



Leading the way to  
a Healthier World

Condensed Interim  
Financial Statements for the  
three months period ended  
February 28, 2019

**WYETH PAKISTAN LIMITED**

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# Wyeth

**1ST QUARTER  
REPORT 2019**

## Company Information

### BOARD OF DIRECTORS

Iftikhar Soomro	Chairman
S. M. Wajeehuddin	Chief Executive
M. Z. Moin Mohajir	
Badaruddin F. Vellani	
Iqbal Bengali	
Syed Zakwan Ahmed	
Shoaib Mir	

### COMPANY SECRETARY

Tafazzul Khan

### CHIEF FINANCIAL OFFICER

Kashif Shafi

### AUDIT COMMITTEE

M. Z. Moin Mohajir	Chairman
Iftikhar Soomro	
Badaruddin F. Vellani	

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

M. Z. Moin Mohajir	Chairman
Badaruddin F. Vellani	
Iftikhar Soomro	
S. M. Wajeehuddin	

### EXECUTIVE COMMITTEE

S. M. Wajeehuddin	Chairman
Syed Zakwan Ahmed	

### SHARE TRANSFER COMMITTEE

S. M. Wajeehuddin	Chairman
M. Z. Moin Mohajir	
Syed Zakwan Ahmed	

### BANKERS

Citibank, N.A  
Standard Chartered Bank (Pakistan) Limited

# Wyeth

**1ST QUARTER**  
**REPORT 2019**

**AUDITORS**

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

**LEGAL ADVISORS**

Vellani & Vellani  
Orr, Dignam & Co.  
Mohammad Mitha

**SHARE REGISTRAR**

**THK Associates (Pvt.) Ltd.**  
1st Floor, 40-C, Block-6  
P.E.C.H.S., Karachi - 75400  
UAN: 021 111-000-322, Fax 021- 34168271

**HEAD OFFICE / REGISTERED OFFICE**

Room No. 002 & 003, PGS Admin Block,  
First Floor, B-2, S.I.T.E., Karachi.  
Ph. #92-21-32570621-5  
Fax # 92-21-32331045-32577023  
Website: [www.wyethpakistan.com](http://www.wyethpakistan.com)

Note: These accounts are also available on our website.

## DIRECTORS' REVIEW

We are pleased to present the un-audited condensed interim financial information of your Company for the quarter ended February 28, 2019. The condensed interim financial information has been prepared in accordance with applicable requirements of International Financial Reporting Standards (IAS 34 - Interim Financial Reporting) and the Companies Act, 2017.

Sales are lower by 23%, as compared to the corresponding quarter last year mainly because of delay in some institutional supplies. Gross profit as a percentage to sales has increased by 3% due to favorable sales mix and cost efficiencies; however lower sales resulted in diluting the absolute value of gross profit which impacted the operating profit also. The increase in operating expenses is mainly due to investment on promotion of main brands like Myrin and Enbrel. Net profit has increased by 66% over same quarter last year mainly due to higher other income and also lower tax charge.

Business in general is facing challenges due to devaluation of Pakistan Rupee which has resulted in higher cost. However, the pricing policy of pharmaceutical products is a step in the right direction which should provide a reasonable framework for price increases in future. With the pricing regime and stable exchange rate, we are hopeful of an improved operating performance going forward.

On behalf of the Board, we would like to acknowledge the continued dedication of our colleagues to achieve better results for the Company.



**Iftikhar Soomro**  
Chairman



**S. M. Wajeehuddin**  
Chief Executive

Karachi: March 28, 2019

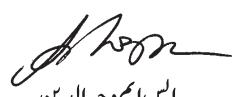
## ڈاکٹر یکٹران کا جائزہ

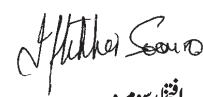
ہم آپ کی کمپنی کے غیر آڈٹ شدہ اختصاری عبوری مالیاتی گوشوارے برائے سہ ماہی مدت مختتمہ 28 فروری 2019 پیش کرتے ہوئے اظہار مسrt کرتے ہیں۔ اختصاری عبوری مالیاتی گوشوارے اٹھنیشل فناش روپورٹنگ اسٹینڈرڈز (IAS-34) عبوری مالیاتی روپورٹنگ (اوکینیز ایکٹ 2017 کی رائج ضروریات کے مطابق تیار کئے گئے ہیں۔

