

Wyeth

Leading the way to
a Healthier World

Condensed Interim
Financial Statements for the
six months period ended
May 31, 2017

WYETH PAKISTAN LIMITED

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Company Information

BOARD OF DIRECTORS

Iftikhar Soomro
Dr. Farid Khan
Husain Lawai
M.Z. Moin Mohajir
Badaruddin F. Vellani
Iqbal Bengali
S. M. Wajeehuddin

Chairman
Chief Executive

COMPANY SECRETARY

Kashif Shafi

AUDIT COMMITTEE

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

Chairman

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Badaruddin F. Vellani
Iftikhar Soomro
Dr. Farid Khan

Chairman

EXECUTIVE COMMITTEE

Dr. Farid Khan
S. M. Wajeehuddin

Chairman

SHARE TRANSFER COMMITTEE

Dr. Farid Khan
S. M. Wajeehuddin

Chairman

BANKERS

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

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

S-33, Hawkes Bay Road, S.I.T.E., Karachi.
Ph. # 92-21-32354651-61
Fax # 92-21-32331045

Website: www.wyethpakistan.com

Note: These accounts are also available on our website.

DIRECTORS' REVIEW

We are pleased to present the unaudited condensed interim financial information of your Company for the half-year ended May 31, 2017.

The first half year of 2017 was relatively better for business as compared to the same period last year. Although overall sales declined by 3%, the gross margin improved from 8.2% to 19.8% primarily due to a change in focus on key products and the impact of the price increase.

Operating expenses increased by 12%, mainly due to increase in advertising and sales promotion expenses and inflationary impact.

As a result of the above, the reported loss after tax of Rs. 42.8 million in the comparative period was converted into a profit of Rs. 77.7 million in this half-year ended May 31, 2017.


During the previous year, the Company initiated the process of selling the manufacturing facility located at Hawkesbay Road, S.I.T.E., Karachi, along with transfer of certain non-core products of the Company. In this regard, the Company has entered into the Assets Purchase Agreement with ICI Pakistan Limited recording terms and conditions of the proposed sale of assets by the seller and its acquisition by the purchaser. This transaction will be finalized after the shareholders' approval, which is sought at the Extra-ordinary General Meeting convened on August 4, 2017.

Further on June 19, 2017 the Company entered into an agreement with Siza (Private) Limited recording terms and conditions for the proposed sale of the Company's product "Anne French".

These transactions are expected to complete in the coming months. The outlook of the business remains positive for the remaining part of the year as well.

We are thankful to all colleagues for their commitment and passion to help achieve the Company's objectives during the period, and would like to place on record our appreciation for them.

By Order of the Board



Dr. Farid Khan
Chief Executive

Karachi: July 26, 2017

ڈائریکٹرز کا جائزہ

ہم بخوشی 31 مئی 2017 کو ختم ہونے والے سال کی ششماہی کیلئے آپ کی کمپنی کی غیر آڈٹ شدہ عبوری مالیاتی تفصیلات کا خلاصہ پیش کرتے ہیں۔

سال 2017 کی ششماہی گزشتہ سال اسی مدت کے مقابلے میں برنس کے حوالے سے قدرے بہتر رہی۔ اگرچہ مجموعی طور پر سٹاکز میں 3% تک کمی آئی، تاہم مجموعی منافع کی شرح 8.2% سے بڑھ کر 19.8% ہو گئی جس کی بنیادی وجہ ہم پروڈکٹس پر خصوصی توجہ اور قیمتوں میں اضافہ تھا۔ آپریٹنگ اخراجات میں 12% تک اضافہ کی وجہ ایڈورٹائزنگ اور سٹاکز پر موشن کے اخراجات میں اضافہ اور افراط زر ہے۔ مندرجہ بالا کے نتیجے میں، گزشتہ سال اسی مدت کا بیان کردہ نقصان بعد از ٹیکس 42.8 ملین روپے، 31 مئی 2017 کو ختم ہونے والی ششماہی میں 77.7 ملین روپے کے منافع میں تبدیل ہو گیا۔

