity and pension schemes are the present values of the defined benefit obligations under each scheme at the balance sheet date less the fair value of respective plan assets.

The gratuity and pension obligations are calculated annually by independent actuaries using the Projected Unit Credit Method. The most recent valuation in this regard was carried out as at December 31, 2015. The present values of the obligations are determined by discounting the estimated future cash outflows using interest rates of high quality government securities that have terms to maturity approximating to the terms of the related obligations.

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.

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

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents represent balances with banks net of outstanding balance of running finance facilities availed by the Company.

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 of the estimated future cash flows of that asset.

Non-Financial assets

Carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which an 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 determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and risks 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).

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 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.

2.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.17 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.

2.18 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.

2.19 Revenue recognition

- Sales and toll manufacturing income are recorded on dispatch of goods;
- Return on deposits is recognised on accrual basis; and
- License fee is recognised on accrual basis.

2.20 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.

2.21 Financial instruments

All the 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.

2.22 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The Company enters into derivative transactions mainly to hedge foreign currency liabilities or firm commitments and these are designated as fair value hedge.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in fair value of the hedged liability that are attributable to the hedged risk.

2.23 Off-setting of financial instruments

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.24 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.

2.25 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.

2.26 Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions 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 assumptions 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, estimates and assumption 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) Provision for doubtful debts and stocks

The Company has used judgements, based on the history of the transactions, for making provisions against doubtful debts whereas provision for stocks is based on the current market conditions.

(iv) Post retirement benefits

The Company has post retirement benefit obligations, which are determined through actuarial valuations using various assumptions as disclosed in note 17.1. 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 14.1. 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. The amounts have not been provided for matters, disclosed in note 20.1.2, where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that the matters in appeals will be decided in favour of the Company. Management believes that if the final outcome of the cases differs from the management's assessment, such differences will impact the income tax provision in the period in which such determination is made.

(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.

2.27 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation			Effective date (annual periods beginning on or after)
IFRS 10, 12 & IAS 27	-	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 1, 2016
IFRS 10 & IAS 28	-	Consolidated Financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	-	Joint Arrangements- Accounting for Acquisition of Interest in Joint Operation	January 1, 2016
IFRS 1	-	Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 1, 2016
IAS 16 & 38	-	Property, Plant and Equipment & intangible assets – Clarification of Acceptable Method of Depreciation and Amortisation (Amendment)	January 1, 2016
IAS 16 & 41	-	Property, Plant and Equipment & Agriculture: Agriculture: Bearer Plants (Amendment)	January 1, 2016
IAS 27	-	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 1, 2016

The above standards and amendments 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 September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. 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 9 – Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 14 – Regulatory Deferral Accounts	January 1, 2016
IFRS 15 – Revenue from Contracts with Customers	January 1, 2018
IFRS 16 – Leases	January 1, 2019

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	1,842,490	1,822,726
Capital work-in-progress	3.2	171,056	195,836
		2,013,546	2,018,562

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						
NET CARRYING VALUE BASIS							
Year ended December 31, 2015							
Opening net carrying value	309	627,338	843,911	25,023	121,752	204,393	1,822,726
Additions	-	17,212	191,443	4,744	69,447	87,914	370,760
Disposals	-	-	(1,387)	(45)	(2,691)	(26,313)	(30,436)
Write offs	-	-	(1,214)	-	(29)	-	(1,243)
Transfers	-	-	6,894	580	(7,474)	-	-
Depreciation charge	(6)	(44,409)	(199,327)	(5,221)	(40,969)	(29,385)	(319,317)
Closing net carrying value	303	600,141	840,320	25,081	140,036	236,609	1,842,490
GROSS CARRYING VALUE BASIS							
As at December 31, 2015							
Cost	480	972,223	2,150,364	59,398	281,195	319,198	3,782,858
Accumulated depreciation	(177)	(372,082)	(1,310,044)	(34,317)	(141,159)	(82,589)	(1,940,368)
Net carrying value	303	600,141	840,320	25,081	140,036	236,609	1,842,490
NET CARRYING VALUE BASIS							
Year ended December 31, 2014							
Opening net carrying value	315	615,809	643,753	19,366	59,213	145,095	1,483,551
Additions	-	54,599	355,652	10,161	94,266	84,512	599,190
Disposals	-	-	-	-	(26)	(6,600)	(6,626)
Write offs	-	-	-	-	(106)	-	(106)
Depreciation charge	(6)	(43,070)	(155,494)	(4,504)	(31,595)	(18,614)	(253,283)
Closing net carrying value	309	627,338	843,911	25,023	121,752	204,393	1,822,726
GROSS CARRYING VALUE BASIS							
As at December 31, 2014							
Cost	480	955,010	2,035,000	53,978	241,265	285,447	3,571,180
Accumulated depreciation	(171)	(327,672)	(1,191,089)	(28,955)	(119,513)	(81,054)	(1,748,454)
Net carrying value	309	627,338	843,911	25,023	121,752	204,393	1,822,726
Depreciation rate % per annum	1.23	5	10 to 15	10	10 to 33	20	

3.1.1 The Company has 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.

3.1.2 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) ------------------------------						
Machinery and other equipment	1,730	1,492	238	100	(138)	Negotiation	Javed Enterprise
	650	406	244	14	(230)	Negotiation	Karachi Scrape Enterprises
	650	406	244	14	(230)	Negotiation	Karachi Scrape Enterprises
	348	133	215	8	(207)	Negotiation	Karachi Scrape Enterprises
	244	143	101	5	(96)	Negotiation	Karachi Scrape Enterprises
	180	100	80	4	(76)	Negotiation	Karachi Scrape Enterprises
	172	30	142	4	(138)	Negotiation	Karachi Scrape Enterprises
Items having carrying value of less than Rs.50,000 each	67,219	67,096	123	1,574	1,451	Negotiation	Various
	71,193	69,806	1,387	1,723	336		
Furniture and Fixtures							
Items having carrying value of less than Rs.50,000 each	529	484	45	12	(33)	Negotiation	Various
	529	484	45	12	(33)		
Factory and office equipment	1,367	205	1,162	1,208	46	Company Policy	Ayub Ahmed Siddiqui (Ex-Managing Director)
	1,271	726	545	574	29	---do---	Mohammad Ibadullah (Ex-Director Finannce)
	220	60	160	5	(155)	Negotiation	Karachi Scrape Enterprises
	113	21	92	142	50	Company Policy	Ayub Ahmed Siddiqui (Ex-Managing Director)
	113	21	92	142	50	---do---	Ayub Ahmed Siddiqui (Ex-Managing Director)
	113	21	92	142	50	---do---	Ayub Ahmed Siddiqui (Ex-Managing Director)
	113	21	92	142	50	---do---	Ayub Ahmed Siddiqui (Ex-Managing Director)
	70	11	59	92	33	---do---	Ayub Ahmed Siddiqui (Ex-Managing Director)
	150	94	56	20	(36)	---do---	Ayub Ahmed Siddiqui (Ex-Managing Director)
Items having carrying value of less than Rs.50,000 each	14,480	14,139	341	516	175	Negotiation	Various
	18,010	15,319	2,691	2,983	292		
Vehicles	2,504	401	2,103	2,103	-	Company Policy	Masood Ahmed Khan (Ex-Associate Director)
	2,303	207	2,096	2,158	62	Insurance Claim	IGI Insurance Limited
	1,814	18	1,796	1,814	18	Negotiation	Pirozee Cyrus Khursigara
	1,663	266	1,397	1,397	-	Company Policy	Imran Ul Haq (Ex-Executive)
	1,628	260	1,368	1,367	-	---do---	Syed Nasir Abbas (Ex-Executive)
	1,543	278	1,265	1,265	(1)	---do---	Syed Hassan Rasheed (Ex-Executive)
	1,426	879	547	570	23	---do---	Javaid Iqbal (Executive)
	1,426	903	523	570	47	---do---	S. Nehaludin Balkhi (Executive)
	1,401	887	514	560	46	---do---	Imtiaz Ahmed Rana (Executive)
	1,389	995	394	556	162	---do---	Syed Muhammad Shamim Akhter (Executive)
	1,359	1,178	181	544	363	---do---	Saiyed Raza Ali (Executive)
	1,329	1,108	221	532	311	---do---	Syed Iqbal Ali (Executive)
	1,259	902	357	504	147	---do---	Syed Sajid Tajammul Warsi (Executive)
	1,259	902	357	504	147	---do---	Kamran Irshad (Executive)
	1,039	145	894	894	-	---do---	Raza Khan (Ex-Executive)
	1,034	134	900	900	-	---do---	Muhammad Saeed (Ex-Executive)
	1,029	226	803	803	-	---do---	Zubair Ahmed (Ex-Executive)
	1,010	298	712	712	-	---do---	Asif Mehmood Bhutta (Ex-Executive)

Description	Cost	Accumulated depreciation	Net carrying value	Sale proceeds	Gain/(loss)	Mode of Disposal	Particulars of buyers
	(Rupees in '000)						
	1,010	352	658	658	-	---do---	Akhtar Ali (Ex-Executive)
	1,005	350	655	655	-	---do---	Ijaz Hussain (Ex-Executive)
	990	408	582	582	-	---do---	Sharique Twaaley (Ex-Executive)
	990	408	582	582	-	---do---	Shahid Hameed Chaudhary (Ex-Executive)
	990	408	582	582	-	---do---	Syed Abdul Sami (Ex-Executive)
	753	437	316	316	-	---do---	Saqib Zia (Ex-Executive)
	753	441	312	312	-	---do---	Muhammadf Irfan Rasheed (Ex-Executive)
	697	430	267	279	12	---do---	Umar Farooq Khan Durrani (Executive)
	697	430	267	279	12	---do---	Muhammad Saleem Tabassum (Executive)
	697	430	267	279	12	---do---	Muhammad Usman Rasheed (Executive)
	685	434	251	274	23	---do---	Syed Masood Yaseen (Executive)
	685	434	251	274	23	---do---	Syed Talha Kamal (Executive)
	685	434	251	274	23	---do---	Arbab Himayatullah (Executive)
	685	457	228	274	46	---do---	Muhammad Amir Jilani (Executive)
	685	468	217	274	57	---do---	Hafiz Muhammad Tahir (Executive)
	683	96	587	605	18	Insurance Claim	IGI Insurance Limited
	680	431	249	272	23	Company Policy	Abdul Karim Malik (Executive)
	679	487	192	272	80	---do---	Mohammad Ali (Executive)
	679	487	192	272	80	---do---	Mirza Abrar Hussain (Executive)
	679	487	192	272	80	---do---	Amir Iqbal (Ex-Executive)
	679	487	192	272	80	---do---	Nisar-Ul-Haq(Executive)
	679	487	192	272	80	---do---	Asim Ahmed (Executive)
	679	487	192	272	80	---do---	Yasir Rehman (Executive)
	679	487	192	272	80	---do---	Imran Saeed (Executive)
	679	487	192	272	80	---do---	Rizwan Anwer (Executive)
	679	487	192	272	80	---do---	Fakhar ul Islam (Executive)
	679	487	192	272	80	---do---	Shamshir Lall (Executive)
	679	487	192	272	80	---do---	Riaz Hussain (Executive)
	679	487	192	212	20	---do---	Salar Ali (Executive)
	679	498	181	272	91	---do---	Irfan Hashemy (Executive)
	674	483	191	259	68	---do---	Mian Waqar Ahmed (Executive)
	632	548	84	63	(21)	---do---	Feroz Noor Ali (Ex-Executive)
	529	353	176	212	36	---do---	Syed Mohammad Waqar Alam (Executive)
	529	379	150	272	122	---do---	Aslam Farhan (Executive)
	519	381	138	208	70	---do---	Murtaza Muhammad Khan (Executive)
Items having carrying value of less than Rs.50,000 each	2,668	2,529	139	1,121	982	Negotiation	Various
	54,163	27,850	26,313	30,135	3,822		
	143,895	113,459	30,436	34,853	4,417		

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	
3.2 Capital work-in-progress		
Building on leasehold land	10,458	5,217
Plant and machinery	110,260	171,725
Others	46,238	7,925
	166,956	184,867
Advances to contractors and suppliers - vehicles	3,603	9,839
Advances to contractors and suppliers - others	497	1,130
	171,056	195,836

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
4. INTANGIBLE ASSETS - computer software and product license			
Net carrying value basis			
Year ended December 31			
Opening net carrying value		220	343
Addition during the year		1,666	-
Amortization charge		(419)	(123)
Closing net carrying value		1,467	220
Gross carrying value basis			
As at December 31			
Cost		74,451	72,785
Accumulated amortization		(72,984)	(72,565)
Net carrying value		1,467	220
Amortization rate per annum		33% & 80%	33% & 80%
Remaining useful life		2.9 years	1.9 years
5. LONG-TERM LOANS - considered good, unsecured			
Employees	5.1	11,323	12,902
Vendor	5.2	82	174
		11,405	13,076
Less: Current maturity shown under current assets			
Employees	9	(4,648)	(5,227)
Vendor	9	(19)	(112)
		(4,667)	(5,339)
		6,738	7,737
5.1 Reconciliation of carrying amount of long term loans to employees:			
Opening balance as at January 1		12,902	11,804
Disbursements		6,011	7,666
Repayments		(7,590)	(6,568)
Closing balance as at December 31		11,323	12,902

These 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 and housing scheme, carry interest at the rate of 9% (2014: 9%) and 14% (2014: 14%) per annum, respectively. These are repayable within five years in equal monthly installments, except for capital goods fund which are repayable over a period of three years.

