

**Wyeth**

**Leading the way to  
a Healthier World**

**Condensed Interim  
Financial Statements for the  
three months period ended  
February 29, 2020**

**WYETH PAKISTAN LIMITED**

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## **Company Information**

### **BOARD OF DIRECTORS**

Iftikhar Soomro	Chairman
S. M. Wajeehuddin	Chief Executive
M. Z. Moin Mohajir	
Badaruddin F. Vellani	
Iqbal Bengali	
Shoaib Mir	
Rashid Muhammad Khan	

### **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
Iftikhar Soomro	
Badaruddin F. Vellani	
S. M. Wajeehuddin	

### **SHARE TRANSFER COMMITTEE**

S. M. Wajeehuddin	Chairman
M.Z. Moin Mohajir	

### **BANKERS**

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

## **AUDITORS**

KPMG Taseer Hadi & Co.  
Chartered Accountants

## **LEGAL ADVISORS**

Vellani & Vellani  
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**

The Board of Directors of Wyeth Pakistan Limited is pleased to present the un-audited condensed interim financial information of your Company for the first quarter ended February 29, 2020. 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.

During this period the Company recorded lower sales by 25% versus the same period last year. This was due to lower economic activity impacting some institution business, non-availability of certain products, and also aggressive competition for some of our brands.

The Company has reported a gross loss of 9.7% of sales which is due to higher cost of sales, resulting mainly due to the depreciating exchange parity of Pakistan Rupee versus USD. The Company continues to control operating expenses which have increased by 5% only despite higher inflation. Higher interest income due to increased interest rate is the main contributor for increase in other income. The Company has reported a loss of Rs. 43 million which is mainly driven from gross margin.

Today the entire world, and our country also, has been affected by COVID-19. Its devastating impact on our daily life including the economy is now evident and the future appears to be challenging. We are unable at this time to assess how the prevailing situation will impact the Company's operation during the remainder of the year. Barring the impact of the above, the Company hopes that it will be able to minimize the impact of unfavorable cost with annual price increases and hardship increases when granted by the Government.

The Board acknowledges the efforts of our colleagues for pursuing the achievement of company's objectives in these difficult time.



**Iftikhar Soomro**  
Chairman



**S. M. Wajeeruddin**  
Chief Executive

Karachi: March 27, 2020.

## ڈائریکٹران کا جائزہ

وائٹھ پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز آپ کی کمپنی کے غیر آڈٹ شدہ اقتصادی عبوری مالیاتی گوشوارے برائے پہلی سہ ماہی مدت ختمہ 29 فروری 2020 پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ یہ اقتصادی عبوری مالیاتی گوشوارے انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز (IAS-34) عبوری مالیاتی رپورٹنگ (اوکیٹیز ایکٹ 2017 کے مطابق تیار کئے گئے ہیں۔

سال گذشتہ کی اسی سہ ماہی کے مقابلے میں موجودہ سہ ماہی کی فروخت میں 25 فی صد کمی واقع ہوئی ہے۔ اس کی وجوہات معاشی سرگرمیوں میں کمی اور اس کے ادارہ جاتی کاروبار پر اثرات، کچھ ادویات کی عدم دستیابی اور ہمارے کچھ برانڈز کے ساتھ سخت مسابقت ہیں۔

کمپنی نے بلحاظ فروخت 9.7 فیصد مجموعی نقصان رپورٹ کیا ہے جس کی بنیادی وجہ لاگتوں میں اضافہ ہے جو کہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کا نتیجہ ہے۔ بڑھتے ہوئے افراط زر کے باوجود کمپنی نے جاری اخراجات کو مسلسل قابو میں رکھا اور اس میں صرف 5 فی صد اضافہ ہوا۔ دیگر آمدنی میں اضافے کی بنیادی وجہ سودی آمدنی ہے جس کا سبب شرح سود میں اضافہ ہے۔ کمپنی نے 43 ملین روپے کا خالص خسارہ رپورٹ کیا ہے جس کی بنیادی وجہ خام خسارہ ہے۔