گزشتہ سال کمپنی نے ہاکس بے روڈ، سائٹ کراچی پر واقع ایشیا، سازی کے پلانٹ کی فروخت کے ساتھ کمپنی کی کچھ غیر بنیادی پروڈکٹس کی منتقلی کے عمل کا آغاز کیا تھا۔ اس سلسلے میں کمپنی کا آئی سی آئی (ICI) پاکستان لمیٹڈ کے ساتھ اثاثہ جات کی خرید کا ایک معاہدہ طے پایا اور فروخت کنندہ کی جانب سے مجوزہ اثاثہ جات کی فروخت اور خریدار کی جانب سے حصول کی شرائط و ضوابط طے کی گئیں۔ یہ لین دین 14 اگست 2017 کو منعقد ہونے والے غیر معمولی اجلاس عام میں اس بابت شیئر ہولڈرز کی منظوری حاصل کرنے کے بعد مکمل ہو جائے گا۔

مزید برآں سیزا (پرائیویٹ) لمیٹڈ کے ساتھ کمپنی کا ایک معاہدہ طے پایا اور کمپنی کی مجوزہ پروڈکٹ "این فرنچ" کی فروخت کیلئے شرائط و ضوابط کو دستاویزی شکل دی گئی۔

لین دین کے یہ معاملات آنے والے ماہ میں مکمل ہونے کی توقع ہے۔ سال کی بقیہ مدت میں بھی برنس کے مثبت امکانات روشن نظر آتے ہیں۔ دوران مدت کمپنی کے اہداف کے حصول میں بھرپور لگن اور جوش و جذبے سے معاونت کرنے پر ہم اپنے رفقاء کے شکرگزار ہیں اور انہیں بے حد سراہتے ہیں۔

بحکم پورڈ

Fauz Khan

ڈائریکٹر فیضان

چیف ایگزیکٹو

کراچی: 26 جولائی 2017



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Karachi, 75530 Pakistan

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Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Wyeth Pakistan Limited** ("the Company") as at May 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after-referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

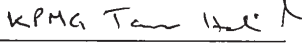
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended May 31, 2017 have not been reviewed and we do not express a conclusion on them.

Date: 26 July 2017

Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Iftikhar Anjum

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Condensed Interim Balance Sheet As at May 31, 2017

	Note	May 31, 2017 (Unaudited)	November 30, 2016 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	13,177	16,900
Long-term loans to employees		5,213	4,552
Long-term deposits		5,412	5,412
Deferred taxation		25,964	19,359
Total non-current assets		49,766	46,223
CURRENT ASSETS			
Stock-in-trade		582,580	906,617
Trade debts		99,304	34,470
Loans and advances		34,089	37,006
Deposits, prepayments and other receivables		89,695	73,891
Interest accrued		253	399
Taxation - net		245,053	241,791
Cash and bank balances		100,771	10,549
		1,151,745	1,304,723
Assets held for sale	6	537,004	618,974
Total current assets		1,688,749	1,923,697
Total assets		1,738,515	1,969,920
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		953,312	952,601
Unappropriated profit		157,712	129,764
Total equity		1,253,185	1,224,526
CURRENT LIABILITIES			
Trade and other payables		485,330	745,394
Total equity and liabilities		1,738,515	1,969,920
CONTINGENCIES AND COMMITMENTS 7			

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.

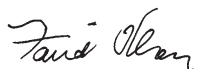

Dr. Farid Khan
Chief Executive


M.Z. Moin Mohajir
Director

**Condensed Interim Profit and Loss Account (Unaudited)
For the six months period ended May 31, 2017**

Note	For the six months period ended		For the three months period ended	
	May 31, 2017	May 31, 2016	May 31, 2017	May 31, 2016
----- (Rupees in '000) -----				
CONTINUING OPERATIONS				
Net sales	684,401	584,986	389,723	313,126
Cost of sales	(551,980)	(510,042)	(306,248)	(279,137)
Gross profit	132,421	74,944	83,475	33,989
Selling, marketing and distribution expenses	(85,613)	(73,429)	(54,728)	(40,310)
Administrative expenses	(52,703)	(39,791)	(14,298)	(8,834)
	(138,316)	(113,220)	(69,026)	(49,144)
	(5,895)	(38,276)	14,449	(15,155)
Other income	11,700	9,578	8,970	5,816
Other expenses	(462)	(477)	(462)	(309)
Finance cost	(488)	(319)	(308)	(235)
	10,750	8,782	8,200	5,272
Profit / (loss) before taxation	4,855	(29,494)	22,649	(9,883)
Taxation - current	7,971	19,434	(188)	17,652
- deferred	(6,606)	(2,400)	(2,397)	649
	1,365	17,034	(2,585)	18,301
Profit / (loss) after tax from continuing operations	3,490	(46,528)	25,234	(28,184)
DISCONTINUED OPERATIONS				
Profit / (loss) from discontinued operations - net of tax	74,215	3,742	40,721	(3,182)
Profit / (loss) for the period	77,705	(42,786)	65,955	(31,366)
----- (Rupees) -----				
Earnings / (loss) per share - basic and diluted	54.65	(30.10)	46.39	(22.06)
Earnings / (loss) per share - basic and diluted - continuing operations	2.45	(32.73)	17.75	(19.83)

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.