5.2 Loan to vendor are interest free and are repayable over a period up to 3 years in variable installments.

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
6. STORES AND SPARES			
Stores		20,693	18,805
Provision against obsolete stores		(2)	-
		20,691	18,805
Spares		34,144	30,791
Provision against obsolete spares		(125)	(125)
		34,019	30,666
		54,710	49,471
7. STOCK-IN-TRADE			
Raw and packing material and auxiliaries			
In hand	7.1	1,235,068	1,368,727
In transit		121,234	403,940
		1,356,302	1,772,667
Provision against raw and packing material	7.2	(17,924)	(18,565)
		1,338,378	1,754,102
Work-in-process		81,534	82,646
Finished goods			
In hand	7.3	1,362,341	1,757,520
In transit		212,876	199,083
		1,575,217	1,956,603
Provision against finished goods	7.4 & 7.5	(143,812)	(35,295)
		1,431,405	1,921,308
		2,851,317	3,758,056

7.1 This includes raw and packing material held with third parties, aggregating to Rs. 52.891 (2014: Rs. 79.862) million, at the end of the current year.

7.2 During the current year, provisions aggregating to Rs. 0.641 million were written back (2014: Rs. 13.650 million were provided for) in respect of slow moving raw and packing material.

7.3 This includes cost of physician samples, aggregating to Rs.22.268 (2014: Rs. 20.883) million, at the end of the current year.

7.4 This includes write down of finished goods costing Rs. 154.895 (2014: Rs. 77.693) million, to their net realizable value of Rs. 116.537 (2014: Rs. 64.616) million.

7.5 During the current year, provisions aggregating to Rs. 108.517 million (2014: Rs. 9.163 million) were provided in respect of finished goods.

		Note	December 31, 2015	December 31, 2014
			--------- Rupees in '000 ---------	
8.	**TRADE DEBTS - unsecured**			
	Considered good	8.1	1,002,472	733,717
	Considered doubtful		931	931
			1,003,403	734,648
	Provision against debts considered doubtful		(931)	(931)
			1,002,472	733,717

8.1 Amount due from related parties at the end of the current year was Nil (2014: Rs. 32.895 million). Maximum amount due from related parties at the end of any month during the year was Rs. 35.617 (2014: Rs. 32.895) million.

		Note	December 31, 2015	December 31, 2014
			--------- Rupees in '000 ---------	
9.	**LOANS AND ADVANCES - considered good, unsecured**			
	Loans			
	Current maturity of long-term loans to employees	5	4,648	5,227
	Current maturity of long-term loans to vendor	5	19	112
			4,667	5,339
	Advances			
	Executives	9.1	10,021	2,287
	Employees		11,543	8,318
	Contractors and suppliers		92,008	33,306
			113,572	43,911
			118,239	49,250

9.1 The maximum aggregate amount due from Executives at the end of any month during the year was Rs. 10.021 (2014: Rs. 2.287) million.

		Note	December 31, 2015	December 31, 2014
			--------- Rupees in '000 ---------	
10.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Trade deposits			
	Tender deposits		183,441	202,622
	Margin against letters of credit		12,612	-
			196,053	202,622
	Provision against tender deposits considered doubtful		(591)	(591)
			195,462	202,031
	Short-term prepayments		16,341	16,761
			211,803	218,792
11.	**OTHER RECEIVABLES**			
	Considered good			
	Due from - related parties	11.1 & 11.2	4,481	160,960
	Due from - others	11.3	36,555	16,571
	Miscellaneous		2,600	1,368
			43,636	178,899
	Considered doubtful			
	Sales tax refundable		5,918	5,918
	Provision against sales tax refundable considered doubtful		(5,918)	(5,918)
			-	-
			43,636	178,899

11.1 This represents reimbursements due from the following related parties:

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	
Sanofi-Aventis Singapore Pte Limited	-	158,520
Sanofi-Aventis Groupe	2,797	812
Sanofi-Aventis Gulf	122	131
Sanofi-Aventis Turkey	163	-
Sanofi-Aventis ilaclari Sirketi	-	93
Sanofi-Aventis Bangladesh Limited	1,399	1,404
	4,481	160,960

11.2 The maximum amount due from related parties at the end of any month during the year was Rs. 162.295 (2014: Rs. 341.795) million.

11.3 This 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.

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
12. CASH AND BANK BALANCES			
Cash in hand		77	-
Cash at banks			
In current accounts - local currency	12.1	4,138	5,441
- foreign currency		21,269	3,839
		25,407	9,280
		25,484	9,280

12.1 Included herein is a sum of Rs. 0.775 (2014: Rs. 0.774) million, representing refundable deposits received from distributors, transporters and suppliers.

13. SHARE CAPITAL

December 31, 2015	December 31, 2014		December 31, 2015	December 31, 2014
No. of shares			--------- 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		
2,757,783	2,757,783	shares of Rs. 10 each fully paid in cash	27,578	27,578
		Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash:		
687,500	687,500	- against plant and equipment	6,875	6,875
140,000	140,000	- against loan	1,400	1,400
2,700,000	2,700,000	- in exchange for 450,000 Ordinary shares of Rs. 10 each of former Rhone Poulenc Rorer Pakistan (Private) Limited	27,000	27,000
3,527,500	3,527,500		35,275	35,275
		Ordinary shares of Rs. 10 each issued as fully		
3,359,477	3,359,477	paid bonus shares	33,595	33,595
9,644,760	9,644,760		96,448	96,448

SECIPE (a wholly owned subsidiary of sanofi S.A) held 5,099,469 (2014: 5,099,469) ordinary shares of Rs. 10/- each, aggregating to Rs. 50,994,690, constituting 52.88% of issued share capital of the Company, at the end of the current year. The ultimate parent of the group is sanofi S.A. (formerly sanofi-aventis S.A.).

	December 31, 2015	December 31, 2014
	--------- Rupees in '000	---------
14. 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	182,818	165,047
	206,753	188,982
Revenue reserves		
General reserve	1,935,538	1,735,538
Un-appropriated profit	171,287	371,179
	2,106,825	2,106,717
	2,313,578	2,295,699

14.1 Share-based compensation plans

As at December 31, 2015, the Company has following equity settled share-based compensation plans:

Stock Option Plans:

sanofi S.A., France (the "Parent Company") granted a number of equity-settled share-based payment plans (stock option plans) to some of its employees, including employees of sanofi-aventis Pakistan Limited (the "Subsidiary Company"). These plans entitled the eligible employees to acquire shares of the Parent Company 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 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 sanofi S.A., France.

Details of the terms of exercise of stock subscription options granted under the various plans are presented below in sanofi-aventis S.A., France, share equivalents. These options have been granted to certain corporate officers and employees of the Group companies, including the Company.

The table shows stock subscription option plans granted by sanofi S.A., France to the employees of sanofi-aventis Pakistan Limited and accounted for under IFRS-2, which are still outstanding.

Origin	Date of grant	Vesting period (years)	Options granted (number)	Start date of exercise period	Expiration Date	Exercise price (€)	Options outstanding at December 31, 2015 (number)
sanofi S.A., France	31/05/2005	4	13,500	01/06/2009	31/05/2015	70.38	-
sanofi S.A., France	14/12/2006	4	13,300	15/12/2010	14/12/2016	66.91	1,500
sanofi S.A., France	13/12/2007	4	13,900	14/12/2011	13/12/2017	62.33	1,800
sanofi S.A., France	02/03/2009	4	7,595	04/03/2013	01/03/2019	45.09	840
sanofi S.A., France	01/03/2010	4	8,035	03/03/2014	28/02/2020	54.12	3,170
TOTAL			56,330				7,310

The exercise of each option will result in the issuance of one share of sanofi S.A., France.

Summary of stock option plans:

A summary of stock options outstanding at each balance sheet date, and of changes during the relevant periods, is presented below:

	Number of options	Weighted average exercise price per share (€)
Options outstanding at January 1, 2014	20,915	60.94
Of which exercisable	13,055	65.05
Options granted	-	-
Options exercised	(9,305)	(60.26)
Options cancelled	-	-
Options forfeited	-	-
Options outstanding at December 31, 2014	11,610	61.48
Of which exercisable	11,610	61.48
Options granted	-	-
Options exercised	(3,800)	(67.53)
Options cancelled	(500)	(70.38)
Options forfeited	-	-
Options outstanding at December 31, 2015	7,310	57.73
Of which exercisable	7,310	57.73

The expense recognised for stock option plans, and the corresponding entry taken to equity, amounted to Nil (2014: Rs. 0.167 million).

Restricted share plan:

The Board of Directors of sanofi Group, in a meeting held on June 24, 2015, decided to award a restricted share plan comprising 2,750 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 June 24, 2015 amounted to € 79.52.

This amount is being recognized as an expense over the vesting period, with the matching entry recorded directly in equity.

An expense of Rs. 17.771 (2014: Rs. 35.477) million was recognised for this plan during the year ended December 31, 2015.

The number of restricted shares outstanding as of December 31, 2015 were 15,493 (2014: 27,530).

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
15. LONG-TERM FINANCING - secured			
Long-term financing I	15.1	500,000	-
Long-term financing II	15.2	500,000	500,000
		1,000,000	500,000
Less: Current portion of long-term financing	15.2	(500,000)	-
		500,000	500,000

15.1 This represents long-term loan obtained from a commercial bank on December 29, 2015 which is repayable in full after three years and is secured by way of an equitable mortgage of Rs. 667 million over all present and future fixed assets of the Company. The loan carries mark-up at the rate of 0.4% over 3 months KIBOR payable on quarterly basis, without any floor or cap.

15.2 This represents long-term loan obtained from a commercial bank which is repayable in July 2016 and is secured by way of an equitable mortgage of Rs. 500 million over all present and future assets of the Company. The loan carries mark-up at the rate of 0.5% over 3 months KIBOR payable on quarterly basis, without any floor or cap.

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	
16. DEFERRED TAXATION		
Credit balances arising from:		
Accelerated tax depreciation allowance	167,571	189,013
Unrealized exchange gain	-	11,827
Debit balances resulting from:		
Short-term provisions against:		
- trade debts	(202)	(219)
- stock in trade	(30,448)	(8,286)
- stores and spares	(4,690)	(4,410)
- defined benefit plans	(14,212)	(10,937)
- liabilities outstanding more than three years	(16,973)	(18,306)
- minimum tax	-	(24,876)
- others	(3,031)	(1,530)
	98,015	132,276

17. TRADE AND OTHER PAYABLES	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
Trade creditors			
Related parties		717,872	997,534
Other trade creditors		187,786	228,766
		905,658	1,226,300
Other payables			
Accrued liabilities		815,734	560,093
Employees' Pension Fund	17.1	27,589	26,227
Employees' Gratuity Fund	17.1	37,878	20,280
Amount payable under voluntary separation scheme	17.2	84,922	24,000
Advances from customers		21,801	21,999
Workers' Profits Participation Fund	17.3	8,280	18,433
Workers' Welfare Fund		15,264	9,789
Central Research Fund		1,787	3,412
Compensated absences		56,158	64,680
Security deposits		775	774
Contractors' retention money		1,676	3,961
Unclaimed dividend		3,989	3,665
Withholding income tax payable		16,943	3,341
Sales tax payable		4,378	4,725
		1,097,174	765,379
		2,002,832	1,991,679

17.1 The status of the funds and principal assumptions used in the actuarial valuation as of December 31, 2015 were as follows:

	Pension Fund		Gratuity Fund	
	2015	2014	2015	2014
	--------- Rupees in '000 ---------		--------- Rupees in '000 ---------	
Balance sheet reconciliation as at December 31				
Fair value of plan assets	522,249	437,805	387,756	329,177
Present value of defined benefit obligation	(549,838)	(464,032)	(425,634)	(349,457)
Net liability in balance sheet	(27,589)	(26,227)	(37,878)	(20,280)
Movement in net liability				
(Payable) / Prepayment as at January 1	(26,227)	(41,958)	(20,280)	5,976
Charge for the year	(57,861)	(28,109)	(35,365)	(21,191)
Employer contribution	38,689	36,521	33,894	20,354
Actuarial gain / (loss) recognised in equity	17,810	7,319	(16,127)	(25,419)
Payable as at December 31	(27,589)	(26,227)	(37,878)	(20,280)
Expense recognised				
Current service cost	21,617	19,011	33,581	26,620
Past service cost	37,646	8,418	-	-
Interest cost	51,094	48,824	38,112	35,410
Expected return on plan assets	(52,496)	(48,144)	(36,328)	(40,839)
	57,861	28,109	35,365	21,191
Actual return on plan assets	65,484	64,256	46,060	43,381
Movement in the defined benefit obligation				
Obligation as at January 1	464,032	402,198	349,457	307,097
Current service cost	21,617	19,011	33,581	26,620
Past service cost	37,646	8,418	-	-
Interest cost	51,094	48,824	38,112	35,410
Benefits paid	(19,729)	(23,212)	(21,375)	(47,631)
Actuarial (gain) / loss	(4,822)	8,793	25,859	27,961
Obligation as at December 31	549,838	464,032	425,634	349,457

	Pension Fund 2015	Pension Fund 2014	Gratuity Fund 2015	Gratuity Fund 2014
	--------- Rupees in '000 ---------		--------- Rupees in '000 ---------	
Movement in fair value of plan assets				
Fair value as at January 1	437,805	360,240	329,177	313,073
Expected return on plan assets	52,496	48,144	36,328	40,839
Employer contributions	38,689	36,521	33,894	20,354
Benefits paid	(19,729)	(23,212)	(21,375)	(47,631)
Actuarial gain	12,988	16,112	9,732	2,542
Fair value as at December 31	522,249	437,805	387,756	329,177

	Pension Fund 2015	Pension Fund 2014	Gratuity Fund 2015	Gratuity Fund 2014
Key actuarial assumptions used are as follows				
Discount factor used	10.50%	11.25%	10.50%	11.25%
Expected rate of return per annum on plan assets	10.50%	11.25%	10.50%	11.25%
Expected rate of increase in future salaries per annum	10.50%	11.25%	10.50%	11.25%
Indexation of pension	5.5%	7.0%	-	-
Retirement age (years)	60 years	60 years	60 years	60 years

	2015		2014	
	Rupees in '000	%	Rupees in '000	%
Plan assets comprise of:				
Funded pension plan				
Debt	426,743	81.71	349,560	79.84
Equity	65,689	12.58	58,399	13.34
Others (includes cash and bank balances)	29,817	5.71	29,846	6.82
	522,249	100.00	437,805	100.00
Funded gratuity plan				
Debt	314,496	81.10	250,773	76.18
Equity	50,935	13.14	43,394	13.18
Others (includes cash and bank balances)	22,325	5.76	35,010	10.64
	387,756	100.00	329,177	100.00

Comparison for five years:

	2015	2014	2013	2012	2011
	----------------------------	Rupees in '000	----------------------------		
Funded pension plan					
Fair value of plan assets	522,249	437,805	360,240	320,348	313,580
Present value of defined benefit obligation	(549,838)	(464,032)	(402,198)	(350,668)	(276,086)
(Deficit) / surplus	(27,589)	(26,227)	(41,958)	(30,320)	37,494
Experience adjustment					
Actuarial gain / (loss) on obligation	4,822	(8,793)	(5,544)	(25,426)	(6,689)
Actuarial gain / (loss) on plan assets	12,988	16,112	(5,790)	16,290	4,068
Funded gratuity plan					
Fair value of plan assets	387,756	329,177	313,073	272,210	197,773
Present value of defined benefit obligation	(425,634)	(349,457)	(307,097)	(267,323)	(230,840)
(Deficit) / surplus	(37,878)	(20,280)	5,976	4,887	(33,067)
Experience adjustment					
Actuarial (loss) / gain on obligation	(25,859)	(27,961)	4,738	(6,063)	(14,729)
Actuarial gain / (loss) on plan assets	9,732	2,542	3,408	10,141	(11,958)

17.1.1 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.

17.1.2 Based on the actuarial advice, the amount of expected contribution to gratuity and pension funds during the year 2016 will be Rs. 39.274 million and Rs. 30.573 million respectively.

17.2 The Company initiated a plan to achieve rationalisation and restructuring. Under this plan, a provision of Rs. 84.922 (2014: Rs. 24) million is made on account of voluntary separation scheme for planned redundancy in respect of its employees. The provision amounting to Rs. 74.652 million (2014: Nil), Rs. 6 million (2014: Rs. 24 million) and Rs. 4.270 million (2014: Nil) pertains to management, unionised and other employees, respectively. The amount is expected to be utilised during the year 2016.

	Note	December 31, 2015	December 31, 2014
17.3 Workers' Profit Participation Fund		--------- Rupees in '000 ---------	
Balance at the beginning of the year		18,433	29,566
Allocation for the year	23	9,657	18,238
		28,090	47,804
Interest on funds utilised in Company's business	25	190	432
		28,280	48,236
Amount paid to the Trustees of the Fund		(20,000)	(29,803)
		8,280	18,433

18. SHORT-TERM BORROWINGS – secured

This represent short term money market loan obtained from commercial banks which are either paid on maturity or rolled over with only the mark-up payment. The average term is one month to six months and average mark-up rate ranges between 0.15% to 0.30% over KIBOR, secured by way of pari passu charge on stock-in-trade and book debts of the Company.

19. RUNNING FINANCE UTILIZED UNDER MARK-UP ARRANGEMENTS – secured

The facilities for running finances available from various banks under mark-up arrangements aggregated to Rs. 4,550 (2014: Rs. 3,030) million. These facilities expire on various dates, latest by December 31, 2016. The mark-up rate is KIBOR + 0.4% (2014: KIBOR + 0.4% to KIBOR + 1.75%). The facilities are secured against first pari passu charge on stock-in-trade and book debts of the Company.

Out of the facilities of Rs. 904 (2014: Rs.904) million for opening the letters of credit, guarantees and bill discounting, the unutilised amount was Rs. 606 (2014: Rs. 560) million as at the end of the year.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Claims not acknowledged as debt amounted to Rs. 6.2 (2014: Rs. 6.2) million at the end of the current year.

20.1.2 Inland Revenue, Enforcement & Collection has framed the assessment for the tax year 2009 on the alleged contention that the Company had short deducted income tax from payments made to vendors in respect of sales promotion and advertisement expenditure and raised a demand of Rs. 11.6 million. On the appeal filed by the Company, the Commissioner Inland Revenue (Appeals) remanded back the order to the tax officer with the directions to pass order afresh. The Company has filed an appeal before the Appellate Tribunal Inland Revenue as well as filed a Constitutional Petition before the High Court of Sindh against the said order, which is pending adjudication.

Further, Inland Revenue, Enforcement & Collection has framed the order wherein it has been alleged that the Company had not deducted Federal Excise Duty amounting to Rs. 5.2 million at applicable rates from payments made to non-resident persons or permanent establishment of non-resident persons on account of franchise services of Rs. 52.06 million. The Company has filed appeals before the Commissioner Inland Revenue (Appeals) as well as filed a Constitutional Petition before High Court of Sindh against the said order, which is pending adjudication.

During the year ended December 31, 2015, the Deputy Commissioner Inland Revenue, Enforcement & Collection has passed an order under section 122(5) of the Income Tax Ordinance, 2001 for the Tax Year 2013, whereby the liability of the Company for the said tax year has been increased by Rs. 179.153 million on the alleged contention that the Company understated the gain on sale of WAH Site and disallowance of certain expenses related to sales promotion and advertisement. Against the above order, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals), which is pending for hearing.

The management and its tax advisor are of the view that the final outcome of the above referred matters will be in favour of the Company, hence, provisions for the aforementioned amounts have not been made in these financial statements, pending a final decision in this matter.

20.1.3 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 before the sale was finalised. However, thereafter, the Wah Cantonment Board 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. Additionally, the Wah Cantonment also levied composition tax (composition fee), 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 has challenged this unjustified revision in the rental value at the Director Military Lands and Cantonments (DMLC), Rawalpindi Region. The DMLC directed the Wah Cantonment Board assessment committee to decide the matter afresh and provide convincing reasons for change in the rental value.

The Company has been pursuing this matter in the court as well as endeavoring to settle out of court. The management based on legal advisor's view is of the opinion that the demand raised by Wah Cantonment Board is unjustified and unlawful and is hopeful that the matter will be decided in favor of the Company by the appellate forums.

Subsequent to the year end, the Wah Cantonment Board has filed application at the Civil Courts Taxila for the recovery of the Composition Fee. The Company will appear in the hearing through external counsel to challenge the same.

20.2 Commitments

(a) Commitments in respect of capital expenditure contracted for amounted to Rs. 55.738 (2014: Rs. 36.581) million at the end of the year.

(b) Post-dated cheques aggregating to Rs. 20.613 (2014: 27.634) million at the end of the current year have been given to Collector of Customs in respect of exemption of levies on import of machine accessories and raw material.

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	
(c) Outstanding letters of credit	34,247	112,817
(d) Outstanding bank contracts	230,123	225,944

21. NET SALES

	December 31, 2015	December 31, 2014
Gross sales		
Local	11,427,825	10,432,440
Export	690,755	754,094
	12,118,580	11,186,534
Toll manufacturing	62,079	64,302
	12,180,659	11,250,836
Returns	(219,193)	(52,462)
Discounts	(1,175,587)	(1,248,914)
	(1,394,780)	(1,301,376)
	10,785,879	9,949,460

22. OPERATING COST

	Cost of sales		Distribution and marketing costs		Administrative expenses		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees in '000							
Raw and packing material and auxiliaries consumed	4,022,255	4,551,620	-	-	-	-	4,022,255	4,551,620
Stores and spares consumed	30,547	25,682	-	-	-	-	30,547	25,682
Stationery and supplies consumed	5,363	6,275	7,116	8,841	2,541	2,484	15,020	17,600
Staff costs (note 22.1)	561,619	557,172	971,932	714,207	193,914	142,954	1,727,465	1,414,333
Fuel and power	308,347	298,753	4,510	4,460	13,423	16,377	326,280	319,590
Rent, rates and taxes	24,901	4,197	47,469	23,751	527	20,844	72,897	48,792
Insurance	4,969	4,779	8,195	9,477	1,819	1,535	14,983	15,791
Repairs and maintenance	66,745	73,644	5,459	5,202	13,850	17,972	86,054	96,818
Raw and packing material and auxiliaries written off	12,676	54,591	-	-	-	-	12,676	54,591
(Reversal) / provision against raw and packing material	(641)	13,650	-	-	-	-	(641)	13,650
Depreciation / amortization	260,408	208,947	35,494	27,239	23,834	17,220	319,736	253,406
Traveling and conveyance	50,181	59,576	303,595	290,304	27,080	27,159	380,856	377,039
Handling, freight and transportation	-	-	196,049	165,121	-	-	196,049	165,121
Communication	5,415	4,136	37,934	34,953	5,514	5,881	48,863	44,970
Security and maintenance	19,682	11,430	4,851	3,652	9,182	9,261	33,715	24,343
Publication and subscription	252	606	2,320	1,528	6,351	6,183	8,923	8,317
Electronic and print media	-	-	67,286	64,438	-	-	67,286	64,438
Conferences and exhibitions	-	-	247,245	221,746	-	-	247,245	221,746
Market research	-	-	20,236	16,675	-	-	20,236	16,675
Clinical trials	-	-	15,862	14,270	-	-	15,862	14,270
Patient care	-	-	4,599	17,323	-	-	4,599	17,323
Samples	-	-	56,673	87,100	-	-	56,673	87,100
Sales promotion	-	-	18,042	43,289	-	-	18,042	43,289
Commission expenses	-	-	82,175	45,455	-	-	82,175	45,455
Software license / maintenance fee	2,749	529	1,168	628	2,474	1,833	6,391	2,990
Other expenses	10,128	9,329	21,831	19,756	4,088	3,962	36,047	33,047
	5,385,596	5,884,916	2,160,041	1,819,415	304,597	273,665	7,850,234	7,977,996
Recovery of service charges from outside parties	(9,425)	(13,745)	-	-	-	-	(9,425)	(13,745)
	5,376,171	5,871,171	2,160,041	1,819,415	304,597	273,665	7,840,809	7,964,251
Opening work-in-process	82,646	87,464						
Closing work-in-process	(81,534)	(82,646)						
Cost of goods manufactured	5,377,283	5,875,989						
Opening stock of finished goods	1,956,603	1,366,150						
Finished goods purchased	1,922,704	2,175,025						
Finished goods written off	246,545	19,707						
Cost of samples issued under distribution and marketing expenses	(56,673)	(87,100)						
Provision against finished goods	108,517	9,163						
Closing stock of finished goods	(1,575,217)	(1,956,603)						
	7,979,762	7,402,331						

