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Plot No. 23, Sector 22,
Korangi Industrial Area,
Karachi-74900

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sanofi-aventis Pakistan limited

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
JUNE 30, 2017

(UN-AUDITED)



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Company Information

Board of Directors

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

Company Secretary
Saad Usman

Auditors
EY Ford Rhodes,
Chartered Accountants

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

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

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

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

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

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

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

Directors' Report to the Shareholders

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International Accounting Standard 34 – "Interim Financial Reporting" and provisions of and directives issued under the Repealed Companies Ordinance, 1984 (the Ordinance).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

During the year, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the old law i.e. the Ordinance. The Act, through its promulgation has introduced many changes in presentation and disclosure in the financial statements. Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 17 of 2017 dated July 20, 2017 and press release dated July 20, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year, including quarterly and other interim period closes on or before June 30, 2017. Hence, the condensed interim financial statements are prepared under the Ordinance.

The Company's net sales for the half year ended June 30, 2017 amounted to Rs.6,629 (2016: Rs. 5,716) million registering a growth of 16% over comparative prior period. The net sales of Company's pharmaceutical and vaccine businesses for the half year reached Rs.5,881 (2016: Rs. 5,344) million and Rs.611.4 (2016: Rs. 235.9) million respectively recording an increase of 10.1% and 159.1% over the comparative prior period. During the half year, exports to Afghanistan remained flat compared to prior period, to reach Rs. 137.0 (2016: Rs. 135.9) million.

The gross margin also improved during the half year ended June 30, 2017 compared to the corresponding period last year.

The distribution and marketing expenses during the half year reduced by 3.7%, over the comparative prior period, whereas administrative expenses for the same period increased by 33.7% mainly due to higher personnel cost, cost incurred on IT licenses as well as fuel cost partly offset by savings in travelling and security expenses.

Other operating cost for the half year increased over the comparative prior period mainly due to increase in net exchange losses by Rs.82.0 million, increase in statutory charges by Rs. 35.7 million as well as other expenses by Rs.16 million. Owing to reduction in debt levels and better cash flows, the Company managed to reduce its financing costs during the half year by 70.7% over the comparative period.

Profit after taxes for the half year increased by Rs. 370.05 million (152.6%) over the comparative prior period because of the reasons explained above.

During the half year the Company spent Rs.65.3 million (2016: Rs.87.5) million on capital expenditure and paid Rs. 281.1 (2016: Rs. 28.8) million in dividends.

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

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

By order of the Board

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer

Karachi: August 24, 2017.

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

سنوفی ۔ایونٹس پاکستان لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنی کمپنی کے 30 جون، 2017 کو ختم شدہ ششماہی کے غیر آڈٹ شدہ عبوری فنانشل اسٹیٹمنٹس کو پیش کرتے ہوئے خوشی محسوس کرتا ہے۔ ان فنانشل اسٹیٹمنٹس کی تیاری میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ - 34 ''عبوری فنانشل رپورٹنگ'' کی ضروریات اور منسوخ شدہ کمپنیز آرڈیننس،1984 (آرڈیننس) کے قوائد وضوابط پر عملدرآمد کو یقینی بنایا گیا ہے۔جہاں پر ضروریات مختلف ہیں، وہاں آرڈیننس کے تحت جاری شدہ ہدایات کے ضوابط پر عمل کیا گیا ہے۔

رواں سال کے دوران کمپنیز ایکٹ، 2017 (ایکٹ) 30 مئی، 2017 سے نافذ العمل ہوگیا ہے جس کے بعد پرانا قانون یعنی آرڈیننس منسوخ ہو چکا ہے۔اس ایکٹ کے نافذ العمل ہونے سے فنانشل اسٹیٹمنٹس کی پیشکش اور اعلان کرنے میں متعدد تبدیلیاں رونما ہو چکی ہیں۔سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے مورخہ 20 جولائی، 2017 کو اپنے 2017 کے سرکلر نمبر 17 اور مورخہ 20 جولائی، 2017 کی پریس ریلیز کے ذریعے ان کمپنیز کے فنانشل اسٹیٹمنٹس کی تیاری کے لیے ایکٹ کے اطلاق کو ملتوی کر دیا ہے، جن کا مالی سال، بمع سہ ماہی اور دیگر عبوری دورانیہ 30 جون، 2017 کو یا اس سے پہلے ختم ہوتا ہے۔ چنانچہ ان عبوری فنانشل اسٹیٹمنٹس کی تیاری آرڈیننس کے تحت عمل میں آئی ہے۔