گزشتہ سال کی اسی سہ ماہی کی بہ نسبت موجودہ سہ ماہی میں فروخت میں 23 فیصد کی ہوئی جس کی بنیادی وجہ کچھ اداروں کی فراہمی میں تاخیر تھی۔ بیجا طبق فروخت خام منافع کی شرح فیصد میں 3 فیصد اضافہ ہوا جس کی وجہ بہتر مصنوعات کے مرکب اور لگتوں میں مستعد انداز میں کمی ہے تاہم فروخت کم ہونے کی وجہ سے خام منافع کی جتنی قدر کم رہی جس نے کارباری منافع کی شرح پر اثرات ڈالے۔ کاروباری اخراجات میں اضافہ کی اہم وجہ بنیادی برائٹنڈ جیسے ماہیں اور استبرل کی اشتہاری ممیزیں سرمایہ کاری کے اخراجات تھے۔ خالص منافع میں گزشتہ سال کی اسی سہ ماہی کی بہ نسبت 66 فیصد اضافہ ہوا جس کی بنیادی وجہ دیگر آمدنی اور ٹکس کی لگات میں کمی تھی۔

پاکستانی روپے کی قدر میں کمی کے نتیجے میں لگتوں میں ہونے والے اضافہ کی وجہ سے عمومی طور پر کاروبار کو چلائیز کا سامنا ہے۔ تاہم دو ساز مصنوعات کی قیمت کے تعین کی پالیسی درست سمت میں ایک تقدم ہے جس سے مستقبل میں قیمتوں میں اضافے کے لئے موزوں فریم ورک میسر آئے گا۔ قیمتوں کے تعین کے نظام اور زر مبادلہ کے میکٹم زرخ کے ساتھ ہم پر امید ہیں کہ مستقبل میں بہتری آئے گی۔

یورڈ کی جانب سے کمپنی کے بہتر نتائج کے حصول کے لئے ہم اپنے تمام ساتھیوں کے مخلصانہ تعاون کو تشکیم کرتے ہیں۔

  
اسیم وجد الدین  
چیف ایگزیکٹو

  
فظال ریاض  
چیئرمین

کراچی: 28 مارچ 2019

# Wyeth

1ST QUARTER  
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Condensed Interim Statement of Financial Position (Unaudited)  
As at February 28, 2019

	Note	February 28, 2019 (Unaudited)	November 30, 2018 (Audited)		
		(Rupees in '000)			
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	14,658	13,485		
Long-term loans to employees		13,033	11,794		
Long-term deposits		1,095	1,095		
Total non-current assets		28,786	26,374		
<b>CURRENT ASSETS</b>					
Stock-in-trade		150,628	254,484		
Trade debts		3,870	17,405		
Loans and advances		70,439	85,498		
Deposits, prepayments and other receivables		288,158	299,544		
Interest accrued		9,763	7,598		
Taxation - net		103,703	92,272		
Cash and bank balances		1,096,007	907,654		
<b>Total current assets</b>		<b>1,722,568</b>	<b>1,664,455</b>		
<b>Total assets</b>		<b>1,751,354</b>	<b>1,690,829</b>		
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
Authorised capital					
5,000,000 ordinary shares of Rs. 100 each		<b>500,000</b>	<b>500,000</b>		
Issued, subscribed and paid-up capital		<b>142,161</b>	<b>142,161</b>		
Reserves		<b>529,418</b>	<b>529,006</b>		
Unappropriated profit		<b>634,978</b>	<b>596,852</b>		
<b>Total equity</b>		<b>1,306,557</b>	<b>1,268,019</b>		
<b>CURRENT LIABILITIES</b>					
Trade and other payables		<b>434,083</b>	<b>412,051</b>		
Unclaimed dividend		<b>10,714</b>	<b>10,759</b>		
<b>Total current liabilities</b>		<b>444,797</b>	<b>422,810</b>		
<b>Total equity and liabilities</b>		<b>1,751,354</b>	<b>1,690,829</b>		
<b>CONTINGENCIES AND COMMITMENTS</b>					
		6			

