

Wyeth

**Leading the way to
a Healthier World**

**Condensed Interim
Financial Statements for the
three months period ended
February 28, 2021**

WYETH PAKISTAN LIMITED

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Company Information

BOARD OF DIRECTORS

Iftikhar Soomro
S. M. Wajeehuddin
M. Z. Moin Mohajir
Badaruddin F. Vellani
Iqbal Bengali
Shoaib Mir
Rashid Muhammad Khan
Seema Adil

Chairman
Chief Executive

COMPANY SECRETARY

Sana Iftikhar Qamar

CHIEF FINANCIAL OFFICER

Tafazzul Khan

AUDIT COMMITTEE

M.Z. Moin Mohajir
Iftikhar Soomro
Badaruddin F. Vellani
Shoaib Mir

Chairman

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Seema Adil
Badaruddin F. Vellani
Iftikhar Soomro
S. M. Wajeehuddin

Chairperson

SHARE TRANSFER COMMITTEE

S. M. Wajeehuddin
M.Z. Moin Mohajir

Chairman

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.
Plot # 32-C, Jami Commercial, Street # 2,
DHA Phase VII, Karachi. Tel: +92-21-35310191-95 Fax : +92-21-35310190

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 statements of your Company for the three months period ended February 28, 2021. The condensed interim financial statements have been prepared in accordance with applicable requirements of International Financial Reporting Standards (IAS 34 - Interim Financial Reporting) and the Companies Act, 2017.

During the period, sales has increased by 26% as compared to the corresponding period last year. This improvement is due to some revival in economic activities, timing difference of Institutional orders, and improved supply of products. This improvement in external environment complimented the focused and innovative investment on promotion of our key brands.

Increased sales, focused management of cost of goods, as well as some adjustments in prices of our products, resulted in improved Gross margin. Management has made concerted efforts to control expenses, which resulted in lower operating expenses by 20% versus same period last year. These measures contributed towards an improved operating profit for the period.

Although the other income is lower due to lower interest rates, our bottom-line is returning to a much-improved position with Rs. 44.8 million being profit after tax for the 1st Quarter ended February 28, 2021 as compared to Rs. 43.1 million loss after tax in corresponding period last year.

We will continue to improve our performance during the rest of the year also, mainly based upon internal efficiencies. However, a lot will depend how quickly the recent surge in COVID-19 spread is controlled and the business conducive external environment witnessed earlier in the year is also sustained.

The Board of Directors appreciate and recognize the efforts and hard work of all our colleagues during these challenging times.



S.M Wajeehuddin
Chief Executive



Iftikhar Soomro
Chairman

Karachi: March 29, 2021.

ڈائریکٹران کا جائزہ


ہم کمپنی کے غیر آڈٹ شدہ عبوری اختصاری مالیاتی گوشوارے سماہی مدت تختتمہ 28 فروری 2021 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔ اختصاری عبوری مالیاتی گوشوارے عالمی مالیاتی رپورٹنگ اسٹینڈرڈز (IAS 34) - عبوری مالیاتی رپورٹنگ) اوکونیزا ایکٹ 2017 کی ضروریات کو مدنظر رکھتے ہوئے تیار کئے گئے ہیں۔

مدت کے دوران فروخت میں گزشتہ سال اسی مدت کی بہ نسبت 26 فیصد اضافہ ہوا۔ یہ بہتری معاشی سرگرمیوں کی بحالی، ادارتی آرڈرز کے اوقات میں فرق اور مصنوعات کی فراہمی میں بہتری کی وجہ سے تھی۔ بیرونی ماحول میں بہتری کے نتیجے میں ہمارے بنیادی برانڈز کی اشتہار مہم میں مرکوز اور جدتی سرمایہ کاری کی گئی۔