30 جون، 2017 کو ختم شدہ ششماہی میں کمپنی کی خالص سیلز میں 16% اضافہ ہوا ہے جو کہ گزشتہ سال (Rs. 2016: 5,716) ملین کے مقابلے میں امسال Rs.6,629 ملین تک پہنچ گئی ہے۔فارماسیوٹیکل اور ویکسین بزنس کے اعتبار سے مذکورہ ششماہی کے دوران خالص سیلز میں 10.1% اور 159.1% اضافہ ہوا ہے اس طرح یہ سیلز بالترتیب Rs.5,881 (2016: Rs. 5,344) ملین اور Rs. 611.4 (2016: Rs.235.9) ملین تک پہنچ گئی ہے۔رواں ششماہی میں افغانستان میں فارماسیوٹیکل پروڈکٹس کی برآمدات گزشتہ سال اس عرصے کے مقابلے میں یکساں Rs. 137.0 (2016:Rs.135.9) ملین رہیں۔

کمپنی کا مجموعی منافع بھی گزشتہ سال کے مقابلے میں امسال 30 جون، 2017 کو ختم شدہ ششماہی میں بہتر رہا۔

گزشتہ سال کے مقابلے میں امسال ختم شدہ ششماہی کے دوران ڈسٹریبیوشن اور مارکیٹنگ اخراجات میں 3.7% کی کمی ہوئی جبکہ انتظامی اخراجات میں اس دورانیے میں 33.7% فیصد کا اضافہ ریکارڈ کیا گیا۔ جو بنیادی طور پر ملازمین کے مشاہرے، I.T. الاؤنسوں اور ایندھن کے مد میں ہونے والے خرچوں میں اضافے جبکہ دیگر سفری اور سیکوریٹی اخراجات میں کمی کی بنیاد پر ریکارڈ کیا گیا۔

گزشتہ سال کے مقابلے مذکورہ ششماہی کے دوران دیگر آپریشنل خرچوں میں اضافہ ریکارڈ کیا گیا۔جس کی بنیادی وجوہات میں زرمبادلہ کے خساروں میں 82 ملین، اسٹیچیوٹری چارجز میں 35.7 ملین اور دیگر اخراجات میں 16 ملین روپے کا اضافہ شامل تھا۔ قرضوں کی سطح میں کمی اور بہتر کیش فلو کی مدد سے کمپنی نے اپنے مالی اخراجات میں گزشتہ سال کے مقابلے میں مذکورہ ششماہی میں 70.7% فیصد کی کمی ممکن بنائی۔

مندرجہ بالا اسباب کی وجہ سے گزشتہ سال کے مقابلے میں اس ششماہی کے لیے بعد از ٹیکس منافع 370.05 ملین روپے (152.6%) اضافے تک جا پہنچا ہے۔

کمپنی نے ختم شدہ ششماہی کے دوران سرمایہ جاتی اخراجات کی مد میں 65.3 ملین روپے (2016: Rs 87.5) خرچ کیے ہیں اور 281.1 ملین روپے (2016: Rs.28.8) ملین روپے منافع منقسمہ ادا کیا ہے۔

کمپنی کو توقعات ہیں کہ اس سال کے دوران ملٹی نیشنل فارماسیوٹیکل بزنس مارکیٹ کے اعتبار سے فروغ حاصل کرے گا لیکن کچھ نادیدہ بڑے خطرات کا بھی خدشہ ہے۔کمپنی ڈرگ ریگولیٹری اتھارٹی کے ساتھ قیمتوں کے مسائل سے متعلق قانونی اور کاروباری اثرات کو بھی باریک بینی سے دیکھ رہی ہے اور ان مسائل پر قابو پانے کے لیے انڈسٹری کے لیے قابلِ قبول پرائسنگ پالیسی کے حق میں متعلقہ حکام کے سامنے مناسب نمائندگی کو یقینی بنانے کے لئے ضروری اقدام کرے گی۔