Dr. Farid Khan
Chief Executive


M.Z. Moin Mhajer
Director

**Condensed Interim Statement
of Comprehensive Income (Unaudited)
For the six months period ended May 31, 2017**

	<u>For the six months period ended</u>		<u>For the three months period ended</u>	
	<u>May 31, 2017</u>	<u>May 31, 2016</u>	<u>May 31, 2017</u>	<u>May 31, 2016</u>
	----- (Rupees in '000) -----			
Profit / (loss) for the period	77,705	(42,786)	65,955	(31,366)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>77,705</u>	<u>(42,786)</u>	<u>65,955</u>	<u>(31,366)</u>

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.



Dr. Farid Khan
Chief Executive


M.Z. Moin Mohajir
Director

**Condensed Interim
Cash Flow Statement (Unaudited)
For the six months period ended May 31, 2017**

	Note	For the six months period ended	
		May 31, 2017	May 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in '000)			
Cash generated from / (used in) operations	11	182,869	(45,804)
Profit received on deposit accounts		1,209	3,291
Increase in long-term loans to employees		(661)	(3,377)
Increase in long-term deposits		-	(245)
Taxes paid		(43,038)	(57,354)
Net cash inflow / (outflow) from operating activities		140,379	(103,489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,622)	(6,848)
Proceeds from disposal of property, plant and equipment		727	3,255
Net cash outflow from investing activities		(895)	(3,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities - Dividends paid		(49,262)	(28,471)
Net increase / (decrease) in cash and cash equivalents		90,222	(135,553)
Cash and cash equivalents at beginning of the period		10,549	230,124
Cash and cash equivalents at end of the period		100,771	94,571

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.


Dr. Farid Khan
Chief Executive



M.Z. Moin Mohajir
Director

Condensed Interim Statement of Changes in Equity (Unaudited) For the six months period ended May 31, 2017

	Issued, subscribed and paid- up capital	Reserves			Unappropri- ated profit/ (loss)	Total
		General reserve	* Others	Sub total		
(Rupees in '000)						
Balance as at December 1, 2015	142,161	931,753	19,426	951,179	47,422	1,140,762
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(42,786)	(42,786)
Transactions with owners recognised directly in equity						
Final dividend for the year ended November 30, 2015 at Rs. 20 per share	-	-	-	-	(28,432)	(28,432)
Share-based payments	-	-	706	706	-	706
	-	-	706	706	(28,432)	(27,726)
Balance as at May 31, 2016	<u>142,161</u>	<u>931,753</u>	<u>20,132</u>	<u>951,885</u>	<u>(23,796)</u>	<u>1,070,250</u>
Balance as at December 1, 2016	142,161	931,753	20,848	952,601	129,764	1,224,526
Total comprehensive income for the period						
Profit for the period	-	-	-	-	77,705	77,705
Transactions with owners recognised directly in equity						
Final dividend for the year ended November 30, 2016 at Rs. 35 per share	-	-	-	-	(49,757)	(49,757)
Share-based payments	-	-	711	711	-	711
	-	-	711	711	(49,757)	(49,046)
Balance as at May 31, 2017	<u>142,161</u>	<u>931,753</u>	<u>21,559</u>	<u>953,312</u>	<u>157,712</u>	<u>1,253,185</u>

* Others represent reserve for share based payment plan.

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.


Dr. Farid Khan
Chief Executive


M.Z. Moin Mohajir
Director

**Notes to the Condensed Interim
Financial Information (Unaudited)
For the six months period ended May 31, 2017**

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 S-33, Hawkes Bay Road, S.I.T.E., Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange and is engaged in manufacturing, 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

This condensed interim financial information of the Company for the six months period ended May 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Companies Operations and has also enhanced the definition of related parties.

The condensed interim financial information does not include information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended November 30, 2016.