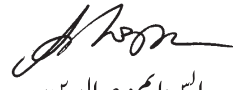
بڑھتی ہوئی فروخت، لاگت فروخت کے مرکوز انتظام کے ساتھ ساتھ ہماری مصنوعات کی قیمتوں میں کچھ درستکیوں کے نتیجے میں خام منافع میں بہتری آئی۔ انتظامیہ نے اخراجات کو قابو کرنے کے لئے ٹھوس کوششیں کیں جس کے نتیجے میں کاروباری اخراجات میں گزشتہ سال کی بہ نسبت 20 فیصد کمی ہوئی۔ اگرچہ کم شرح سود کی وجہ سے دیگر آمدن کم رہیں، لیکن سماہی تختتمہ 28 فروری 2021 کو 44.8 ملین روپے کے بعد از ٹیکس منافع کے ساتھ خالص آمدنی میں بہت زیادہ بہتری آئی جو کہ گزشتہ سال اسی مدت میں 43.1 ملین روپے بعد از ٹیکس خسارہ تھی۔

ہم سال کے بقایا حصے میں تسلسل کے ساتھ اندرونی استعداد کی بنیاد پر اپنی کارکردگی میں بہتری لائیں گے۔ تاہم اس کا بڑا انحصار اس بات پر ہوگا کہ کتنا COVID-19 میں حالیہ اضافہ کو قابو کیا جاسکے گا اور کاروبار کا سازگار بیرونی ماحول جس کا مشاہدہ سال کے آغاز میں کیا گیا تھا، کیا وہ برقرار رہے گا؟

بورڈ آف ڈائریکٹران مشکل اوقات میں تمام ساتھیوں کی انتھک محنت اور کوششوں کو تسلیم کرتا ہے اور ستائش پیش کرتا ہے۔



انوار سومرو
چیف ایگزیکٹو




ایس ایم وجیہ الدین
چیرمین

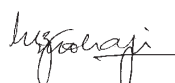
کراچی: 29 مارچ 2021


**Condensed Interim Statement of Financial Position (Unaudited)
As at February 28, 2021**

	Note	February 28, 2021 (Unaudited)	November 30, 2020 (Audited)
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	6	11,270	9,411
Long-term loans to employees		12,257	10,259
Long-term deposits		145	145
Deferred taxation	7	-	-
		<u>23,672</u>	<u>19,815</u>
Current assets			
Stock-in-trade	8	309,373	389,678
Trade receivables		-	89
Loans and advances		48,602	48,812
Deposits, prepayments and other receivables		43,098	42,090
Interest accrued		4,075	3,561
Taxation - net		79,863	82,741
Cash and bank balances		885,596	705,119
		<u>1,370,607</u>	<u>1,272,090</u>
TOTAL ASSETS		<u>1,394,279</u>	<u>1,291,905</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		<u>876,647</u>	<u>831,318</u>
		<u>1,018,808</u>	<u>973,479</u>
LIABILITIES			
Current liabilities			
Trade and other payables		<u>364,536</u>	<u>307,487</u>
Unclaimed dividend		<u>10,935</u>	<u>10,939</u>
		<u>375,471</u>	<u>318,426</u>
TOTAL EQUITY AND LIABILITIES		<u>1,394,279</u>	<u>1,291,905</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


Tafazzul Khan
Chief Financial Officer


**Condensed Interim Profit and Loss Account (Unaudited)
For the three months period ended February 28, 2021**

	Note	For the three months period ended	
		February 28, 2021	February 29, 2019
		(Rupees in '000)	
Net sales		299,726	237,210
Cost of sales		(210,035)	(260,284)
Gross profit / (loss)		89,691	(23,074)
Selling, marketing and distribution expenses		(29,404)	(35,598)
Administrative expenses		(10,327)	(14,375)
		(39,731)	(49,973)
		49,960	(73,047)
Other income	10	14,830	37,831
Other expenses		(200)	-
Finance costs		(134)	(112)
		14,496	37,719
Profit / (loss) before taxation		64,456	(35,328)
Taxation		(19,664)	(7,824)
Profit / (loss) for the period		44,792	(43,152)
		----- (Rupees) -----	
Earnings / (loss) per share - basic and diluted		31.51	(30.35)

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


Tafazzul Khan
Chief Financial Officer


**Condensed Interim Statement
of Comprehensive Income (Unaudited)
For the three months period ended February 28, 2021**

	For the three months period ended	
	February 28, 2021	February 29, 2020
	(Rupees in '000)	
Profit / (loss) for the period	44,792	(43,152)
Total comprehensive income / (loss) for the period	44,792	(43,152)