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

بحکم بورڈ

سید بابر علی
چیئرمین

ڈاکٹر عاصم جمال
چیف ایگزیکٹیو آفیسر

کراچی: 24 اگست، 2017

Auditor's Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of sanofi-aventis Pakistan Limited as at 30 June 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants
Engagement Partner: Khurram Jameel
Date: 24 August 2017
Place: Karachi.

Condensed Interim Balance Sheet

As at June 30, 2017

	Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016
		.....Rupees in `000.....	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	1,759,648	1,866,455
Intangible asset		723	873
		1,760,371	1,867,328
Long-term loans		6,311	6,186
Long-term deposits		13,643	13,643
		19,954	19,829
CURRENT ASSETS			
Stores and spares	5	49,519	48,808
Stock-in-trade		2,166,204	2,644,100
Trade debts		804,200	707,359
Loans and advances		92,431	73,517
Trade deposits and short-term prepayments		138,810	165,263
Other receivables		25,646	29,405
Taxation - payment less provision		1,247,819	1,212,703
Cash and bank balances	6	286,898	50,440
		4,811,527	4,931,595
TOTAL ASSETS		6,591,852	6,818,752
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorized		100,000	100,000
Issued, subscribed and paid-up		96,448	96,448
Reserves			
Capital reserves		246,914	233,018
Revenue reserves		3,405,932	3,082,874
		3,652,846	3,315,892
		3,749,294	3,412,340
NON-CURRENT LIABILITY			
Long term financing		-	500,000
Deferred taxation		56,653	56,676
		56,653	556,676
CURRENT LIABILITIES			
Trade and other payables		2,598,189	2,168,257
Accrued mark-up		3,562	6,038
Short term borrowings		184,154	675,441
		2,785,905	3,406,412
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		6,591,852	6,818,752

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

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

Condensed Interim Profit and Loss Account
For the six months ended June 30, 2017 (Un-audited)

	Six Months Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees in `000			
NET SALES	6,629,117	5,715,606	3,590,084	3,065,107
Cost of sales	(4,156,510)	(3,779,998)	(2,251,636)	(2,006,624)
GORSS PROFIT	2,472,607	1,935,608	1,338,448	1,058,483
Distribution and marketing expenses	(1,122,146)	(1,165,334)	(576,722)	(618,667)
Administrative expenses	(198,623)	(148,609)	(113,814)	(78,754)
Other expenses	(210,656)	(76,393)	(146,148)	(11,426)
Other income	27,616	17,342	14,567	9,476
	(1,503,809)	(1,372,994)	(822,117)	(699,371)
OPERATING PROFIT	968,798	562,614	516,331	359,112
Finance costs	(27,388)	(93,583)	(12,746)	(42,053)
PROFIT BEFORE TAXATION	941,410	469,031	503,585	317,059
Taxation				
- Current	(282,309)	(203,245)	(194,653)	(104,120)
- Prior	(46,723)	-	(46,723)	-
- Deferred	233	(23,231)	39,332	5,514
	(328,799)	(226,476)	(202,044)	(98,606)
NET PROFIT FOR THE PERIOD	612,611	242,555	301,541	218,453
BASIC AND DILUTED EARNINGS PER SHARE (RUPEES)	63.52	25.15	31.26	22.65

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

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

Condensed Interim Statement of Comprehensive Income
For the six months ended June 30, 2017 (Un-audited)

	Six Months Ended		Quarter Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	Rupees in `000			
Net profit for the period	612,611	242,555	301,541	218,453
Other comprehensive income	-	-	-	-
Items not be reclassified to profit and loss account in subsequent period				
Actuarial gain / (loss) recognized directly in equity	-	-	-	-
Related deferred tax	(210)	17	-	-
Total comprehensive income for the period	612,401	242,572	301,541	218,453