The condensed interim financial information is presented in Pakistan Rupee which is the functional currency of the Company and rounded off to the nearest thousand except as stated otherwise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Company for the year ended November 30, 2016.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of the condensed interim financial information 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 information, 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, 2016. 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, 2016.

	May 31, 2017 (Unaudited)	November 30, 2016 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT	(Rupees in '000)	
Operating property, plant and equipment - at net book value	13,177	16,760
Capital work in progress - at cost	-	140
	<u>13,177</u>	<u>16,900</u>

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

	Six months period ended	
	May 31, 2017	May 31, 2016
	(Rupees in '000)	
Additions:		
Vehicles	1,129	5,428
Office equipment	954	-
	<u>2,083</u>	<u>5,428</u>
Disposal of vehicles [having a net book value of Rs. 0.237 million (2016: Rs. 1.853 million)]	1,950	6,372
Write off of assets [having a net book value of Rs. Nil (2016: Rs. Nil)]	-	1,893

6. ASSETS HELD FOR SALE

6.1 During previous year, the Company initiated the process of selling the manufacturing facility located at Hawkesbay Road, S.I.T.E., Karachi along with transfer of certain non-core products of both the Company and its associate Pfizer Pakistan Limited. In this regard on May 19, 2017, the Company, Wyeth LLC, Pfizer Pakistan Limited, Pfizer Inc. and ICI Pakistan Limited have entered into the Asset Purchase Agreements recording terms and conditions of the proposed sale of assets by the Sellers and its acquisition by the Purchaser at an agreed purchase price of Rs. 1.68 billion attributable to the Company.

Further on June 19, 2017, the Company has entered into an agreement with Siza (Private) Limited recording terms and conditions for the proposed sale of Company's product "Anne French" at an aggregate purchase price of Rs. 165 million.

As a result of above, the assets related to above transactions have been classified as assets held for sale.

6.2 The fair value less cost to sell of the assets classified as held for sale is higher than the carrying amount, hence no impairment loss has been recognised. The carrying amount of these assets is as follows:

	May 31, 2017 (Unaudited)	November 30, 2016 (Audited)
	(Rupees in '000)	
Operating property, plant and equipment	191,161	191,161
Capital work-in-progress	146,424	146,745
Long-term deposits	5,717	5,717
Stores and spares	25,976	35,006
Stock-in-trade	167,726	240,345
	537,004	618,974

6.3 There is no income or expense included in other comprehensive income relating to this disposal group.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no change in the status of contingencies as disclosed under note 16 of the annual financial statements of the Company for the year ended November 30, 2016.

	May 31, 2017 (Unaudited)	November 30, 2016 (Audited)
	(Rupees in '000)	
7.2 Commitments		
Commitments for capital expenditure	1,340	360
Guarantees and indemnity bonds for imported raw materials and other guarantees	6,061	5,403
Outstanding letters of credit	3,568	55,288

	May 31, 2017	May 31, 2016
	(Rupees in '000)	
8. OTHER INCOME		
<i>Income from financial assets</i>		
Profit on saving accounts and term deposits	1,063	2,588
<i>Income from non-financial assets</i>		
Gain on disposal of property, plant and equipment - net	490	1,402
Exchange gain	1,862	-
Liabilities no longer payable written back	7,621	3,784
Export rebate claim & recovery of export freights	664	1,804
	11,700	9,578

9. TAXATION

Finance Act, 2015 has introduced a new tax under the section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or a Modaraba, that derives profits for a tax year but does not distribute cash dividend within six months of the end of the said tax year (requisite time) or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital. Such company is liable to pay tax at the rate of ten percent on undistributed reserves that exceed hundred percent of its paid up capital. The said provision shall not apply to public company which distributes profit equal to either forty percent of its after tax profits or fifty percent of its paid up capital, whichever is less, within six months of the end of the tax year.

The Company's undistributed reserves are in excess of its paid up capital. However, no provision has been made for tax on undistributed reserves as the Company intends to distribute sufficient cash dividend for the year ending November 30, 2017, so that such tax is not required to be paid.

Subsequent to year end, Section 5A of the Income Tax Ordinance was amended through Finance Act 2017. The amended Section 5A requires that if a public company other than a scheduled bank or a modaraba that derives profit for a tax year but does not distribute atleast 40% of its profit for the year in the form of cash dividend or bonus shares within six months of the end of the said tax year is liable to pay tax at the rate of seven and half percent on accounting profit before tax.