22.1 Staff Costs

	2015	2014	2015	2014	2015	2014	2015	2014
Salaries, wages and other benefits	538,752	525,955	802,508	640,626	158,246	113,424	1,499,506	1,280,005
Training expenses	519	1,217	7,642	10,502	895	1,000	9,056	12,719
Defined benefit plan	22,680	15,116	52,409	25,654	18,137	8,530	93,226	49,300
Defined contribution plan	13,716	12,746	27,020	22,355	6,248	5,981	46,984	41,082
Voluntary separation scheme (note 17.2)	(18,000)	(4,417)	78,922	-	-	-	60,922	(4,417)
Share-based payments	3,952	6,555	3,431	15,070	10,388	14,019	17,771	35,644
	561,619	557,172	971,932	714,207	193,914	142,954	1,727,465	1,414,333

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
23. OTHER EXPENSES			
Auditors' remuneration	23.1	2,469	2,467
Workers' Profits Participation Fund	17.3	9,657	18,238
Workers' Welfare Fund		5,475	6,895
Central Research Fund		1,767	3,399
Legal and consultancy charges		12,862	14,207
Donations	23.2	1,000	85
Property, plant and equipment written off		1,243	106
Others		364	1,083
		34,837	46,480
23.1 Auditors' remuneration			
Audit fee		1,100	1,010
Review of half yearly financial statements		336	308
Special certification and reportings		807	981
Out-of-pocket expenses		226	168
		2,469	2,467

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

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
24. OTHER INCOME			
Income from financial assets			
Interest on loans to employees		122	145
Income from non-financial assets			
Gain on sale of operating fixed assets	3.1.2	4,417	9,733
Others			
License fee	3.1.1	19,955	11,275
Liabilities no longer payable written back		338	1,350
Insurance claim		46,386	-
Scrap sales		10,352	10,209
Exchange gains - net		80,709	189,194
		157,740	212,028
		162,279	221,906
25. FINANCE COSTS			
Mark-up on:			
long-term financing		41,424	53,252
running finances utilized under mark-up arrangements		175,071	182,139
short-term borrowings		64,336	50,834
		280,831	286,225
Interest on Workers' Profit Participation Fund	17.3	190	432
Bank charges		11,649	7,021
		11,839	7,453
		292,670	293,678

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	

26. TAXATION

	December 31, 2015	December 31, 2014
Current	132,362	149,861
Prior	12,211	(54,277)
Deferred	(34,799)	1,748
	109,774	97,332

26.1 Explanation of relationship between accounting profit and tax expense:

	December 31, 2015	December 31, 2014
Accounting profit before taxation	176,251	335,797
Income tax at the applicable tax rate 32% (2014: 33%)	56,400	110,813
Effect of tax under FTR, minimum tax and other adjustments – net	35,476	29,034
Effect of tax on share based payments	5,687	11,762
Effect of prior years' tax charge	12,211	(54,277)
	109,774	97,332

27. EARNINGS PER SHARE - basic and diluted

	December 31, 2015	December 31, 2014
Profit after taxation	66,477	238,465
	Number of shares	
Weighted average number of ordinary shares	9,644,760	9,644,760
	--------------- Rupees ------------	
Earnings per share - basic and diluted	6.89	24.72

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

28. CASH GENERATED FROM OPERATIONS

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
Profit before taxation		176,251	335,797
Adjustment for non-cash charges and other items:			
Depreciation / amortization		319,736	253,406
Gain on sale of operating fixed assets		(4,417)	(9,733)
Operating fixed assets written off		1,243	106
Expenses arising from equity settled share-based payment plans		17,771	35,644
Retirement benefits		93,226	49,301
Interest income		(122)	(145)
Finance costs		292,670	293,678
Working capital changes	28.1	697,877	(701,421)
		1,594,235	256,633

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
28.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(5,239)	(2)
Stock-in-trade		906,739	(1,307,010)
Trade debts		(268,755)	172,158
Loans and advances		(68,989)	(9,117)
Trade deposits and short-term prepayments		6,989	(98,994)
Other receivables - net		135,263	179,410
		706,008	(1,063,555)
(Decrease) / increase in current liabilities:			
Trade and other payables - net (excluding accruals for unclaimed dividend)		(8,131)	362,134
		697,877	(701,421)

29. CASH FLOWS FROM OPERATING ACTIVITIES (DIRECT METHOD)

		December 31, 2015	December 31, 2014
Cash receipts from customers		11,424,077	10,133,204
Cash paid to suppliers / service providers and employees		(9,829,842)	(9,876,571)
Financial charges paid		(317,026)	(290,195)
Taxes paid		(404,783)	(176,760)
Long-term loans (net)		999	(351)
Retirement benefits paid		(72,583)	(56,875)
Long-term deposits (net)		(8,786)	-
Net cash generated from / (used in) operating activities		792,056	(267,548)

30. CASH AND CASH EQUIVALENTS

	Note	December 31, 2015	December 31, 2014
Cash and cash equivalents comprise of the following items:			
Cash and bank balances	12	25,484	9,280
Running finances utilized under mark-up arrangement	19	(52,875)	(2,148,867)
		(27,391)	(2,139,587)

31. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of parent, ultimate parent, associated undertakings, employees' provident fund, employees' gratuity fund, employees' pension fund, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, remuneration of Executives and the Chief Executive are disclosed in the relevant notes.

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

Terms and conditions of transactions with related parties

The transactions with the related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. Other material transactions with related parties are given below:

		December 31, 2015				December 31, 2014			
		Group Companies	Associated undertaking by virtue of Common Directorship	Retirement benefits plans	Total	Group Companies	Associated undertaking by virtue of Common Directorship	Retirement benefits plans	Total
		Rupees in '000							
i)	Gross Sales	12,994	-	-	12,994	71,758	-	-	71,758
ii)	Purchase of goods	3,162,461	-	-	3,162,461	4,418,631	-	-	4,418,631
iii)	Purchase of services	-	8,662	-	8,662	-	12,630	-	12,630
iv)	Insurance claim received	-	46,386	-	46,386	-	-	-	-
v)	Contribution paid								
	- Provident fund	-	-	46,877	46,877	-	-	41,011	41,011
	- Gratuity fund	-	-	33,894	33,894	-	-	20,354	20,354
	- Pension fund	-	-	38,689	38,689	-	-	36,521	36,521

31.1 The impact of benefits available to the Chief Executive and others recognised by the Company in the expenses during the year on account of share-based payment plans aggregate Rs. 3.453 (2014: Rs. 5.793) million and Rs. 14.318 (2014: 29.851) million respectively.

31.2 The related party status of outstanding balances as at December 31, 2015 are included in trade debts and other receivables. The balances are unsecured and are settled in accordance with the terms and conditions of the transactions.

32. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of remuneration, including benefits, to the Chief Executive, a Director and Executives of the Company are as follows:

	Chief Executive		Director		Executives		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	Rupees in '000							
Managerial remuneration	11,022	16,112	4,351	6,585	268,840	207,008	284,213	229,705
Profit sharing bonus	3,066	-	1,637	522	54,546	13,463	59,249	13,985
Retirement benefits	2,020	2,953	726	1,178	45,319	35,577	48,065	39,708
Perquisites and benefits:								
Rent and utilities	6,062	8,862	2,179	3,535	135,983	106,752	144,224	119,149
Medical expenses	236	213	23	47	13,601	8,856	13,860	9,116
Club subscription	-	125	28	41	202	273	230	439
	22,406	28,265	8,944	11,908	518,491	371,929	549,841	412,102
Number of persons	2*	2	1	2	178	139	181	143

*During the year 2015, the Chief Executive was replaced by the appointment of another Chief Executive on the Board of Directors.

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 to Directors other than working Directors was Rs. 1.05 (2014: Rs. 0.007) million.

Further, the impact of benefits available to the Chief Executive, Directors and certain Executives recognised by the Company in the expense during the year on account of share-based payment plans aggregated to Rs. 3.453 (2014: Rs. 5.793) million, Rs. Nil (2014: Rs. 2.253) million and Rs. 14.318 (2014: Rs. 27.598) million, respectively.

The above remuneration of Directors does not include amounts paid or provided by the related parties.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and equity price 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 financial liabilities mainly comprise trade and other payables, accrued mark-up, long-term financing, short-term borrowing and running finances utilized under mark-up arrangements - secured. The main purpose of financial liabilities is to raise finance for the Company's operations. The Company's financial assets comprise trade debts, loans to employees, deposits, other receivables, and bank balances.

The management reviews and agrees policies for managing each of these risks as explained below:

33.1 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.

33.1.1 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,	
	2015	2014	2015	2014	2015	2014
	GBP in '000		Euro in '000		USD in '000	
Trade debts	-	-	-	255	-	2,293
Other receivables	-	-	7	7	35	1,561
Trade and other payables	(40)	-	(6,119)	(8,072)	(49)	(29)
	(40)	-	(6,112)	(7,810)	(14)	3,825

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, 2015 represented in foreign currencies, with all other variables held constant, of the Company's profit before tax.

		December 31, 2015	December 31, 2014
Change in exchange rate	±	1%	1%
Effect on profit before tax (Rs.000's)	±	7,052	5,725
Effect on equity (Rs.000's)	±	2,660	4,065

33.1.2 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, short term borrowings and running finance utilized under mark-up arrangements with floating interest rates. At December 31, 2015, the Company's entire borrowings are at floating rate of interest.

The Company's policy is to keep its running finances utilized under mark-up arrangements at the lowest level by effectively utilizing the positive bank balances.

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, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Effective rates (%)		--------- Rupees in '000 ---------	
Financial assets				
Loans to employees	9.00 & 14.00	9.00 & 14.00	662	495
Financial liabilities				
Long-term financing	three months KIBOR + 0.4	three months KIBOR + 0.5	500,000	500,000
Current portion of long-term financing	three months KIBOR + 0.5	-	500,000	-
Short-term borrowings	one month KIBOR + 0.19	one month KIBOR + 0.23	1,800,000	600,000
Running finances utilized under mark-up arrangements	KIBOR + 0.4	KIBOR+0.4 to KIBOR+1.75	52,875	2,148,867
			2,852,875	3,248,867

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, 2015	December 31, 2014
Change in interest rate	±	1%	1%
Effect on profit before tax (Rs.000's)	±	13,385	32,489
Effect on equity (Rs.000's)	±	5,048	16,509

33.1.3 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.

33.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. 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 Company also ensures that sale of products and services are made to customers with appropriate credit history and credit worthiness. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the Company also believes that it is not exposed to major concentration of credit risk. Provision is made against those balances that are considered doubtful of recovery.

Exposure to credit risk

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

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	
Trade debts	1,002,472	733,717
Loans to employees	11,323	12,902
Loan to vendor	82	174
Deposits and margin against letter of credit	195,462	202,031
Other receivables	43,636	178,899
Cash at banks	25,407	9,280
	1,278,382	1,137,003

The management does not expect any losses from non-performance by these counterparties.

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, 2015	December 31, 2014
	--------- Rupees in '000 ---------	

33.2.1 Trade debts

The carrying values of trade receivables that are neither past due nor impaired are analysed as follows:

	December 31, 2015	December 31, 2014
Customers with no defaults in the past one year	393,576	356,135

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.