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

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

Condensed Interim Cash Flow Statement
For the six months ended June 30, 2017 (Un-audited)

	Note	June 30, 2017	June 30, 2016
		Rupees in `000	
CASH FLOWS FROM OPERATING ACTIVITES			
Profit before taxation		941,410	469,031
Adjustment for non-cash charges and other items:			
Depreciation / amortization		167,329	162,194
Loss on disposal of operating fixed assets		286	384
Liabilities no longer payable-written back		-	1,170
Expenses arising from equity settled share based payment plans		13,896	13,401
Retirement benefits		38,248	34,923
Interest income		(13)	(23)
Finance costs		27,388	93,583
		247,134	305,632
		1,188,544	774,663
(Increase) / decrease in current assets:			
Store and spares		(711)	4,129
Stock-in-trade		477,896	(140,901)
Trade debts		(96,841)	361,470
Loans and advances		(18,914)	28,564
Trade depostis and short-term prepayments		26,453	38,337
Other receivables		3,759	9,814
		391,642	301,413
		1,580,186	1,076,076
Increase in current liabilities:			
Trade and other payables		401,885	224,024
Net cash generated from operations		1,982,071	1,300,100
Finance costs paid		(29,864)	(120,184)
Income tax paid		(364,148)	(318,071)
Retirement benefits paid		(18,447)	(34,923)
Long-term deposits and loans - net		(125)	53
Net cash generated from operating activites		1,569,487	826,975
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(65,331)	(87,553)
Sale proceeds from disposal of operating fixed assets		4,673	6,648
Interest received		13	23
Net cash used in investing activities		(60,645)	(80,882)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(500,000)	(670,000)
Short term borrowings		(500,000)	-
Dividends paid		(281,097)	(28,780)
Net cash used in financing activities		(1,281,097)	(698,780)
NET DECREASE IN CASH AND CASH EQUIVALENTS		227,745	47,313
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(125,001)	(27,391)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		102,744	19,922

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

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

Condensed Interim Statement of Changes in Equity

For the six months ended June 30, 2017 (Un-audited)

	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	Unappropriated profit	Total
	Rupees in '000						
Balance as at January 1, 2016	96,448	5,935	18,000	182,818	1,935,538	171,287	2,410,026
Employee benefits cost under IFRS - 2 "Share based payment"	-	-	-	13,401	-	-	13,401
Final dividend @ Rs. 3/- per ordinary share for the year ended December 31, 2015	-	-	-	-	-	(28,934)	(28,934)
Transfer to general reserve	-	-	-	-	100,000	(100,000)	-
Net profit for the period	-	-	-	-	-	242,555	242,555
Other comprehensive income for the period	-	-	-	-	-	17	17
Total comprehensive income for the period	-	-	-	-	-	242,572	242,572
Balance as at June 30, 2016	96,448	5,935	18,000	196,219	2,035,538	284,925	2,637,065
Balance as at January 1, 2017	96,448	5,935	18,000	209,083	2,035,538	1,047,336	3,412,340
Employee benefits cost under IFRS 2 - "Share based Payment"	-	-	-	13,896	-	-	13,896
Final dividend @ Rs. 30/- per ordinary share for the year ended December 31, 2016	-	-	-	-	-	(289,343)	(289,343)
Transfer to general reserve	-	-	-	-	700,000	(700,000)	-
Net profit for the period	-	-	-	-	-	612,611	612,611
Other comprehensive income for the period	-	-	-	-	-	(210)	(210)
Total comprehensive income for the period	-	-	-	-	-	612,401	612,401
Balance as at June 30, 2017	96,448	5,935	18,000	222,979	2,735,538	670,394	3,749,294

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

Syed Babar Ali
Chairman

Dr. Asim Jamal
Chief Executive Officer

Yasser Pirmuhammad
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2017 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

2.1 During the current period, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the Companies 1984. The Act through its promulgation has introduced many changes in presentation and disclosure in the financial statements. However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 17 of 2017 dated July 20, 2017 and press release dated July 20, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year, including quarterly and other interim period closes on or before June 30, 2017.