10. DISCONTINUED OPERATIONS

The revenues and related expenses related to manufacturing plant, Anne French and non-core products which are part of disposal group are as follows:

	Note	Six months period ended	
		May 31, 2017	May 31, 2016
		(Rupees in '000)	
Results of discontinued operations			
Net sales		590,435	727,942
Expenses		484,414	722,519
Results from operating activities		106,021	5,423
Taxation		31,806	1,681
Profit from discontinued operations - net of tax		74,215	3,742
		(Rupees)	
Earning per share - basic and diluted		52.20	2.63
10.1 Cash flows from discontinued operations			
Net cash generated from operating activities		208,657	9,026
11. CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit / (loss) before taxation		110,875	(24,071)
Adjustments for non-cash charges and other items:			
Net increase in reserve for equity-settled share-based payment plans		711	706
Depreciation		5,431	19,434
Provision for slow moving and obsolete stock - net		32,444	12,781
Gain on disposal of property, plant and equipment		(490)	(1,402)
Reversal of provision for doubtful debts		(18,199)	-
Profit on deposit accounts		(1,063)	(2,587)
Working capital changes	11.1	53,160	(50,665)
		182,869	(45,804)

	<u>Six months period ended</u>	
	<u>May 31, 2017</u>	<u>May 31, 2016</u>
	(Rupees in '000)	
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Spares	9,030	(2,391)
Stock-in-trade	364,212	(91,310)
Trade debts	(46,636)	14,707
Loans and advances	2,916	(9,897)
Deposits, prepayments and other receivables	(15,804)	(6,850)
	<u>313,718</u>	<u>(95,741)</u>
(Increase) / decrease in current liabilities:		
Trade and other payables	(260,558)	45,076
	<u>53,160</u>	<u>(50,665)</u>

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company (Pfizer Inc., USA), related group companies, staff retirement benefit 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:

	<u>Six months period ended</u>	
	<u>May 31, 2017</u>	<u>May 31, 2016</u>
	(Rupees in '000)	
Transactions for the period		
Sale of goods to associated companies	<u>109,005</u>	<u>42,713</u>
Transfer of inventory to associated companies	<u>-</u>	<u>43</u>
Goods purchased from associated companies	<u>182,070</u>	<u>317,578</u>
Transfer of inventory from associated companies	<u>-</u>	<u>386</u>
Services from associated companies	<u>19,962</u>	<u>17,077</u>
Services to associated companies	<u>29,851</u>	<u>23,622</u>
Dividend to parent company	<u>35,876</u>	<u>20,501</u>
Contribution to the retirement benefit scheme	<u>14,879</u>	<u>20,805</u>
Legal and professional charges	<u>370</u>	<u>363</u>

	May 31, 2017 (Unaudited)	November 30, 2016 (Audited)
(Rupees in '000)		
Balance receivable from / payable to associated companies		
Trade receivables in respect of sale of goods to associated companies	59,280	34,470
Trade payable in respect of purchase / transfer of goods from associated companies	22,382	312,292
Other receivables from associated companies	7,452	8,987

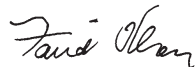
13. FINANCIAL ASSETS AND LIABILITIES

	May 31, 2017			
	Carrying Amount			
	Loans and receivables	Other financial assets	Financial liabilities	Total
----- (Rupees in '000) -----				
Financial assets not measured at fair value				
Long-term loans to employees	5,213	-	-	5,213
Trade debts	99,304	-	-	99,304
Loans and advances	34,089	-	-	34,089
Other receivables	57,674	-	-	57,674
Interest accrued	253	-	-	253
Cash and bank balances	-	100,771	-	100,771
Financial liabilities not measured at fair value				
Trade and other payables	-	-	377,942	377,942
	November 30, 2016			
	Carrying Amount			
	Loans and receivables	Other financial assets	Financial liabilities	Total
----- (Rupees in '000) -----				
Financial assets not measured at fair value				
Long-term loans to employees	4,552	-	-	4,552
Trade debts	34,470	-	-	34,470
Loans and advances	37,006	-	-	37,006
Other receivables	53,497	-	-	53,497
Interest accrued	399	-	-	399
Cash and bank balances	-	10,549	-	10,549
Financial liabilities not measured at fair value				
Trade and other payables	-	-	719,895	719,895

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

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors meeting held on July 26, 2017.


Dr. Farid Khan
Chief Executive


M.Z. Moin Mohajir
Director