آج پوری دنیا اور ہمارا ملک COVID-19 سے متاثر ہے۔ جس کے تباہ کن اثرات ہماری روزمرہ زندگی اور معیشت پر واضح نظر آ رہے ہیں اور مستقبل میں کافی چیلنجز نظر آ رہے ہیں۔ ہم اس وقت یہ اندازہ نہیں لگا سکتے کہ سال کے بقیہ عرصے کے دوران موجودہ حالات کمپنی کے معاملات پر کس طرح سے اثر انداز ہوں گے۔ اوپر درج کے گئے اثرات کو چھوڑ کر کمپنی امید کرتی ہے کہ وہ قیمتوں میں سالانہ اضافے اور کمپنی کے ہارڈ شپ کیسز میں حکومت کی طرف سے وقفہ وقتاً منظور کئے گئے اضافے کی مدد سے ناموافق لاگتوں کے اثرات کو کم کرنے میں کامیاب ہو جائے گی۔

اس دشوار گزار وقت میں بورڈ اپنے ساتھی ملازمین کی کاوشوں کا اعتراف کرتا ہے جو انہوں نے کمپنی کے مقاصد کے حصول کے لیے کیے۔



ایس ایم وجیہ الدین  
چیف ایگزیکٹو




افتخار سومرو  
چیرمین

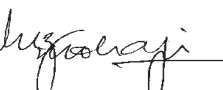
کراچی : 27 مارچ 2020


**Condensed Interim Statement of Financial Position (Unaudited)  
As at February 29, 2020**

	Note	February 29, 2020 (Unaudited)	November 30, 2019 (Audited)
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	13,298	15,123
Long-term loans to employees		9,873	8,127
Long-term deposits		145	145
Deferred taxation	6	-	-
<b>Total non-current assets</b>		<b>23,316</b>	<b>23,395</b>
<b>CURRENT ASSETS</b>			
Stock-in-trade		494,420	567,552
Trade debts		651	2,545
Loans and advances		51,438	51,483
Deposits, prepayments and other receivables		23,213	40,876
Interest accrued		12,770	16,902
Taxation - net		158,730	142,787
Cash and bank balances		1,057,276	1,149,185
<b>Total current assets</b>		<b>1,798,498</b>	<b>1,971,330</b>
<b>Total assets</b>		<b>1,821,814</b>	<b>1,994,725</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 5,000,000 ordinary shares of Rs. 100 each		500,000	500,000
Issued, subscribed and paid-up capital		142,161	142,161
Reserves		1,052,925	1,095,558
<b>Total equity</b>		<b>1,195,086</b>	<b>1,237,719</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		616,891	745,821
Unclaimed dividend		9,837	11,185
<b>Total current liabilities</b>		<b>626,728</b>	<b>757,006</b>
<b>Total equity and liabilities</b>		<b>1,821,814</b>	<b>1,994,725</b>
<b>CONTINGENCIES AND COMMITMENTS</b> 7			

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

  
S. M. Wajeehuddin  
Chief Executive


  
M. Z. Moin Mohajir  
Director

  
Kashif Shafi  
Chief Financial Officer

**Condensed Interim Profit and Loss Account (Unaudited)  
For the three months period ended February 29, 2020**

	Note	For the three months period ended	
		February 29, 2020	February 28, 2019
<b>(Rupees in '000)</b>			
Net sales		237,210	315,285
Cost of sales		(260,284)	(241,427)
Gross (loss) / profit		(23,074)	73,858
Selling, marketing and distribution expenses		(35,598)	(38,191)
Administrative expenses		(14,375)	(9,292)
		(49,973)	(47,483)
		(73,047)	26,375
Other income	8	37,831	24,513
Other expenses		-	(528)
Finance costs		(112)	(64)
		37,719	23,921
(Loss) / profit before taxation		(35,328)	50,296
Taxation - Current		(7,824)	(12,170)
<b>(Loss) / Profit for the period</b>		<b>(43,152)</b>	<b>38,126</b>
<b>----- (Rupees) -----</b>			
Earnings / (loss) per share - basic and diluted		(30.35)	26.82

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

  
S. M. Wajeehuddin  
Chief Executive

  
M. Z. Moin Mohajir  
Director


  
Kashif Shafi  
Chief Financial Officer



**Condensed Interim Statement  
of Comprehensive Income (Unaudited)  
For the three months period ended February 29, 2020**

