

Wyeth

**Leading the way to
a Healthier World**

Condensed Interim
Financial Statements for the
six months period ended
May 31, 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	
Shoaib Mir	

SHARE TRANSFER COMMITTEE

S. M. Wajeehuddin	Chairman
M.Z. Moin Mohajir	
Rashid Muhammad Khan	

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

Note: These accounts are also available on our website.

DIRECTORS' REVIEW

We are pleased to present the un-audited condensed interim financial statement of your Company for the half-year ended May 31, 2020. The condensed interim financial statement has been prepared in accordance with applicable requirements of International Financial Reporting Standards (IAS 34 - Interim Financial Reporting) and the Companies Act, 2017.

The period under review has seen something very unusual and unique in the shape of COVID-19. The lockdown and other factors resulting from the spread of COVID-19 affected many areas of our lives and society. Businesses across almost all sectors have also been impacted. Pharmaceuticals was no exception; factors impacting it were closure of clinics, OPDs, and deferral of elective surgeries as well as lower patient flow. Further, priorities at hospitals and Govt institutions have also been shifted towards addressing COVID-19 challenges. In addition, considerable shrinkage in disposable income has also been an area of concern. These factors impacted the Company's business and sales for the period under review have dropped by 14% over the same period last year. Lower sales, increase in prices of materials, and continuous depreciation of local currency resulted in deterioration of margins and the Company reported a gross loss of Rs. 71 million. The Company is making consistent efforts to reduce costs as well as to drive efficiencies in operating expenses, in the wake of rising prices and wage increases. Operating expenses have been restricted to around last year levels despite double digit inflation. Due to these efforts, the Company has reported net loss of Rs. 74 million.

The impact of COVID-19 on the economy is evident and appears challenging for the operations across all industries. The Pharmaceutical sector has been included in essential services, which means that the Company must ensure continuity of operations. However, supply of medicines to patients is also vitally dependent on other sectors of the economy like infrastructure and logistics, and more importantly access of patients to Hospitals and healthcare professionals. The Company is still assessing the impact of the situation on the remainder of the year, which will greatly depend upon the intensity of COVID-19 spread and government measures, however the future looks challenging. The Company is exploring options to manage the impact of higher costs through negotiating reductions in prices of materials, and is also hopeful that the annual price adjustment, and hardship increases, if granted by the Government, will assist in reducing the impact of these adverse factors.

The board acknowledges and appreciates the hard work and commitment of all our colleagues during these challenging times.



Iftikhar Soomro
Chairman



S.M. Wajeehuddin
Chief Executive

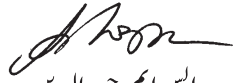
Dated; July 28, 2020

ڈائریکٹر رپورٹ

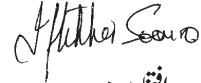
ہم کمپنی کے ششماہی غیر آڈٹ شدہ اقتصادی اور درمیانی مدت کے گوشوارے برائے مدت منقسمہ 31 مئی 2020 پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔ یہ اقتصادی عبوری مالیاتی گوشوارے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IAS-34) عبوری مالیاتی رپورٹنگ) اوکینیڈا ایکٹ 2017 کے مطابق تیار کئے گئے ہیں۔