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


Tafazzul Khan
Chief Financial Officer


Condensed Interim Cash Flow Statement (Unaudited) For the three months period ended February 28, 2021

		For the three months period ended	
Note	February 28, 2021	February 29, 2020	
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	11	190,614	(99,997)
Taxes paid		(16,786)	(23,768)
Long-term loans to employees		(1,998)	(1,746)
Net cash generated / (used in) from operating activities		171,830	(125,511)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(3,231)	-
Profit received on bank deposits		11,882	34,950
Net cash inflow from investing activities		8,651	34,950
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(4)	(1,348)
Net increase / (decrease) in cash and cash equivalents		180,477	(91,909)
Cash and cash equivalents at beginning of the period		705,119	1,149,185
Cash and cash equivalents at end of the period		885,596	1,057,276

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



Tafazzul Khan
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited) For the three months period ended February 28, 2021


	Issued, subscribed and paid- up capital	Reserves			Sub total	Total
		Revenue Reserve		Capital Reserve		
		General reserve	Unappropriated profit / loss	Others*		
.....(Rupees in '000).....						
Balance as at December 1, 2019 (audited)	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 February 29, 2019 (unaudited)	<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>
Balance as at December 1, 2020 (audited)	142,161	905,270	(101,917)	27,965	831,318	973,479
Total comprehensive income for the period						
Profit for the period	-	-	44,792	-	44,792	44,792
Transactions with owners recognised directly in equity						
Share-based payments	-	-	-	537	537	537
Balance as at February 28, 2021 (unaudited)	<u>142,161</u>	<u>905,270</u>	<u>(57,125)</u>	<u>28,502</u>	<u>876,647</u>	<u>1,018,808</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


Tafazzul Khan
Chief Financial Officer

**Notes to the Condensed Interim
Financial Statements (Unaudited)
For the three months period ended February 28, 2021**

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

On March 11, 2020, the World Health Organization (WHO) declared the 2019 Novel Coronavirus (COVID-19) outbreak a pandemic which impacted countries globally including Pakistan. COVID-19 and resulting measures taken to control the spread of virus including travel bans, quarantines, social distancing and closures of non-essential services adversely impacted various businesses and enhanced volatility in the Pakistan Stock Exchange (PSX). From March 2020 onwards, the Company was conducting business with some modifications while following all necessary Standard Operating Procedures (SOPs). However, the operations of the Company were not significantly impacted due to COVID-19 and therefore it did not have any material effect on these financial statements.

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 2020.

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 2020.

4.2 Standards, interpretations and amendments to published approved accounting standards which became effective during the period:

There are new and amended standards and interpretations that are mandatory for accounting periods beginning on or after December 01, 2020, are considered not to be relevant or do not have any significant effect on the Company's condensed interim financial statements and are therefore not stated in these condensed interim financial statements.

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 2020.

	Note	February 28, 2021 (Unaudited)	November 30, 2020 (Audited)
(Rupees in '000)			
6. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment - at net book value	6.1	8,039	9,411
Capital work in progress - at cost		3,231	-
		11,270	9,411

6.1 There were no additions or disposals during the period and corresponding period last year.

7. DEFERRED TAXATION

7.1 The Company has not recognized deferred tax assets of Rs. 39.241 million (30 November 2020: Rs. 37.258 million) as sufficient tax profits may not be available to set these off in the foreseeable future.

	Note	February 28, 2021 (Unaudited)	November 30, 2020 (Audited)
(Rupees in '000)			
8. STOCK-IN-TRADE			
Raw and packing materials		5,643	7,810
Work-in-process		12,487	74,978
Finished goods	8.1	309,422	333,689
Stock-in-transit		13,102	-
		340,654	416,477
Less: Provision for slow moving and obsolete stocks	8.2	31,281	26,799
		309,373	389,678

8.1 Finished goods include items costing Rs. 2.836 million (30 November 2020: Rs. 3.211 million) which have been recognised at a net realisable value of Rs. 2.052 million (30 November 2020: Rs. 2.323 million).