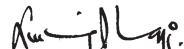
The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

  
S. M. Wajeehuddin

Chief Executive

  
M. Z. Moin Mohajir

Director

  
Kashif Shafi

Chief Financial Officer

# Wyeth

## 1ST QUARTER REPORT 2019

### Condensed Interim Profit and Loss Account (Unaudited) For the three months period ended February 28, 2019

Note	For the three months period ended	
	February 28, 2019	February 28, 2018
	(Rupees in '000)	
Net sales	315,285	409,274
Cost of sales	(241,427)	(327,636)
Gross profit	73,858	81,638
 Selling, marketing and distribution expenses	 (38,191)	 (25,600)
Administrative expenses	(9,292)	(14,312)
	(47,483)	(39,912)
	26,375	41,726
 Other income	 24,513	 18,005
Other expenses	(528)	(10,939)
Finance cost	(64)	(180)
	23,921	6,886
 Profit before taxation	 50,296	 48,612
 Taxation	 (12,170)	 (25,638)
 <b>Profit for the period</b>	 <b>38,126</b>	 <b>22,974</b>
----- (Rupees ) -----		
Earnings per share - basic and diluted	26.82	16.16

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



**S. M. Wajeehuddin**  
Chief Executive



**M. Z. Moin Mohajir**  
Director



**Kashif Shafi**  
Chief Financial Officer



**1ST QUARTER  
REPORT 2019**

**Condensed Interim Statement  
of Comprehensive Income (Unaudited)  
For the three months period ended February 28, 2019**

	For the three months period ended	
	February 28, 2019	February 28, 2018
(Rupees in '000)		
Profit for the period	38,126	22,974
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>38,126</b>	<b>22,974</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

**S. M. Wajeehuddin**  
Chief Executive

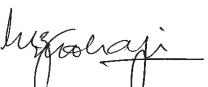
  
**M. Z. Moin Mohajir**  
Director  
**Kashif Shafi**  
Chief Financial Officer

**Condensed Interim  
Cash Flow Statement (Unaudited)**  
For the three months period ended February 28, 2019

Note	For the three months period ended	
	February 28, 2019	February 28, 2018
(Rupees in '000)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	8 194,509	91,635
Taxes paid	(23,601)	(51,422)
Net cash inflow from operating activities	<b>170,908</b>	40,213
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(2,600)	(1,250)
Profit received on deposit accounts	17,873	12,265
Proceeds from disposal of property, plant and equipment and brands	2,217	-
Net cash inflow from investing activities	<b>17,490</b>	11,015
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities - Dividends paid	(45)	(60)
Net increase in cash and cash equivalents	<b>188,353</b>	51,168
Cash and cash equivalents at beginning of the period	<b>907,654</b>	1,367,165
Cash and cash equivalents at end of the period	<b>1,096,007</b>	<b>1,418,333</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

  
S. M. Wajeehuddin  
Chief Executive

  
M. Z. Moin Mohajir  
Director

  
Kashif Shafi  
Chief Financial Officer

**Condensed Interim Statement of  
Changes in Equity (Unaudited)**  
**For the three months period ended February 28, 2019**

Issued, subscribed and paid- up capital	Reserves			Unappropriated profit / (loss)	Total
	General reserve	*Others	Sub total		
.....(Rupees in '000).....					
Balance as at December 1, 2017	142,161	931,753	22,089	953,842	615,656
Total comprehensive income for the period					22,974
Profit for the period	-	-	-	-	22,974
Balance as at February 28, 2018	<u>142,161</u>	<u>931,753</u>	<u>22,089</u>	<u>953,842</u>	<u>638,630</u>
Balance as at December 1, 2018	142,161	505,270	23,736	529,006	596,852
Total comprehensive income for the period					
Profit for the period	-	-	-	-	38,126
Share-based payments	-	-	412	412	-
Balance as at February 28, 2019	<u>142,161</u>	<u>505,270</u>	<u>24,148</u>	<u>529,418</u>	<u>634,978</u>
					<u>1,306,557</u>

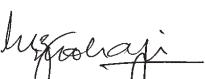
\* Others represent reserve for share based payment plan.