یہ مدت جس کا جائزہ لیا جا رہا ہے Covid-19 کی وجہ سے نہایت ہی غیر معمولی اور منفرد نوعیت کی حامل ہے۔ لاک ڈاؤن اور Covid-19 کے پھیلاؤ کے نتیجے میں پیدا ہونے والے عوامل نے ہماری زندگیوں کو کئی طرح سے متاثر کیا ہے اور تقریباً ہر طرح کا کاروبار اس سے متاثر ہوا ہے حتیٰ کہ دواسازی بھی اس سے مبرا نہیں رہی۔ دواسازی جن عوامل کی وجہ سے متاثر ہوئی ان میں ڈاکٹرز کے کلینکس اور او۔ پی۔ ڈی کا بند ہونا، مریضوں کے آپریٹرز کا موخر ہونا اور مریضوں کی تعداد میں کمی شامل ہے۔ مزید برآں ہسپتالوں اور سرکاری اداروں نے بھی اپنی ترجیحات میں Covid-19 کو ترجیح دی۔ اس کے علاوہ فی کس آمدنی میں کمی بھی تشویش کا باعث ہے۔ ان عوامل کی وجہ سے جائزہ مدت کے دوران کمپنی کی فروخت میں پچھلے سال اسی مدت کے مقابلے میں 14 فیصد کمی واقع ہوئی۔ فروخت میں کمی، خام مال کی بڑھتی ہوئی لاگتوں اور مقامی کرنسی کی قدر میں مسلسل کمی کے نتیجے میں منافع میں بگاڑ پیدا ہوا۔ اور کمپنی نے 71 ملین روپے کا خام خسارہ رپورٹ کیا ہے۔ بڑھتی ہوئی قیمتوں اور اجرتوں میں مسلسل اضافے کے باوجود کمپنی مستقل بنیادوں پر لاگتوں میں کمی اور جاری اخراجات میں کفایت شعاری کی کوشش کر رہی ہے۔ باوجود ڈبل ڈبٹ مہنگائی کے جاری اخراجات کو پچھلے سال کی سطح پر محدود رکھا گیا ہے۔ ان کوششوں کے نتیجے میں کمپنی نے 74 ملین روپے کا حتمی نقصان رپورٹ کیا ہے۔

Covid-19 کے معیشت پر اثرات واضح ہیں اور ہر طرح کے پیداواری اداروں میں اس کے چیلنجز نمایاں ہیں۔ دواسازی ضروری خدمات میں شامل ہے جس کا مطلب ہے کہ کمپنی نے اپنے ادارے کو ہر حال میں چلاتے رکھنا ہے۔ البتہ مریضوں کو دوائیوں کی ہر وقت ترسیل معیشت کے بہت سارے عوامل پر منحصر ہے جس میں بنیادی ڈھانچہ، ادویات کی ترسیل، مریضوں کا ڈاکٹروں کے ساتھ رابطہ اور ان کی اسپتالوں تک پہنچنا شامل ہے۔ کمپنی اب بھی سال کے بقیہ حصے کے لئے Covid-19 کے اثرات کا تعین کر رہی ہے۔ جس کا انحصار Covid-19 کی شدت اور سرکاری سطح پر کئے گئے اقدامات پر ہے اگرچہ کہ مستقبل کا فیچرنگنگ لگتا ہے۔ کمپنی بڑھتی ہوئی لاگتوں کے اثرات کو کم کرنے کے لئے خام مال کی قیمتوں میں گنت وشنید کے ذریعے کمی کی مختلف آپشنز تلاش کر رہی ہے اور پُر اُمید ہے کہ ادویات کی قیمتوں میں سالانہ اضافہ اور hard ship کی سرکاری سطح پر اجازت ان منفی اثرات کو کم کرنے میں مدد کار ثابت ہوگی۔ بورڈ اپنے ساتھیوں کی اس مشکل وقت میں ان تھک محنت اور کام کی لگن کو تسلیم کرتے ہوئے سراہتا ہے۔



ایس ایم وجیہ الدین
چیف ایگزیکٹو



مٹھا ساور
چیرمین

کراچی: 28 جولائی 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Wyeth Pakistan Limited
Report on review of Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Wyeth Pakistan Limited** as at 31 May 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (herein-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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

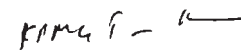
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 May 2020, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is **Mohammad Mahmood Hussain**.


Date: 29 July 2020
Karachi

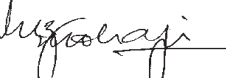

KPMG Taseer Hadi & Co.
Chartered Accountants


Condensed Interim Statement of Financial Position (Unaudited)
As at May 31, 2020

	Note	May 31, 2020 (Unaudited)	November 30, 2019 (Audited)
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	6	12,157	15,123
Long-term loans to employees		10,062	8,127
Long-term deposits		145	145
Deferred taxation	7	-	-
		<u>22,364</u>	<u>23,395</u>
Current assets			
Stock-in-trade	8	370,323	567,552
Trade debts		-	2,545
Loans and advances		51,083	51,483
Deposits, prepayments and other receivables		31,117	40,876
Interest accrued		8,391	16,902
Taxation - net		166,804	142,787
Cash and bank balances		713,584	1,149,185
		<u>1,341,302</u>	<u>1,971,330</u>
TOTAL ASSETS		<u>1,363,666</u>	<u>1,994,725</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 5,000,000 ordinary shares of Rs. 100 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital		142,161	142,161
Reserves		864,419	1,095,558
		<u>1,006,580</u>	<u>1,237,719</u>
LIABILITIES			
Current liabilities			
Trade and other payables		346,032	745,821
Unclaimed dividend		11,054	11,185
		<u>357,086</u>	<u>757,006</u>
TOTAL EQUITY AND LIABILITIES		<u>1,363,666</u>	<u>1,994,725</u>
Contingencies and commitments	9		