8.2 During the period, provision of Rs. 4.482 million (30 November 2020: Rs. 5.395 million) has been recognized and stock-in-trade of Rs. Nil (30 November 2020: Rs. 6.098 million) has been written off from provision.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There is no change in the status of contingencies as disclosed under note 16 of the annual audited financial statements of the Company for the year ended November 30, 2020.

	February 28, 2021 (Unaudited)	November 30, 2020 (Audited)
9.2 Commitments	(Rupees in '000)	
Commitments for capital expenditures	<u>9,137</u>	<u>-</u>
10. OTHER INCOME		
<i>Income from financial assets</i>		
Profit on saving accounts and term deposits	12,396	30,818
<i>Income from non-financial assets</i>		
Net exchange gain	1,297	6,570
Liabilities no longer payable written back	-	443
Amortization income on employee loans	<u>1,137</u>	<u>-</u>
	<u>14,830</u>	<u>37,831</u>

		Three months period ended	
	Note	February 28, 2021	February 29, 2020
11. CASH GENERATED FROM / (USED IN) OPERATIONS		(Rupees in '000)	
Profit / (loss) after taxation for the period		44,792	(43,152)
Adjustments for non-cash charges and other items:			
Net increase in reserve for equity-settled share-based payment plans		537	519
Depreciation		1,372	1,825
Provision / (reversal) for slow moving and obsolete stock-in-trade		4,482	(319)
Profit on deposit accounts		(12,396)	(30,818)
Tax expense		19,664	7,824
Working capital changes	11.1	<u>132,163</u>	<u>(35,876)</u>
		<u>190,614</u>	<u>(99,997)</u>

Note	Three months period ended	
	February 28, 2021	February 29, 2020
	(Rupees in '000)	
11.1 Working capital changes		
(Increase) / decrease in current assets		
Stock-in-trade	75,823	73,452
Trade receivables	89	1,894
Loans and advances	210	45
Deposits, prepayments and other receivables	(1,008)	17,663
	<u>75,114</u>	<u>93,054</u>
(Decrease) / increase in current liabilities:		
Trade and other payables	57,049	(128,930)
	<u>132,163</u>	<u>(35,876)</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:

Transactions for the period	Three months period ended	
	February 28, 2021	February 29, 2020
	(Rupees in '000)	
Goods purchased from associated companies	106,022	161,930
Services from associated companies*	1,396	2,313
Services to associated companies	12,787	21,759
Contribution to retirement benefit scheme	8,436	2,373
Directors meeting fee and related expenses	525	1,237

* This amount includes allocation of remuneration of key management personnel of Rs. 0.572 million (2020: Rs. 0.884 million).

Balance receivable from / payable to associated companies


	February 28, 2021 (Unaudited)	November 30, 2020 (Audited)
	(Rupees in '000)	
Trade payable in respect of goods purchased from associated companies	66,166	-
Other receivables from associated companies	14,296	6,587
Receivable from retirement benefit scheme	5,399	6,839
Loan receivable from retirement benefit scheme	40,000	40,000
Payable to the retirement benefit scheme	99,651	98,960

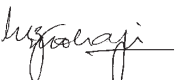
13. FINANCIAL ASSETS AND LIABILITIES

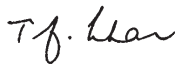
	February 28, 2021		
	Carrying Amount		
	Amortized cost	Financial liabilities	Total
	----- (Rupees in '000) -----		
Financial assets not measured at fair value			
Loans to employees	17,338	-	17,338
Long term deposit	145	-	145
Loans and advances	41,880	-	41,880
Deposits and other receivables	41,468	-	41,468
Interest accrued	4,075	-	4,075
Cash and bank balances	885,596	-	885,596
As at 28 February 2021	990,502	-	990,502
As at 30 November 2020	808,203	-	808,203
Financial liabilities not measured at fair value			
Trade and other payables	-	324,701	324,701
Unclaimed dividend	-	10,935	10,935
As at 28 February 2021	-	335,636	335,636
As at 30 November 2020	-	175,439	175,439

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on March 29, 2021 by the Board of Directors of the Company.


S. M. Wajeehuddin
Chief Executive


M. Z. Moin Mohajir
Director


Tafazzul Khan
Chief Financial Officer