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



S. M. Wajeehuddin

Chief Executive



M. Z. Moin Mohajir

Director



Kashif Shafi

Chief Financial Officer

**Notes to the Condensed Interim  
Financial Information (Unaudited)  
For the three months period ended February 28, 2019**

**1. STATUS AND NATURE OF BUSINESS**

Wyeth Pakistan Limited ("the Company") is a public limited Company incorporated in 1949 in Pakistan. The Company's registered office is situated at Room No. 002 & 003, PGS Admin Block, First Floor, B- 2, S.I.T.E., Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange and is engaged in import, marketing, distribution and sale of research based ethical specialties and other pharmaceutical products.

Pfizer Inc. is the ultimate parent of the Company. Wyeth LLC, USA and Wyeth Holding Corporation USA, which are subsidiaries of Pfizer Inc., are the principal shareholders of the Company.

**2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended November 30, 2018 except for the changes in accounting policy as stated in note 3.1 below.

**3.1 Changes in accounting policy**

**IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 'Revenue from Contracts with Customers' became applicable from 1 July 2018.

IFRS 15: Revenue from Contracts with Customers supersedes IAS 11: Construction Contracts, IAS 18: Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers.

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The adoption of IFRS 15 does not have any impact on the reported revenue of the Company for the period ended February 28, 2019.

**4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of the condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing the condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended November 30, 2018 except for those related to IFRS 15 as explained in note 3.1.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended November 30, 2018.

**5. PROPERTY, PLANT AND EQUIPMENT**

Operating property, plant and equipment - at net book value

February 28, 2019 (Unaudited)	November 30, 2018 (Audited)
-------------------------------------	-----------------------------------

(Rupees in '000)

14,658	13,485
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**5.1** Operating property, plant and equipment includes following additions and disposals during the period:

**Three months period ended**

Additions:

Vehicles

February 28, 2019	February 28, 2018
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(Rupees in '000)

2,600	-
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Disposal of vehicles - sale proceeds [having a net book value of Nil  
(2018: Nil)]

2,217	-
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## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

There is no change in the status of contingencies as disclosed under notes 16 of the annual financial statements of the Company for the year ended November 30, 2018 except for note 16.1.2 to be deleted, as the cases were disposed off without any adverse order against the Company in Feb, 2019.

### 6.2 Commitments

Commitments for capital expenditure

	February 28, 2019 (Unaudited)	November 30, 2018 (Audited)
	(Rupees in '000)	
Commitments for capital expenditure	<b>2,049</b>	<b>4,796</b>

## 7 OTHER INCOME

Profit on saving accounts and term deposits

	February 28, 2019	February 28, 2018
	(Rupees in '000)	
Profit on saving accounts and term deposits	<b>20,038</b>	17,517
<i>Income from non-financial assets</i>		
Gain on disposal of property, plant and equipment	<b>2,217</b>	-
Exchange gain	<b>2,258</b>	-
Liabilities no longer payable written back	<b>-</b>	488
	<b>24,513</b>	<b>18,005</b>

## 8. CASH GENERATED FROM OPERATIONS

Profit for the period

**Adjustments for non-cash charges and other items:**

Net increase in reserve for equity-settled  
share-based payment plans  
Depreciation  
(Reversal of) / provision for slow moving and  
obsolete stock - net  
Write off of stock  
Gain on disposal of property, plant and  
equipment and brands  
Reversal of provision for doubtful debts  
Profit on deposit accounts  
Working capital changes