The annexed notes 1 to 14 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 Profit or Loss (Unaudited)
For the six months period ended May 31, 2020

Note	Six months period ended		Three months period ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
----- (Rupees in '000) -----				
Net sales	464,267	538,516	227,057	223,231
Cost of sales	(535,557)	(443,417)	(275,273)	(201,990)
Gross (loss) / profit	(71,290)	95,099	(48,216)	21,241
Selling, marketing and distribution expenses	(71,334)	(73,417)	(35,736)	(35,226)
Administrative expenses	(24,688)	(19,500)	(10,313)	(10,208)
	(96,022)	(92,917)	(46,049)	(45,434)
	(167,312)	2,182	(94,265)	(24,193)
Other income	93,930	51,913	56,099	27,400
Finance costs	(330)	(22,021)	(218)	(21,957)
	93,600	29,892	55,881	5,443
(Loss) / profit before taxation	(73,712)	32,074	(38,384)	(18,750)
Taxation	(16,306)	(23,627)	(8,482)	(11,457)
(Loss) / profit for the period	(90,018)	8,447	(46,866)	(30,207)
----- (Rupees) -----				
	(63.32)	5.94	(32.97)	(21.25)

The annexed notes 1 to 14 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 Comprehensive Income (Unaudited) For the six months period ended May 31, 2020

Note	Six months period ended		Three months period ended	
	May 31, 2020	May 31, 2019	May 31, 2020	May 31, 2019
----- (Rupees in '000) -----				
(Loss) / profit for the period	(90,018)	8,447	(46,866)	(30,207)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(90,018)	8,447	(46,866)	(30,207)

The annexed notes 1 to 14 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 six months period ended May 31, 2020**

	Note	Six months period ended	
		May 31, 2020	May 31, 2019
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	11	(313,211)	423,152
Taxes paid		(40,323)	(39,858)
Increase in long-term loans to employees		(1,935)	(524)
Decrease in long-term deposits		-	950
Net cash (used in) / generated from operating activities		(355,469)	383,720
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		-	(10,037)
Profit received on bank deposits		62,160	43,704
Proceeds from disposal of property, plant and equipment		-	1,449
Net cash inflow from investing activities		62,160	35,116
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(142,292)	(70,496)
Net (decrease) / increase in cash and cash equivalents		(435,601)	348,340
Cash and cash equivalents at beginning of the period		1,149,185	907,654
Cash and cash equivalents at end of the period		713,584	1,255,994

The annexed notes 1 to 14 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

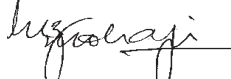
Condensed Interim Statement of Changes in Equity (Unaudited) For the six months period ended May 31, 2020

	Issued, subscribed and paid- up capital	Reserves			Sub total	Total
		Revenue Reserve		Capital Reserve		
		General reserve	Unappro- priated profit / loss	Others*		
.....(Rupees in '000).....						
Balance as at December 1, 2018 (audited)	142,161	505,270	596,852	23,736	1,125,858	1,268,019
Total comprehensive income for the period						
Profit for the period	-	-	8,447	-	8,447	8,447
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	8,447	-	8,447	8,447
Transactions with owners recognised directly in equity						
Final dividend for the year ended November 30, 2018 at Rs. 50 per share	-	-	(71,080)	-	(71,080)	(71,080)
Share-based payments	-	-	-	824	824	824
	-	-	(71,080)	824	(70,256)	(70,256)
Transfer to general reserve	-	400,000	(400,000)	-	-	-
Balance as at May 31, 2019 (unaudited)	<u>142,161</u>	<u>905,270</u>	<u>134,219</u>	<u>24,560</u>	<u>1,064,049</u>	<u>1,206,210</u>
Balance as at December 1, 2019 (audited)	142,161	905,270	164,472	25,816	1,095,558	1,237,719
Total comprehensive loss for the period						
Loss for the period	-	-	(90,018)	-	(90,018)	(90,018)
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	(90,018)	-	(90,018)	(90,018)
Transactions with owners recognised directly in equity						
Final dividend for the year ended November 30, 2019 at Rs. 100 per share	-	-	(142,161)	-	(142,161)	(142,161)
Share-based payments	-	-	-	1,040	1,040	1,040
	-	-	(142,161)	1,040	(141,121)	(141,121)
Balance as at May 31, 2020 (unaudited)	<u>142,161</u>	<u>905,270</u>	<u>(67,707)</u>	<u>26,856</u>	<u>864,419</u>	<u>1,006,580</u>