	For the three months period ended	
	February 29, 2020	February 28, 2019
	(Rupees in '000)	
(Loss) / Profit for the period	(43,152)	38,126
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(43,152)</b>	<b>38,126</b>

The annexed notes 1 to 12 form an integral part of the 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 29, 2020**

		<b>For the three months period ended</b>	
	<b>Note</b>	<b>February 29, 2020</b>	<b>February 28, 2019</b>
<b>(Rupees in '000)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	<b>(99,997)</b>	195,748
Taxes paid		<b>(23,768)</b>	(23,601)
Long term loans to employees		<b>(1,746)</b>	(1,239)
Net cash (used in) / generated from operating activities		<b>(125,511)</b>	170,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		<b>-</b>	(2,600)
Profit received on bank deposits		<b>34,950</b>	17,873
Proceeds from disposal of property plant & equipment and brands		<b>-</b>	2,217
Net cash inflow from investing activities		<b>34,950</b>	17,490
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities - Dividend paid		<b>(1,348)</b>	(45)
Net (decrease) / increase in cash and cash equivalents		<b>(91,909)</b>	188,353
Cash and cash equivalents at beginning of the period		<b>1,149,185</b>	907,654
Cash and cash equivalents at end of the period		<b>1,057,276</b>	1,096,007

The annexed notes 1 to 12 form an integral part of the 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 29, 2020

	Issued, subscribed and paid- up capital	Reserves			Sub total	Total
		Revenue Reserve		Capital Reserve		
		General reserve	Unappro- priated profit			
.....(Rupees in '000).....						
Balance as at December 1, 2018	142,161	505,270	596,852	23,736	1,125,858	1,268,019
Total comprehensive income for the period						
Profit for the period	-	-	38,126	-	38,126	38,126
Transactions with owners recognised directly in equity						
Share-based payments	-	-	-	412	412	412
Balance as at February 28, 2019	<u>142,161</u>	<u>505,270</u>	<u>634,978</u>	<u>24,148</u>	<u>1,164,396</u>	<u>1,306,557</u>
Balance as at December 1, 2019	142,161	905,270	164,472	25,816	1,095,558	1,237,719
Total comprehensive income for the period						
Loss for the period	-	-	(43,152)	-	(43,152)	(43,152)
Transactions with owners recognised directly in equity						
Share-based payments	-	-	-	519	519	519
Balance as at Feb 29, 2020	<u>142,161</u>	<u>905,270</u>	<u>121,320</u>	<u>26,335</u>	<u>1,052,925</u>	<u>1,195,086</u>

\* Others represent reserve for share based payment plan.

The annexed notes 1 to 12 form an integral part of the 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 Statements (Unaudited)  
For the three months period ended February 29, 2020**

**1. STATUS AND NATURE OF BUSINESS**

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

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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 comprise of:

- International Accounting Standard 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.

**2.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the annual audited financial statements of the Company for year ended 30 November 2019.

**2.3 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in preparation of the published annual audited financial statements of the Company for the year ended 30 November 2019.

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

The preparation of these 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 these 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 were applied to the financial statements as at and for the year ended November 30, 2019.

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, 2019.

	February 29, 2020 (Unaudited)	November 30, 2019 (Audited)
<b>(Rupees in '000)</b>		
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating property, plant and equipment - at net book value	13,298	15,123
Capital work in progress - at cost	-	-
	<u>13,298</u>	<u>15,123</u>

5.1 Operating property, plant and equipment includes following additions and disposals during the period:

	<b>Three months period ended</b>	
	February 29, 2020	February 28, 2019
<b>(Rupees in '000)</b>		
<b>Additions:</b>		
Vehicles	-	2,600
	<u>-</u>	<u>2,600</u>
Disposal of vehicles - sale proceeds [having a net book value of nil (2019: Nil)]	-	2,217
	<u>-</u>	<u>2,217</u>

## 6. DEFERRED TAXATION

- 6.1 The Company has not recognized deferred tax assets of Rs. 37,974 million (30 November 2019: Rs. 36,809 million) as sufficient tax profits may not be available to set these off in the foreseeable future.

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no change in the status of contingencies as disclosed under notes 15 of the annual financial statements of the Company for the year ended November 30, 2019.