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

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

2.3 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2017 and June 30, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The Company has adopted the following amendment to IFRSs which became effective for the current period:

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

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

	Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016
		.....Rupees in `000.....	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,665,842	1,703,331
Capital work-in-progress	4.2	93,806	163,124
		1,759,648	1,866,455
4.1 Operating fixed assets			
Opening book value		1,703,331	1,842,490
Additions during the period / year	4.1.1	134,840	198,043
Disposals during the period / year	4.1.1	(4,958)	(12,534)
Depreciation charged during the period / year		(167,011)	(324,668)
		1,665,842	1,703,331

4.1.1 Details of additions and disposals are as follows

	Additions (at cost)		Disposals (at book value)	
	(Un-audited) June 30, 2017	(Audited) December 31, 2016	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	.....Rupees in `000.....			
Building	26,756	11,351	-	-
Plant and machinery	89,024	104,738	-	-
Furniture and fixture	321	3,047	-	-
Factory and office equipment	10,568	39,440	4,914	714
Motor vehicles	7,811	39,467	44	11,820
	134,480	198,043	4,958	12,534

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	.....Rupees in `000.....	
4.2 Capital work-in-progress		
Building	10,717	11,222
Pland and machinery	69,763	125,610
Others	13,326	26,292
	93,806	163,124

5. STOCK-IN-TRADE

Raw materials	1,226,167	1,447,485
Work-in-process	68,802	64,145
Finished goods	1,094,213	1,362,251
	2,389,182	2,873,881
Provision against stock-in-trade	(222,978)	(229,781)
	2,166,204	2,644,100

6. CASH AND BANK BALANCES

Cash in hand	95	159
Cheque in hand	-	17,145
Bank balances in current accounts	286,803	33,136
	(286,898)	50,440

7. CONTINGENCIES AND COMMENTS

7.1 Contingencies

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

7.2 Commitments

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	.....Rupees in `000.....	
Commitments for capital expenditure	9,788	67,848
Post-dated cheques issued to Collector of Customs	21,440	21,440
Outstanding letters of credit	232,418	57,196
Outstanding bank guarantees	315,503	352,498
Outstanding bank contracts	139,063	692,437

8. OTHER EXPENSES

Include exchange loss amounting to Rs. 105.429 million (June 30, 2016: Rs. 23.404 million) arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

9. TRANSACTIONS WITH RELATED PARTIES

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

	June 30, 2017 (Unaudited)				June 30, 2016 (Unaudited)			
	Associates	Retirement Funds	Key management personnel	Total	Associates	Retirement Funds	Key management personnel	Total
	..... Rupess in `000				..... Rupess in `000			
Sales	11,576	-	-	11,576	18,337	-	-	18,337
Purchase of goods	1,731,205	-	-	1,731,205	1,956,163	-	-	1,956,163
Purchase of services	8,623	-	-	8,623	9,267	-	-	9,267
Insurance claim received	6,736	-	-	6,736	-	-	-	-
Contribution paid								
- Provident fund	-	25,677	-	25,677	-	23,744	-	23,744
- Gratuity fund	-	9,563	-	9,563	-	19,637	-	19,637
- Pension fund	-	8,884	-	8,884	-	15,287	-	15,287
Remuneration of key management personnel	-	-	100,639	100,639	-	-	104,424	104,424

10. ENTITY WIDE INFORMATION

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

10.2 Information about classes of products - net sales

	(Un-Audited) June 30, 2017	(Un-Audited) June 30, 2016
	.....Rupees in `000.....	
Pharmaceutical	6,017,757	5,479,695
Vaccine	611,360	235,911
	6,629,117	5,715,606

10.3 Information about geographical areas - net sales

Pakistan	6,492,129	5,579,731
Afghanistan	125,412	117,538
Others	11,576	18,337
	6,629,117	5,715,606

11. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on August 24, 2017 by the Board of Directors of the Company.

12. GENERAL

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

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