	December 31, 2015	December 31, 2014
1 – 30 days	407,455	296,429
31 – 60 days	139,363	41,017
61 – 90 days	20,365	11,515
91 – 120 days	9,416	12,392
121 – 150 days	3,893	8,423
151 – 180 days	10,598	2,927
181 – 270 days	13,301	1,103
Over 365 days	4,505	3,776
	608,896	377,582
	1,002,472	733,717

The maximum exposure to credit risk for trade debts as at the reporting date by type of counter parties was:

	December 31, 2015	December 31, 2014
Government institutions and hospitals	293,214	196,019
Private institutions and hospitals	72,569	76,192
Credit Distributors	352,319	197,987
Export customer	285,301	264,450
	1,003,403	734,648
Provision for doubtful debts	(931)	(931)
	1,002,472	733,717

33.2.2 Cash at banks

The carrying values of bank balances are analysed as follows:

	December 31, 2015	December 31, 2014
held with banks having a rating of A1+	3,029	1,214
held with banks having a rating of A-1+	552	313
held with banks having a rating of P-1	557	3,913
held with banks having a rating of P-2	21,269	3,840
	25,407	9,280

Bank	Rating Agency	Rating	
		Short Term	Long Term
MCB Bank Limited	PACRA	A1+	AAA
Deutsche Bank AG	MOODY'S	P-2	A3
National Bank of Pakistan	JCR-VIS	A-1+	AAA
Standard Chartered Bank (Pakistan) Ltd	PACRA	A1+	AAA
Industrial & Commercial Bank of China	MOODY'S	P-1	A1
The Bank of Tokyo-Mitsubishi UFJ, Ltd	MOODY'S	P-1	A1

33.3 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	2 to 5 years
	Rupees in '000			
Financial liabilities				
December 31, 2015				
Long-term financing	1,000,000	500,000	-	500,000
Trade and other payables	1,979,288	1,979,288	-	-
Accrued mark-up	43,422	43,422	-	-
Short term borrowings	1,800,000	1,800,000	-	-
Running finance utilized under mark-up arrangements	52,875	52,875	-	-
	4,875,585	4,375,585	-	500,000
December 31, 2014				
Long-term financing	500,000	-	-	500,000
Trade and other payables	1,963,457	1,963,457	-	-
Accrued mark-up	67,778	67,778	-	-
Short term borrowings	600,000	600,000	-	-
Running finance utilized under mark-up arrangements	2,148,867	2,148,867	-	-
	5,280,102	4,780,102	-	500,000

33.4 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

The major portion of the Company's financial instruments are short term in nature and would be settled in the near future. The fair values of these instruments are not materially different from their carrying values except for loans to employees which are valued at their original cost less repayment.

33.5 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 monitor 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, 2015 and 2014 were as follows:

	Note	December 31, 2015	December 31, 2014
		--------- Rupees in '000 ---------	
Long-term financing (including current maturity)	15	1,000,000	500,000
Short term borrowings	18	1,800,000	600,000
Running finances utilized under mark-up arrangements	19	52,875	2,148,867
Total borrowings		2,852,875	3,248,867
Less: Cash and bank balances	12	(25,484)	(9,280)
Net debt		2,827,391	3,239,587
Total equity	13 & 14	2,410,026	2,392,147
		5,237,417	5,631,734
Gearing ratio		54%	58%

34. ENTITY WIDE INFORMATION

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

	December 31, 2015	December 31, 2014
	--------- Rupees in '000 ---------	

34.2 Information about classes of products

The Company's principal classes of products accounted for the following amount of revenue:

Pharmaceutical	10,181,561	9,550,204
Vaccine	604,318	399,256
	10,785,879	9,949,460

34.3 Information about geographical areas

Sales to external customers, net of returns and discounts

Pakistan	10,201,831	9,328,969
Afghanistan	571,054	548,733
Others	12,994	71,758
	10,785,879	9,949,460

35. CAPACITY AND PRODUCTION

The capacity and production of the Company's manufacturing facility is undeterminable as it is a multiproduct plant involving varying processes of manufacture.

	December 31, 2015 (Un-Audited)	December 31, 2014 (Un-Audited)
	------ Rupees in '000 -------	

36. PROVIDENT FUND

Size of the fund	520,970	455,208
Percentage of investments made	91.39%	92.69%
Fair value of investments	476,115	421,947
Cost of investments made	438,678	479,883

36.1 Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2015 (Un-Audited)		2014 (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	405,217	77.78%	356,262	78.26%
Listed securities and mutual fund units	70,898	13.61%	65,685	14.43%
	476,115	91.39%	421,947	92.69%

36.2 Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

37. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 24, 2016 by the Board of Directors of the Company.

38. MOVEMENT BETWEEN RESERVES AND PROPOSED DIVIDEND

The Finance Act, 2015 introduced a tax on every public company at the rate of 10 percent of such undistributed reserves which exceed the amount of its paid up capital. However, this tax shall not apply in case of a public company which distributes cash dividend equal to at least either 40 percent of its after tax profits or 50 percent of its paid up capital, within the six months after the end of the relevant year.

The Board of Directors in its meeting held on February 24, 2016 proposed a final dividend of Rs. 3.00 per share for the year ended December 31, 2015, amounting to Rs. 28.934 million for approval of members at the Annual General Meeting to be held on April 25, 2016. The proposed dividend exceeds (or meets) the prescribed minimum dividend requirement as referred above. The Company believes that it would not be liable to pay tax on its undistributed reserves as of December 31, 2015. The Board has further approved the transfer of Rs. 100 million from unappropriated profit to general reserve.

39. GENERAL

39.1 The number of employees as at December 31, 2015 was 1,536 (2014: 1,540) and average number of employees during the year was 1,522 (2014: 1,507).

39.2 Following major corresponding figures have been reclassified for better presentation:

From		To	
Cost of sales	Rupees in '000	Distribution and marketing costs	Rupees in '000
Rent, rates and taxes	12,847	Rent, rates and taxes	12,847

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

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer &
Managing Director

PATTERN OF SHAREHOLDING

As at December 31, 2015

No. of Shareholders	Size of Holding Rs. 10 Shares From		To	No. of Shares
418	1		100	17,822
337	101		500	104,843
64	501		1,000	50,012
61	1,001		5,000	110,008
10	5,001		10,000	68,671
3	15,001		20,000	54,228
4	20,001		25,000	88,415
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
907				9,644,760

SNO.	Shareholders Category	No. of Shareholder	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	877	411,658	4.27
7	Others	14	306,920	3.18
		907	9,644,760	100.00

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

S.No	Name		Holding
1	PERWIN BABAR ALI,		22,690
2	SYEDA HENNA BABAR ALI		18,114
3	SYED HYDER ALI,		16,914
4	NAIYAR ZAMANI GOHAR		7,434
5	HENNA BABAR ALI		600
6	SYED BABAR ALI		510,212
7	ARSHAD ALI GOHAR		815,939
		TOTAL	1,391,903

Associated Companies, undertakings and related parties.

S.No	Name		Holding
1	ALI GOHAR & CO. (PVT) LTD.		51,442
2	SECIPE OF PARIS (FRANCE)		5,099,469
3	IGI INSURANCE LIMITED		1,841,739
4	AGT HOLDINGS (PRIVATE) LIMITED		89,700
		TOTAL	7,082,350

Banks Development Financial Institutions, Non Banking Financial Institutions.

S.No	Name		Holding
1	MCB BANK LTD.		40
2	NATIONAL BANK OF PAKISTAN		129
		TOTAL	169

Insurance Companies

S.No	Name		Holding
1	STATE LIFE INSURANCE CORP. OF PAKISTAN		204,099
2	EFU GENERAL INSURANCE LIMITED		19,200
		TOTAL	223,299

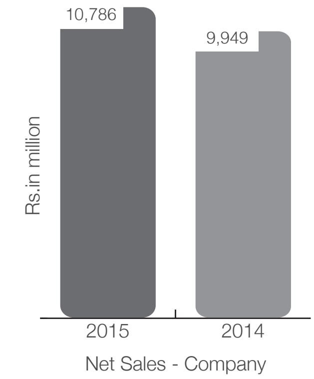
Modarabas and Mutual Funds

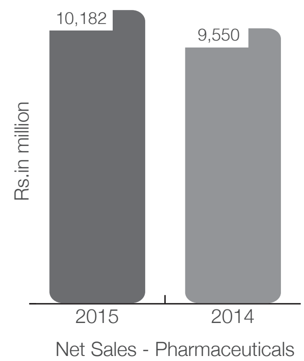
S.No	Name		Holding
1	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		228,461
		TOTAL	228,461

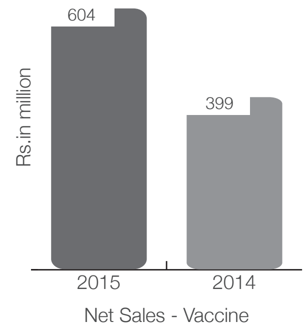
Shareholders Holding five percent or more Voting Rights in the Listed Company

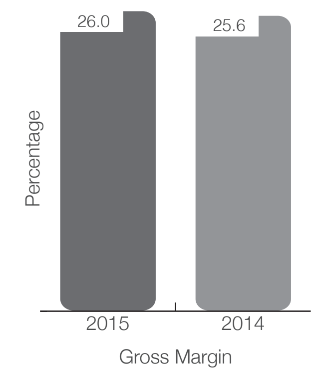
S.No	Name		Holding
1	SECIPE OF PARIS (FRANCE)		5,099,469
2	IGI INSURANCE LIMITED		1,841,739
3	ARSHAD ALI GOHAR		815,939
4	SYED BABAR ALI		510,212
		TOTAL	8,267,359

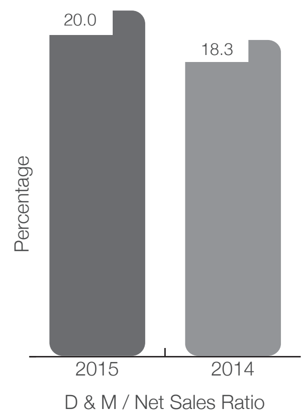
ANALYTICAL REVIEW

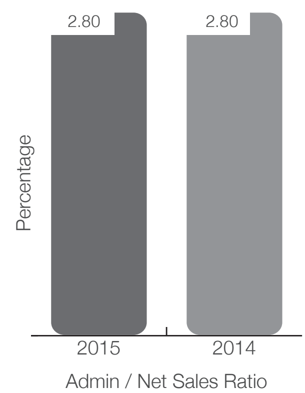




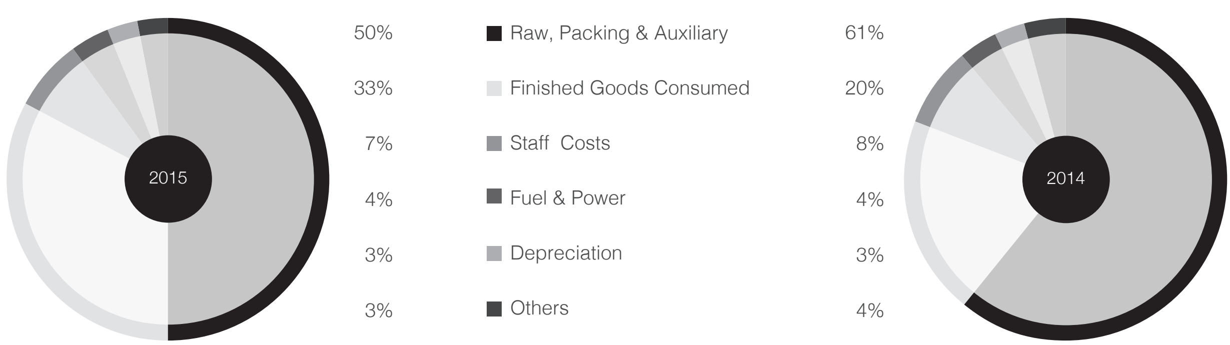




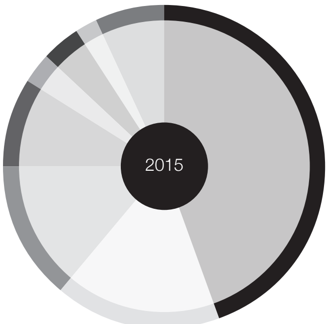




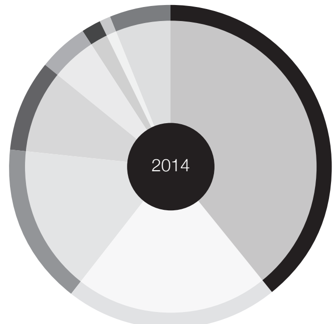
Cost of Goods Sold



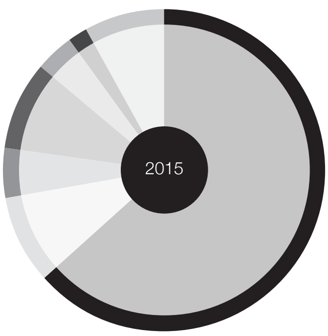
Distribution and Marketing Expenses



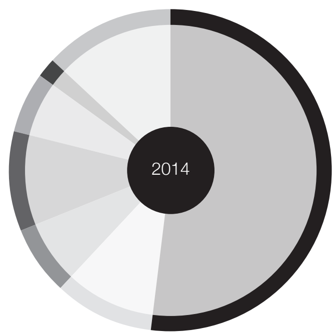
2015		2014
45%	Staff Costs	39%
17%	Advertising & Sales Promotion	21%
14%	Travelling & Conveyance	16%
9%	Handling, Freight & Transportation	9%
3%	Cost of Samples	5%
4%	Commission Expense	2%
2%	Depreciation	1%
7%	Others	6%