8.1

13

Note	Three months period ended	
	February 28, 2019	February 28, 2018
	(Rupees in '000)	
Profit for the period	<b>50,296</b>	48,612
<i>Adjustments for non-cash charges and other items:</i>		
Net increase in reserve for equity-settled share-based payment plans	<b>412</b>	-
Depreciation	<b>1,427</b>	1,658
(Reversal of) / provision for slow moving and obsolete stock - net	<b>(2,072)</b>	9,785
Write off of stock	<b>(41,210)</b>	-
Gain on disposal of property, plant and equipment and brands	<b>(2,217)</b>	-
Reversal of provision for doubtful debts	<b>-</b>	-
Profit on deposit accounts	<b>(20,038)</b>	(17,517)
Working capital changes	<b>207,911</b>	<b>49,097</b>
	<b>194,509</b>	<b>91,635</b>

# Wyeth

## 1ST QUARTER REPORT 2019

### 8.1 Working capital changes

Note	Three months period ended	
	February 28, 2019	February 28, 2018
(Rupees in '000)		
(Increase) / decrease in current assets:		
Stock-in-trade	147,138	(149,169)
Trade debts	13,535	(150,447)
Loans and advances	15,059	637
Deposits, prepayments and other receivables	11,386	(96,891)
Long term loans to employees	(1,239)	(901)
	185,879	(396,771)
Decrease in current liabilities:		
Trade and other payables	22,032	445,868
	207,911	49,097

### 9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company (Pfizer Inc., USA), related group companies, staff retirement benefits plans, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties are as follows:

Transactions for the period	Three months period ended	
	February 28, 2019	February 28, 2018
(Rupees in '000)		
Goods purchased from associated companies	139,538	262,272
Services to associated companies	3,775	25,361
Services from associated companies*	1,788	5,481
Contribution to the retirement benefit scheme	2,509	2,421
Legal and professional charges to associated undertaking	58	-

\* This amount includes allocation of remuneration of key management personnel of Rs. 0.795 million (2018: 0.676 million)

**Balance receivable from / payable to associated companies**

	<b>February 28, 2019 (Unaudited)</b>	<b>November 30, 2018 (Audited)</b>
	<b>(Rupees in '000)</b>	
Trade payable in respect of goods from associated companies	<b>101,035</b>	66,706
Other receivables from associated companies	<b>17,327</b>	18,733
Receivable from retirement benefit scheme	<b>250</b>	337
Loan receivable from retirement benefit scheme	<b>60,000</b>	60,000
Payable to retirement benefit scheme	<b>101,369</b>	97,650

**10. FINANCIAL ASSETS AND LIABILITIES**

	<b>February 28, 2019</b>			
	<b>Carrying Amount</b>			
	<b>Loans and receivables</b>	<b>Other financial assets</b>	<b>Financial liabilities</b>	<b>Total</b>
----- (Rupees in '000) -----				
<b>Financial assets not measured at fair value</b>				
Long-term loans to employees	<b>18,140</b>	-	-	<b>18,140</b>
Long term deposits	<b>1,095</b>	-	-	<b>1,095</b>
Trade debts	<b>3,870</b>	-	-	<b>3,870</b>
Loans and advances	<b>63,136</b>	-	-	<b>63,136</b>
Deposits and other receivables	<b>285,634</b>	-	-	<b>285,634</b>
Interest accrued	<b>9,763</b>	-	-	<b>9,763</b>
Cash and bank balances	-	<b>1,096,007</b>	-	<b>1,096,007</b>
<b>As at 28 February 2019</b>	<b>381,638</b>	<b>1,096,007</b>	-	<b>1,477,645</b>
As at 30 November 2018	<b>400,029</b>	<b>907,654</b>	-	<b>1,307,683</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables	-	-	<b>365,101</b>	<b>365,101</b>
Unclaimed Dividends	-	-	<b>10,714</b>	<b>10,714</b>
<b>As at 28 February 2019</b>	-	-	<b>375,815</b>	<b>375,815</b>
As at 30 November 2018	-	-	<b>365,776</b>	<b>365,776</b>

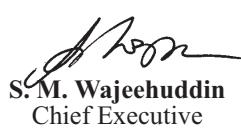
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## 1ST QUARTER REPORT 2019

These financial assets and liabilities are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair value.

### 11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on March 28, 2019.



**S. M. Wajeehuddin**  
Chief Executive



**M. Z. Moin Mohajir**  
Director

  
**Kashif Shafi**  
Chief Financial Officer