* Others represent reserve for share based payment plan.

The annexed notes 1 to 14 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 Statements (Unaudited)
For the six months period ended May 31, 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. SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services and factories have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. However, the impact varies from industry to industry in different jurisdictions. Based on management's assessment, the impact of COVID 19 on the Company is not likely to be significant considering the Pharmaceutical Sector, demand from its customers, availability of imports and measures taken by Government to support the industry in which the Company operates.

3. BASIS OF PREPARATION

3.1 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.

3.2 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.

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 except for the changes in accounting policies on applicability of IFRS 16 'Leases' as of 1 December 2019 as explained in note 4.3.1 to these condensed interim financial statements.

4.2 New standards, interpretations and amendments adopted by the Company

International Accounting Standards Board (IASB) introduced IFRS 16 'Leases' which had a mandatory effective date for annual reporting periods beginning on or after 1 January 2019. By virtue of SRO 434(I)/2018, SECP made mandatory for all classes of companies to adopt IFRS 16 'Leases' for annual reporting periods beginning on or after 1 January 2019.

IFRS 16 'Leases' became applicable from 1 December 2019. The impact of adoption of IFRS 16 and related accounting policies are disclosed in note 4.3.1 below. A number of other new standards are effective from 1 December 2019 but they do not have a significant effect on the Company and are therefore not stated in these condensed interim financial statements.

4.3 Change in accounting policy

4.3.1 IFRS 16 has introduced a single, on-balance sheet accounting model for lessees, which requires a lessee to recognize right-of-use asset representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The details of the changes in accounting policies are disclosed below.

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

However, as allowed by IFRS 16, the Company has elected not to recognize right-of-use-assets and lease liabilities for leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Accordingly, adoption of IFRS 16 did not have any financial impact on the Company's financial position.

4.4 Standards, Interpretations and Amendments to Published Approved Accounting and Reporting Standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 December 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards.

In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020 unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks.

Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended 30 November 2019, except for the changes as stated in note 4.3.1 above.

	Note	May 31, 2020 (Unaudited)	November 30, 2019 (Audited)
6. PROPERTY, PLANT AND EQUIPMENT			
		(Rupees in '000)	
Operating fixed assets	6.1	<u>12,157</u>	<u>15,123</u>
		<u>12,157</u>	<u>15,123</u>
6.1	Operating fixed assets include following additions and disposals during the period:		
		Six months period ended	
		<u>May 31, 2020</u>	<u>May 31, 2019</u>
		(Rupees in '000)	
Additions:			
Vehicles		<u>-</u>	<u>6,861</u>
		<u>-</u>	<u>6,861</u>
Disposal of vehicles - sale proceeds [having a net book value of Nil (2019: Nil)]		<u>-</u>	<u>1,449</u>

7. DEFERRED TAXATION

- 7.1 The Company has not recognized deferred tax assets of Rs. 35.44 million (30 November 2019: Rs. 36.809 million) as sufficient tax profits may not be available to set these off in the foreseeable future.

	Note	May 31, 2020 (Unaudited)	November 30, 2019 (Audited)
8. STOCK-IN-TRADE			
(Rupees in '000)			
Raw and packing materials		5,629	4,755
Work-in-process		65,607	73,204
Finished goods	8.1	271,391	502,724
Stock-in-transit		34,326	-
		<u>376,953</u>	<u>580,683</u>
Less: Provision for slow moving and obsolete stocks	8.2	<u>6,630</u>	<u>13,131</u>
		<u><u>370,323</u></u>	<u><u>567,552</u></u>

- 8.1 Finished goods include items costing Rs. 148.31 million (30 November 2019: Rs. 0.311 million) which have been recognised at a net realisable value of Rs. 99.113 million (30 November 2019: Rs. Nil).