	February 29, 2020 (Unaudited)	November 30, 2019 (Audited)
<b>7.2 Commitments</b>	<b>(Rupees in '000)</b>	
Commitments for capital expenditure	-	-

### 8. OTHER INCOME

	February 29, 2020	February 28, 2019
	<b>(Rupees in '000)</b>	
<i>Income from financial assets</i>		
Profit on saving accounts and term deposits	30,818	20,038
<i>Income from non-financial assets</i>		
Gain on disposal of property, plant and equipment	-	2,217
Exchange gain	6,570	2,258
Liabilities no longer payable written back	443	-
	<b>37,831</b>	<b>24,513</b>

### 9. CASH (USED IN) / GENERATED FROM OPERATIONS

	<b>Three months period ended</b>	
	February 29, 2020	February 28, 2019
	<b>(Rupees in '000)</b>	
Profit for the period	(43,152)	38,126
<b>Adjustments for non-cash charges and other items:</b>		
Net increase in reserve for equity-settled share-based payment plans	519	412
Depreciation	1,825	1,427
Reversal of slow moving and obsolete stock - net	(319)	(2,072)
Write off of stock	-	(41,210)
Gain on disposal of property, plant and equipment	-	(2,217)
Profit on deposit accounts	(30,818)	(20,038)
Tax expense	7,824	12,170
Working capital changes	(35,876)	209,150
	<b>(99,997)</b>	<b>195,748</b>

Note

9.1

Note	Three months period ended	
	February 29, 2020	February 28, 2019
	<b>(Rupees in '000)</b>	
<b>9.1 Working capital changes</b>		
(Increase) / decrease in current assets		
Stock-in-trade	73,452	147,138
Trade debts	1,894	13,535
Loans and advances	45	15,059
Deposits, prepayments and other receivables	17,663	11,386
	<u>93,054</u>	<u>187,118</u>
(Increase) / decrease in current liabilities:		
Trade and other payables	(128,930)	22,032
	<u>(35,876)</u>	<u>209,150</u>

## 10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company (Pfizer Inc., USA), related group companies, staff retirement benefits plans, directors, key management personnel and close members of the family of all the aforementioned related parties. 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 29, 2020	February 28, 2019
	<b>(Rupees in '000)</b>	
Goods purchased from associated companies	161,930	139,538
Services from associated companies*	2,313	1,788
Services to associated companies	21,759	10,016
Contribution to the retirement benefit scheme	2,373	2,509
Legal and professional charges	-	58

\* This amount includes allocation of remuneration of key management personnel of Rs. 0.884m (2019: 0.795m)

### Balance receivable from / payable to associated companies

	February 29, 2020 (Unaudited)	November 30, 2019 (Audited)
(Rupees in '000)		
Trade payable in respect of goods from associated companies	294,424	448,631
Other receivables from associated companies	372	17,987
Receivable from retirement benefit scheme	7,482	7,491
Loan receivable from retirement benefit scheme	40,000	40,000
Payable to the retirement benefit scheme	101,958	98,069


### 11. FINANCIAL ASSETS AND LIABILITIES

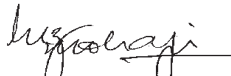
	February 29, 2020		
	Carrying Amount		
	Amortized cost	Financial liabilities	Total
----- (Rupees in '000) -----			
<b>Financial assets not measured at fair value</b>			
Loans to employees	14,947	-	14,947
Long term deposit	145	-	145
Loans and advances	47,050	-	47,050
Trade debts	651	-	651
Deposits and other receivables	22,132	-	22,132
Interest accrued	12,770	-	12,770
Cash and bank balances	1,057,276	-	1,057,276
<b>As at 29 February 2020</b>	<b>1,154,971</b>	<b>-</b>	<b>1,154,971</b>
As at 30 November 2019	1,263,653	-	1,263,653
<b>Financial liabilities not measured at fair value</b>			
Trade and other payables	-	587,940	587,940
Unclaimed dividend	-	9,837	9,837
<b>As at 29 February 2020</b>	<b>-</b>	<b>597,777</b>	<b>597,777</b>
As at 30 November 2019	-	736,954	736,954




**12. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue in the Board of Directors meeting held on March 27, 2020.

  
**S. M. Wajeehuddin**  
Chief Executive

  
**M. Z. Moin Mohajir**  
Director

  
**Kashif Shafi**  
Chief Financial Officer