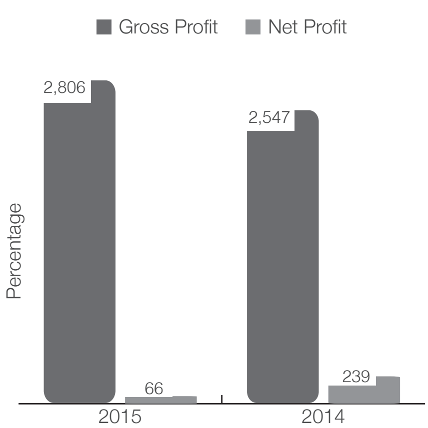


Administrative Expenses

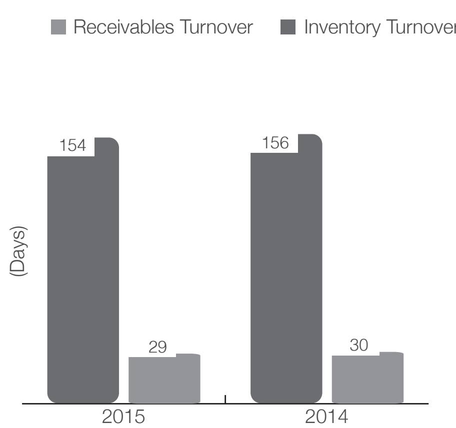


2015		2014
64%	Staff Costs	52%
9%	Travelling & Conveyance	10%
5%	Repairs & Maintenance	7%
9%	Depreciation	10%
4%	Fuel & Power	6%
2%	Communication	2%
8%	Others	13%





Gross Profit vs. Net Profit



Receivables Turnover & Inventory Turnover in days

STATEMENT OF VALUE ADDED

	2015 Rs.000	2015 %	2014 Rs.000	2014 %
Net sales	10,785,879	100	9,949,460	100
Materials and services	(7,867,924)	(73)	(7,018,250)	(71)
	2,917,955	27	2,931,210	29
DISTRIBUTED AS FOLLOWS:				
Employees				
Staff cost	1,727,465	59	1,414,333	48
Workers' Profit Participation Fund	9,657	-	18,238	1
	1,737,122	59	1,432,571	49
Government				
Income tax	109,774	4	97,332	3
Custom duty, Sales Tax & Others	396,773	14	612,917	21
Central Research Fund	1,767	-	3,399	-
Workers' Welfare Fund	5,475	-	6,895	-
	513,789	18	720,543	24
Capital Providers				
Dividend to shareholders	28,934	1	67,513	2
Mark-up on borrowed funds	280,831	10	286,225	9
	309,765	11	353,738	11
Retained in business				
Depreciation / amortisation	319,736	11	253,406	10
Net Earnings	37,543	1	170,952	6
	357,279	12	424,358	16
	2,917,955	100	2,931,210	100

Wealth Distribution

OPERATING & FINANCIAL HIGHLIGHTS For the year ended December 31, 2015

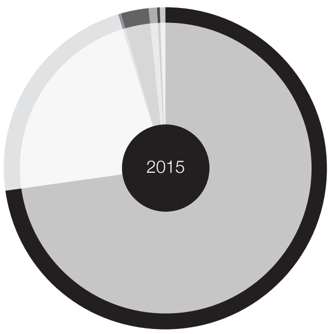
SANOFI

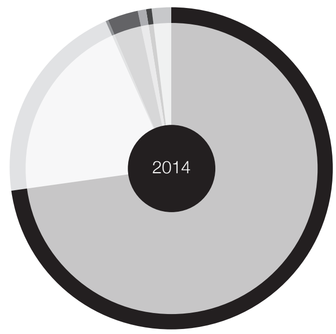
		2015	2014	2013	2012	2011	2010
Liquidity Ratios							
Current Ratio	Times	1.2	1.2	1.4	1.2	1.1	1.4
Quick Ratio	Times	0.6	0.4	0.7	0.5	0.5	0.5
Cash to Current Liabilities	Times	(0.0)	(0.4)	(0.5)	(0.4)	(0.4)	(0.2)
Cash Flow from Operations to Sales	%	14.8	2.6	1.7	4.3	6.3	19.1
Net Working Capital	Rs. 000	973,474	993,874	1,006,247	530,448	313,924	555,195
Net Assets	Rs. 000	2,410,026	2,392,147	2,226,613	2,015,381	1,601,335	1,461,403
Operating Cycle	Days	102.9	107	85	54	35	53
Current assets to Total assets	%	72.5	74.1	71.6	69.9	64.2	57.5
Inventory / Current Assets	%	54.1	65.6	53.5	53.0	59.9	61.7
Inventory to Total Assets	%	39.2	48.6	38.3	37.0	38.5	35.5
Activity Ratios							
Inventory Turnover	Times	2.4	2.3	2.7	3.2	3.9	3.7
Average No of Days inventory in stock	Days	154	156	135	113	94	98
Accounts Receivable Turnover	Times	12.4	12.1	9.5	13.9	33.3	24.5
Average Collection Period	Days	29	30	38	26	11	15
Creditors Turnover	Times	4.5	4.6	4.2	4.3	5.2	6.0
Average Payment Period	Days	80	79	88	85	70	60
Fixed Assets Turnover	Times	5.4	4.9	4.8	5.3	4.9	4.4
Operating Assets Turnover	Times	5.9	5.5	5.9	6.3	5.9	4.8
Total Assets Turnover	Times	1.5	1.3	1.3	1.6	1.7	1.8
Leverage							
Interest Earned	Times	1.6	2.1	3.3	5.5	4.7	4.1
Fixed Assets to Equity	Times	0.8	0.8	0.8	0.8	1.0	1.0
Financial Leverage	Times	1.2	1.4	0.9	0.8	0.8	0.5
Profitability Ratios							
Sales Growth	%	8.4	13.2	1.9	13.2	23.7	(8.4)
COGS to Net Sales	%	74.0	74.4	69.5	69.5	73.3	71.5
EBITDA* to Net Sales	%	0.1	0.1	11.6	12.9	10.0	11.4
Profit Before Tax to Net Sales	%	1.6	3.4	6.1	8.2	5.6	6.5
Net Profit Margin	%	0.6	2.4	3.5	5.6	3.0	3.6
Gross Profit Margin	%	26.0	25.6	30.5	30.5	26.7	28.5
Operating Profit Margin	%	4.3	6.3	8.8	10.1	7.0	8.6
Return on Assets	%	0.9	3.0	4.7	8.9	5.2	6.7
Return on Equity	%	2.8	10.0	13.9	24.2	14.3	15.3
Return on Capital Employed	%	10.4	14.0	23.7	27.9	18.5	19.9
Admin.Dist.&Mktg. Exp. to Net Sales	%	22.9	21.0	19.3	20.7	20.9	20.6
Admin.Dist.&Mktg. Exp. Variance	%	17.8	23.4	(5.2)	12.5	25.2	5.7
Financial Charges to Net Income	%	440.3	123.2	75.3	32.6	49.3	58.0
Market Value							
Market Value Per Share	Rs.	670	750	767	370	145	142
Market / Book Ratio	Times	2.7	3.0	3.3	1.8	0.9	0.9
Earnings per share (before tax)	Rs.	18.3	34.8	56.0	73.7	43.9	41.6
Earnings per share (after tax)	Rs.	6.9	24.7	32.1	50.5	23.8	23.2
Price Earning Ratio	Times	97.2	30.3	23.9	7.3	6.1	6.1
Dividend per Share	Rs.	3.00	7.00	10.00	12.50	10.00	10.00
Dividend Yield	%	0.4	0.9	1.3	3.4	6.9	7.0
Dividend cover	Times	2.3	3.4	3.2	4.0	2.2	2.3
Payout Ratio (after tax)	%	43.5	28.3	31.1	24.7	42.0	43.1
Market Capitalisation	Rs.M	6,462	7,234	7,398	3,569	1,398	1,370
Break-up value	Rs.	249.9	248.0	230.9	209.0	166.0	151.5

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

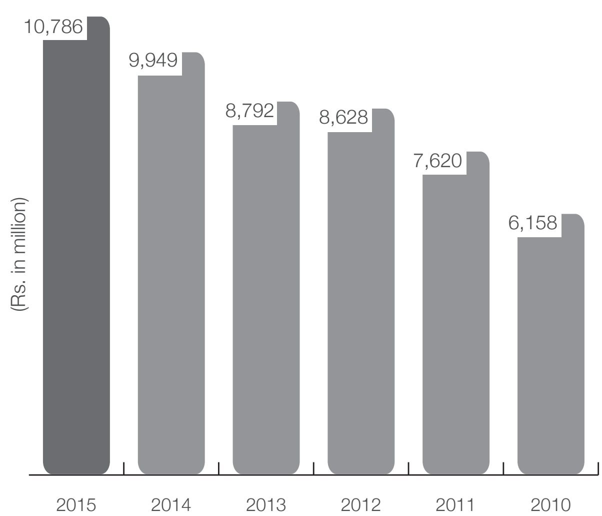
OPERATING & FINANCIAL HIGHLIGHTS

Application of Revenue

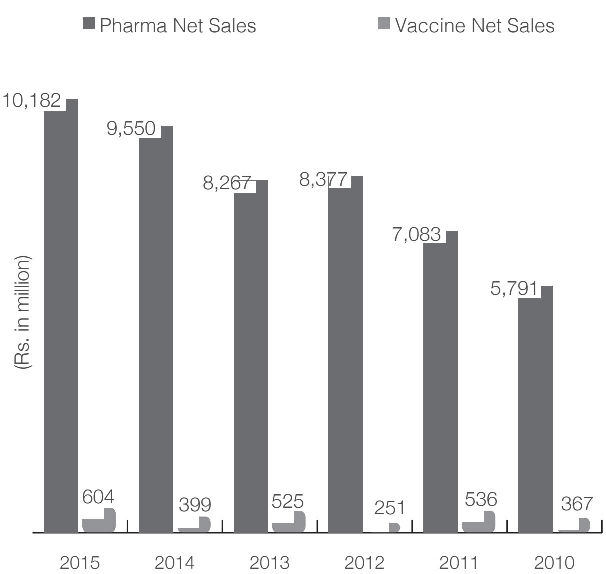




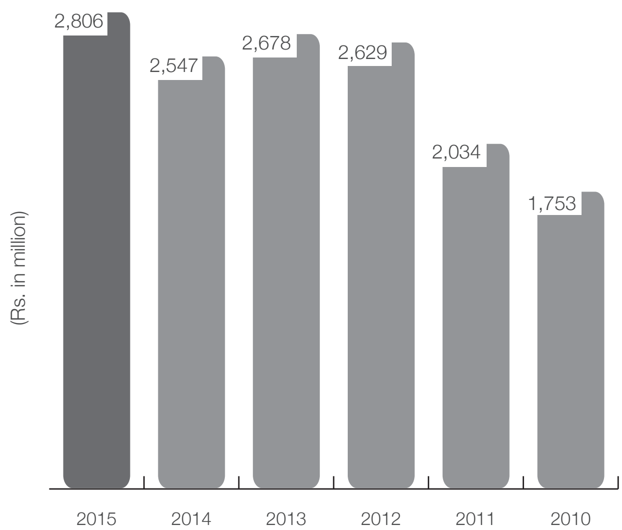
2015		2014
72.87%	Cost of sales	72.78%
22.52%	Distribution,selling and administrative expenses	20.58%
0.32%	Other expenses	0.45%
2.68%	Finance costs	2.89%
1.00%	Taxation	0.95%
0.26%	Dividend	0.67%
0.34%	Retained Profit	1.68%