- 8.2 During the period, provision of Rs. 2.655 million has been reversed and stock-in-trade valued at Rs. 1.901 million has been written off from provision, while stock-in-trade valued at Rs. 0.212 million has been written off directly.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

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

9.2 Commitments

The Company has no commitments as on 31 May 2020.

		May 31, 2020	May 31, 2019
10. OTHER INCOME		(Rupees in '000)	
Income from financial assets			
Profit on saving accounts and term deposits		53,649	48,502
Income from non-financial assets			
Gain on disposal of property, plant and equipment - net		-	1,449
Exchange gain		9,684	-
Miscellaneous income		-	1,962
Liabilities no longer payable written back		30,597	-
		<u>93,930</u>	<u>51,913</u>
		Six months period ended	
	Note	May 31, 2020	May 31, 2019
11 CASH (USED IN) / GENERATED FROM OPERATIONS		(Rupees in '000)	
(Loss) / Profit after taxation for the period		(90,018)	8,447
Adjustments for non-cash charges and other items:			
Net increase in reserve for equity-settled share-based payment plans		1,040	824
Depreciation		2,966	2,842
Reversal of slow moving and obsolete stock in trade		(6,501)	(59,271)
Gain on disposal of property, plant and equipment		-	(1,449)
Profit on deposit accounts		(53,649)	(48,502)
Tax expense		16,306	23,627
Working capital changes	11.1	(183,355)	496,634
		<u>(313,211)</u>	<u>423,152</u>

	Note	Six months period ended	
		May 31, 2020	May 31, 2019
11.1 Working capital changes		(Rupees in '000)	
(Increase) / decrease in current assets			
Stock-in-trade		203,730	(48,961)
Trade debts		2,545	17,405
Loans and advances		400	33,877
Deposits, prepayments and other receivables		9,759	236,411
		<u>216,434</u>	<u>238,732</u>
(Decrease) / increase in current liabilities:			
Trade and other payables		<u>(399,789)</u>	257,902
		<u>(183,355)</u>	<u>496,634</u>

12. 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:

	Six months period ended	
	May 31, 2020	May 31, 2019
Transactions for the period	(Rupees in '000)	
Goods purchased from associated companies	277,835	401,795
Services from associated companies*	6,074	3,976
Services to associated companies	27,169	45,116
Dividend to Parent Company	102,503	51,252
Contribution to retirement benefit scheme	10,865	11,733
Legal and professional charges	-	58
Directors meeting fee and related expenses	2,310	1,416

* This amount includes allocation of remuneration of key management personnel of Rs. 1.81 million (2019: Rs. 1.503 million)

Balance receivable from / payable to associated companies


	May 31, 2020 (Unaudited)	November 30, 2019 (Audited)
	(Rupees in '000)	
Trade payable in respect of goods purchased from associated companies	71,629	448,631
Other receivables from associated companies	2,824	17,987
Receivable from retirement benefit scheme	7,910	7,491
Loan receivable from retirement benefit scheme	40,000	40,000
Payable to the retirement benefit scheme	99,741	98,069

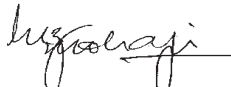
13. FINANCIAL ASSETS AND LIABILITIES

	May 31, 2020		
	Carrying Amount		
	Amortized cost	Financial liabilities	Total
	----- (Rupees in '000) -----		
Financial assets not measured at fair value			
Loans to employees	15,136	-	15,136
Long term deposit	145	-	145
Loans and advances	41,621	-	41,621
Deposits and other receivables	25,013	-	25,013
Interest accrued	8,391	-	8,391
Cash and bank balances	713,584	-	713,584
As at 31 May 2020	803,890	-	803,890
As at 30 November 2019	1,263,653	-	1,263,653
Financial liabilities not measured at fair value			
Trade and other payables	-	309,764	309,764
Unclaimed dividend	-	11,054	11,054
As at 31 May 2020	-	320,818	320,818
As at 30 November 2019	-	736,954	736,954

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28 July, 2020 by the Board of Directors of the Company.


S. M. Wajeehuddin
Chief Executive


M. Z. Moin Mohajir
Director


Kashif Shafi
Chief Financial Officer