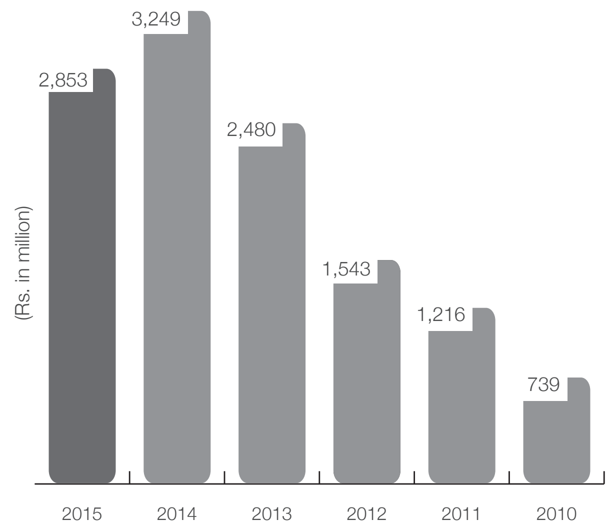
Total Company Net Sales



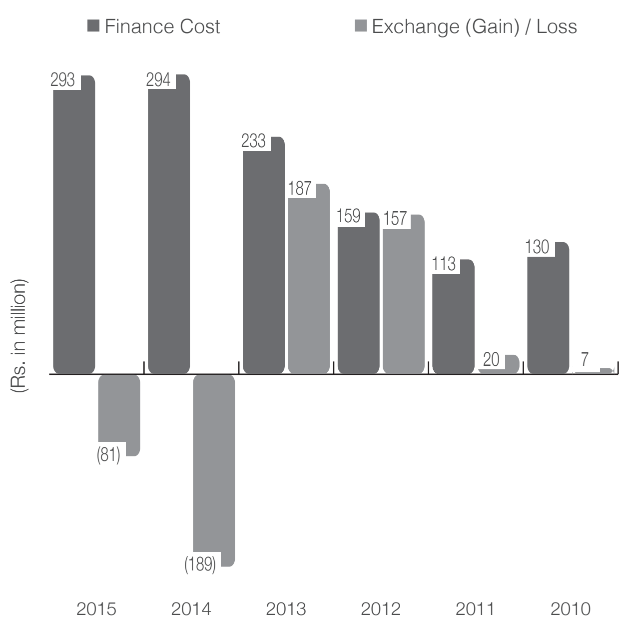
Pharma (including CHC) & Vaccine Net Sales



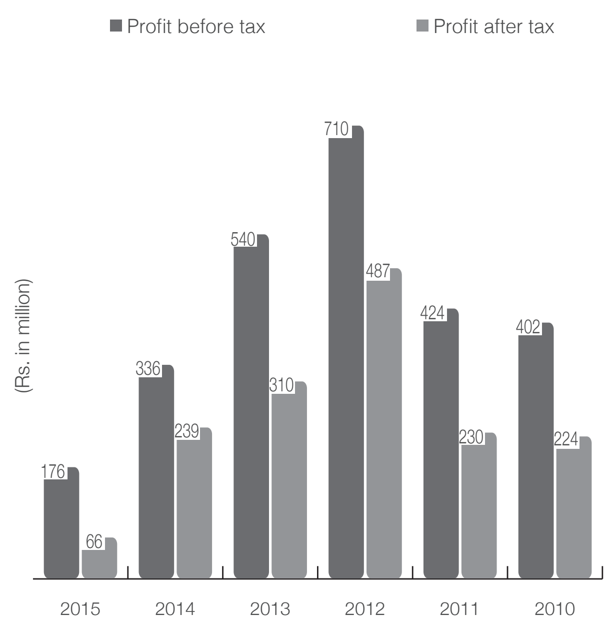
Gross Profit



Bank Borrowing

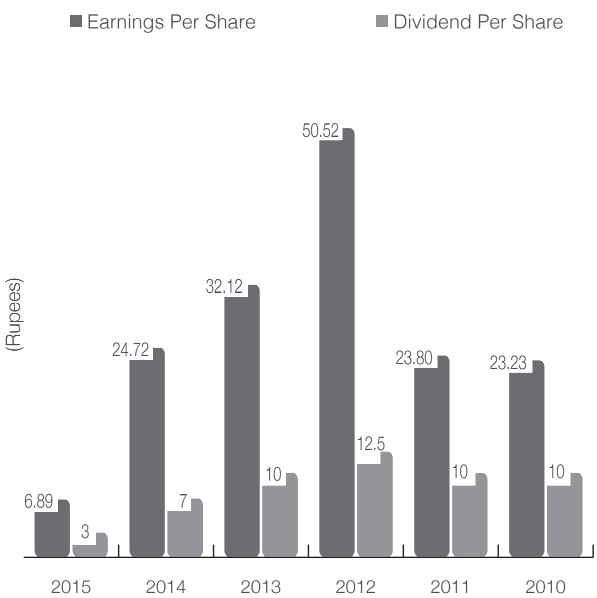


Finance Cost & Exchange (Gain) / Loss

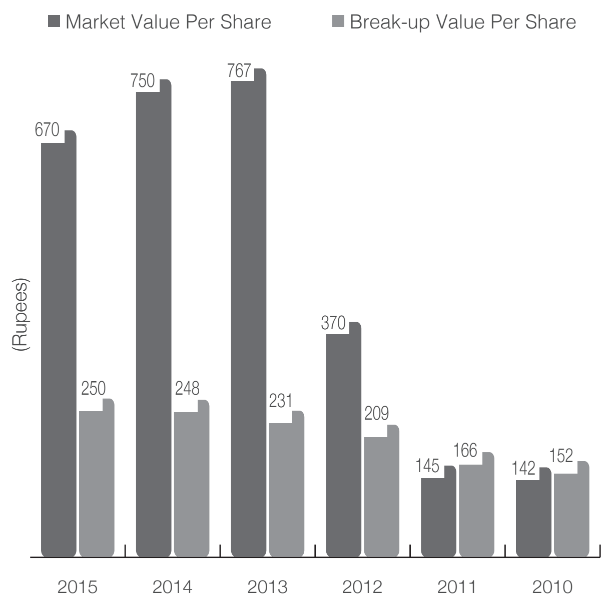


Profit before tax & Profit after tax

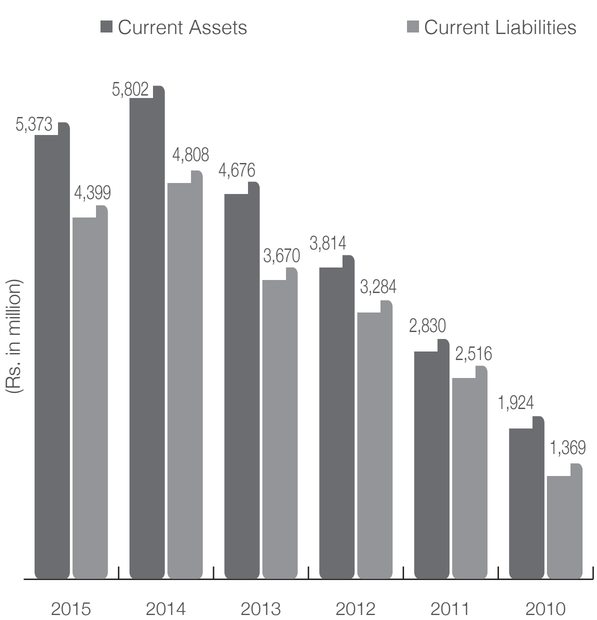
OPERATING & FINANCIAL HIGHLIGHTS



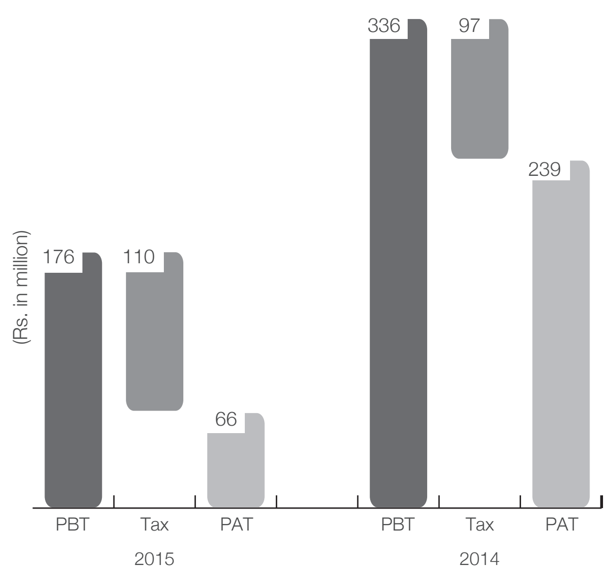
Earnings per Share & Dividend per Share



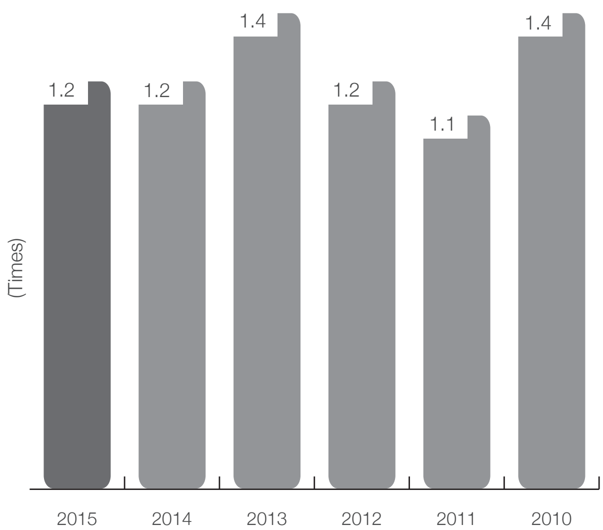
Earnings per Share & Dividend per Share



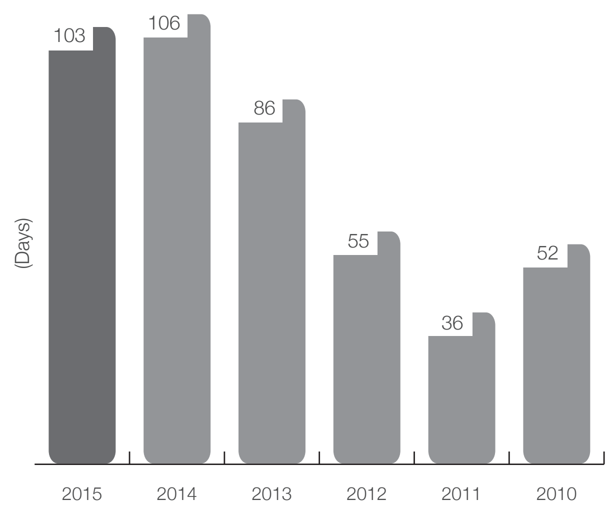
Current Assets & Current Liablities



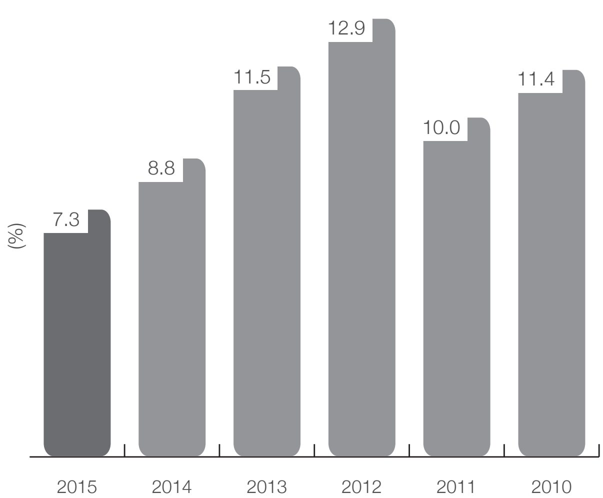
Operational Leverage



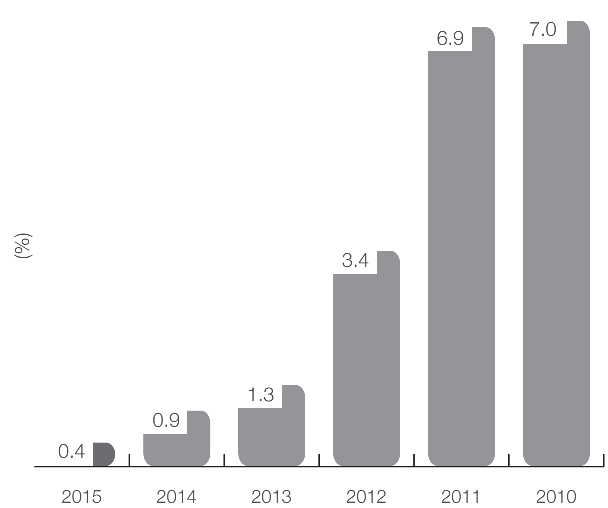
Current Ratio



Operating Cycle



EBITDA to Net Sales



Dividend Yield Ratio

HORIZONTAL ANALYSIS

	2015	15 Vs. 14	2014	14 Vs. 13	2013	13 Vs. 12	2012	12 Vs. 11	2011	11 Vs.10	2010	10 Vs. 09
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Operating Results (Rupees in million)												
Net sales	10,786	8.4	9,949	13.2	8,792	1.9	8,628	13.2	7,620	23.7	6,158	(8.4)
Cost of sales	(7,980)	7.8	(7,402)	21.1	(6,114)	1.9	(5,999)	7.4	(5,586)	26.8	(4,405)	(13.6)
Gross profit	2,806	10.2	2,547	(4.9)	2,678	1.9	2,629	29.3	2,034	16.0	1,753	7.7
Distribution,selling and administrative expenses	(2,464)	17.7	(2,093)	23.5	(1,695)	(5.2)	(1,788)	12.5	(1,589)	25.2	(1,269)	5.7
Other expenses	(35)	(23.9)	(46)	(81.6)	(250)	9.2	(229)	218.1	(72)	33.3	(54)	(62.2)
Other income	162	(27.0)	222	455.0	40	(84.4)	257	56.7	164	60.8	102	1.0
Operating profit	469	(25.6)	630	(18.5)	773	(11.0)	869	61.8	537	0.9	532	38.5
Finance costs	(293)	(0.3)	(294)	26.2	(233)	46.5	(159)	40.7	(113)	(13.1)	(130)	(0.8)
Profit before taxation	176	(47.6)	336	(37.8)	540	(23.9)	710	67.5	424	5.5	402	58.9
Taxation	(110)	13.4	(97)	(57.8)	(230)	3.1	(223)	14.9	(194)	9.0	(178)	107.0
Net profit	66	(72.4)	239	(22.9)	310	(36.3)	487	111.7	230	2.7	224	34.1
Balance Sheet (Rupees in million)												
Fixed assets	2,015	(0.2)	2,019	9.4	1,845	13.3	1,628	4.4	1,559	10.6	1,409	1.1
Other non current assets	19	58.3	12	-	12	(7.7)	13	8.3	12	20.0	10	11.1
Current assets	5,373	(7.3)	5,798	24.0	4,676	22.6	3,814	34.8	2,830	47.1	1,924	(5.5)
Non-current assets classified as available for sale	-		-		-		-		5		5	
Total assets	7,407	(5.4)	7,829	19.8	6,533	19.8	5,455	23.8	4,406	31.6	3,348	(2.6)
Ordinary share capital	96	-	96	-	96	-	96	-	96	-	96	-
Reserves	2,314	0.8	2,296	7.8	2,130	11.0	1,919	27.5	1,505	10.3	1,365	14.0
Non-current liabilities	598	(5.4)	632	(0.8)	637	308.3	156	(45.8)	288	(44.4)	518	629.6
Current liabilities	4,399	(8.4)	4,805	30.9	3,670	11.8	3,284	30.5	2,517	83.9	1,369	(34.0)
Total equity and liabilities	7,407	(5.4)	7,829	19.8	6,533	19.8	5,455	23.8	4,406	31.6	3,348	(2.6)
Cash Flows (Rupees in thousand)												
Cash generated from/(used in) operations	1,594,235	521.2	256,633	72.9	148,443	(59.7)	368,763	(23.7)	483,042	(58.9)	1,175,506	1,943.5
Cash flows (used in) / from operating activities	(802,179)	53.0	(524,181)	4.8	(500,170)	(1.9)	(509,862)	4.1	(489,691)	65.9	(295,174)	1.5
Cash flows used in investing activities	(312,671)	(25.0)	(416,965)	(6.6)	(446,255)	418.1	(86,141)	(76.8)	(371,077)	101.4	(184,246)	(24.9)
Cash flows from / (used in) financing activities	1,632,811	1,472.1	103,863	(84.1)	652,540	(338.5)	(273,626)	(8.3)	(298,270)	200.5	(99,247)	(119.3)
Net increase / (decrease) in cash and cash equivalents	2,112,196	463.8	(580,650)	299.2	(145,442)	(71.0)	(500,866)	(25.9)	(675,996)	(213.3)	596,839	1,519.5
Number of Employees												
Number of permanent employees at year end	1,000		1014		943		896		777		756	

	2015		2014		2013		2012		2011		2010	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Operating Results (Rupees in million)												
Net sales	10,786	100.0	9,949	100.0	8,792	100.0	8,628	100.0	7,620	100.0	6,158	100.0
Cost of sales	(7,980)	(74.0)	(7,402)	(74.4)	(6,114)	(69.5)	(5,999)	(69.5)	(5,586)	(73.3)	(4,405)	(71.5)
Gross profit	2,806	26.0	2,547	25.6	2,678	30.5	2,629	30.5	2,034	26.7	1,753	28.5
Distribution,selling and administrative expenses	(2,464)	(22.8)	(2,093)	(21.0)	(1,695)	(19.3)	(1,788)	(20.7)	(1,589)	(20.9)	(1,269)	(20.6)
Other expenses	(35)	(0.3)	(46)	(0.5)	(250)	(2.8)	(229)	(2.7)	(72)	(0.9)	(54)	(0.9)
Other income	162	1.5	222	2.2	40	0.5	257	3.0	164	2.2	102	1.7
Operating profit	469	4.4	630	6.3	773	8.9	869	10.1	537	7.1	532	8.7
Finance costs	(293)	(2.7)	(294)	(3.0)	(233)	(2.7)	(159)	(1.8)	(113)	(1.5)	(130)	(2.1)
Profit before taxation	176	1.7	336	3.3	540	6.2	710	8.3	424	5.6	402	6.6
Taxation	(110)	(1.0)	(97)	(1.0)	(230)	(2.6)	(223)	(2.6)	(194)	(2.5)	(178)	(2.9)
Net profit	66	0.7	239	2.3	310	3.6	487	5.7	230	3.1	224	3.7
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Fixed assets	2,015	27.2	2,019	25.7	1,845	28.2	1,628	29.8	1,559	35.4	1,409	42.1
Other non current assets	19	0.3	12	0.2	12	0.2	13	0.2	12	0.3	10	0.3
Current assets	5,373	72.5	5,798	74.1	4,676	71.6	3,814	70.0	2,830	64.2	1,924	57.5
Non-current assets classified as available for sale	-	-	-	-	-	-	-	-	5	0.1	5	0.1
Total assets	7,407	100.0	7,829	100.0	6,533	100.0	5,455	100.0	4,406	100.0	3,348	100.0
Ordinary share capital	96	1.3	96	1.2	96	1.5	96	1.8	96	2.2	96	2.9
Reserves	2,314	31.2	2,296	29.3	2,130	32.6	1,919	35.2	1,505	34.2	1,365	40.8
Non-current liabilities	598	8.1	632	8.1	637	9.8	156	2.9	288	6.5	518	15.5
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Cash generated from/(used in) operations	1,594,235	75.5	256,633	(44.2)	148,443	(102.0)	368,763	(73.6)	483,042	(71.5)	1,175,506	197.0
Cash flows (used in) / from operating activities	(802,179)	(38.0)	(524,181)	90.3	(500,170)	343.9	(509,862)	101.8	(489,691)	72.4	(295,174)	(49.5)
Cash flows used in investing activities	(312,671)	(14.8)	(416,965)	71.8	(446,255)	306.8	(86,141)	17.2	(371,077)	54.9	(184,246)	(30.9)
Cash flows from / (used in) financing activities	1,632,811	77.3	103,863	(17.9)	652,540	(448.7)	(273,626)	54.6	(298,270)	44.2	(99,247)	(16.6)
Net increase / (decrease) in cash and cash equivalents	2,112,196	100.0	(580,650)	100.0	(145,442)	100.0	(500,866)	100.0	(675,996)	100.0	596,839	100.0
Number of Employees												
Number of permanent employees at year end	1,000		1,014		943		896		777		756	

NOTICE OF MEETING

Notice is hereby given that the 48th Annual General Meeting of the Company will be held on Monday, 25th April, 2016 at 10:00 hours at Overseas Investors Chamber of Commerce & Industry, Talpur Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on 27th April, 2015.

2. To receive and adopt the Balance Sheet and Profit & Loss Account for the year ended 31st December, 2015 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. 3.00 (30%) per share.

4. To appoint Auditors' for the year ending 31st December, 2016 and to fix their remuneration. The present auditors, M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants being eligible, have offered themselves for re-appointment. The Audit Committee and Board of Directors have also recommended appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants as Auditors for the year ending 31st December, 2016.

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

By Order of the Board

Saad Usman
Company Secretary

Karachi, April 1, 2016.

Notes:

1. The Share Transfer Books of the Company shall remain closed from 19th April, 2016 to 25th April, 2016 (both days inclusive). Transfers received at Company's Share Registrar namely FAMCO ASSOCIATES (PVT) LTD, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi, by the close of business on April 18, 2016 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. Shareholders whose shares are deposited with Central Depository Company (CDC) are requested to bring their original computerized national identity card and account number in the CDC for verification.

4. Shareholders 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, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S, Shahra-e-Faisal, Karachi, if not already provided.

5. 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.

6. Annual Audited Financial Statements of the Company for the financial year ended December 31, 2015 have been uploaded on the Company's website i.e. www.sanofi.com.pk

7. As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP)

vide Notification S.R.O. 19(I)/2014 dated 10th January 2014 read with Notification S.R.O. 831(1)/2012 dated July 5, 2012 require that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

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

i) The Government of Pakistan through Finance Act, 2015 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: 12.50%
b) For non-filers of income tax returns: 17.50%

To enable the company to make tax deduction on the amount of cash dividend @ 12.50% instead of 17.50% 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 well before the date for payment of the above cash dividend, otherwise tax on their cash dividend will be deducted @ 17.50% instead of 12.50%.

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) 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 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).

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

v) 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.

GLOSSARY

Adverse Drug Reaction	ADR
British Medical Journal	BMJ
Chronic Lymphocytic Leukemia	CLL
Code of Corporate Governance	CCG
Consumer Healthcare	CHC
Corporate Governance Leadership Skill	CGLS
Corporate Social Responsibility	CSR
Dividend Per Share	DPS
Earnings Per Share	EPS
Enterprise Resource Planning	ERP
Factory Acceptance Test	FAT
Final Tax Regime	FTR
Freight on Board	FOB
General Sales Tax	GST
Government of Pakistan	GOP
Health, Safety And Environment	HSE
Healthcare Provider	HCP
Institute of Business Administration	IBA
Institute of Chartered Accountants of Pakistan	ICAP
Institute of Cost And Management Accountants of Pakistan	ICMAP
Integrated Management System	IMS
International Accounting Standards	IAS
International Accounting Standards Board	IASB
International Financial Reporting Interpretation Committee	IFRIC
International Financial Reporting Standards	IFRS
International Union Against Cancer	UICC
Karachi Inter Bank Offer Rate	KIBOR
Key Opinion Leader	KOL
Medical Information System	MIS
National Environmental Quality Standards	NEQS
Non-Government Organization	NGO
Return on Asset	ROA
Return on Equity	ROE
Securities And Exchange Commission of Pakistan	SECP
State Bank of Pakistan	SBP
The Citizen Foundation	TCF
Total Shareholder Return	TSR
Type 2 Diabetes Mellitus	T2DM

Proxy Form

I/We ____ of ____________________________
____ (full address) being a member of
sanofi-aventis Pakistan limited hereby appoint ____

of ____
(full address) or failing him ____

of ____

(full address) as my / our proxy to attend and vote for me / us and on my / our behalf at the 48th Annual General Meeting of the company to be held on Monday, April 25, 2016 and at any adjournment thereof.

As witness my / our hand this __________ day of __________ 2016.

Witness No.1

Name ____________________________________
Address __________________________________
C.N.I.C. No. ______________________________

Rs. 10/-
Revenue
Stamp

____
Signature of Member(s)

Witness No.2

____
(Name in Block Letters)

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 it's common seal should be affixed to the instrument.

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AFFIX
CORRECT
POSTAGE

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 مقررکرتاہوں/کرتی ہوں/ کرتے ہیں ہیں تاکہ وہ میرے/ ہماری جانب سے کمپنی کے ۴۸ویں سالانہ اجلاسِ عام، منعقدہ پیر، ۲۵ اپریل، ۲۰۱۶ میں شریک ہوکر میری/ ہماری جانب سے ووٹ دے سکے اور دیگر کسی التوا میں بھی شامل ہوسکے۔

میرے /ہمارے سامنے-------بروز -------۲۰۱۶ کو دستخط کئے گئے۔

گواہ نمبر ۱

نام ----------------------

پتہ ----------------------

سی این آئی سی نمبر ----------------------

۱۰ روپے
کا ریونیو
اسٹامپ

____

رکن(ارکان) کے دستخط

گواہ نمبر ۲

نام ----------------------

پتہ ----------------------

سی این آئی سی نمبر ----------------------

____

(نام جلی حروف میں)

فولیو نمبر -------

شریک ہونے والے کا آئی ڈی نمبر -------

سی ڈی ایس میں اکاؤنٹ نمبر -------

ضروری

1۔ 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۔

2۔ 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 پر اکسی کی حیثیت سے مقرر نہیں ہوسکتا، تاہم کارپوریشن کسی ایسے شخص کو مقرر کرسکتے ہیں جو رکن نہیں ہے۔

3۔ 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۔

4۔ 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 چاہیئے۔

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The Company Secretary

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