



Conquering the uncharted

Un-Audited Financial Statements for the  
First Quarter Ended March 31, 2023

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Ehsan Ali Malik (Chairman) (Independent Director)  
Syed Anis Ahmed (Chief Executive Officer)  
Celestino Jacinto Dos Anjos (Non-Executive Director)  
Ayla Majid (Independent Director)  
Mohsin Ali Nathani (Independent Director)  
Muhammad Anjum Latif Rana (Non-Executive Director)  
Seema Khan (Executive Director)

## AUDIT COMMITTEE

Mohsin Ali Nathani (Chairman)  
Ayla Majid  
Muhammad Anjum Latif Rana

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mohsin Ali Nathani (Chairman)  
Ehsan Ali Malik  
Syed Anis Ahmed

## RISK MANAGEMENT COMMITTEE

Ayla Majid (Chairperson)  
Syed Anis Ahmed  
Muhammad Anjum Latif Rana  
Seema Khan  
Celestino Jacinto Dos Anjos

## SHARE TRANSFER COMMITTEE

Syed Anis Ahmed (Chairman)  
Muhammad Anjum Latif Rana  
Seema Khan

## BANKING COMMITTEE

Mohsin Ali Nathani (Chairman)  
Syed Anis Ahmed  
Seema Khan  
Celestino Jacinto Dos Anjos

## NOMINATION COMMITTEE

Ehsan Ali Malik (Chairman)  
Mohsin Ali Nathani  
Syed Anis Ahmed

## CHIEF FINANCIAL OFFICER

Syed Tabish Aseem

## COMPANY SECRETARY

Muhammad Usama Jamil

## CHIEF INTERNAL AUDITOR

Fahad Rehman

## AUDITORS

EY Ford Rhodes, Chartered Accountants  
(a member firm of Ernst & Young Global Limited)

## LEGAL ADVISORS

Orr, Dignam & Co.  
SurrIDGE & BeechENO

## BANKERS

Standard Chartered Bank (Pakistan) Limited  
Deutsche Bank AG  
Habib Bank Limited

National Bank of Pakistan  
MCB Bank Limited  
Faysal Bank Limited  
Habib Metropolitan Bank

## SENIOR MANAGEMENT TEAM

Syed Anis Ahmed  
(Chief Executive Officer)  
Syed Tabish Aseem  
(Chief Financial Officer)  
Shumaila Amir  
(Director Operations)  
Asim Shafiq  
(General Manager, Abbott Nutrition International Pakistan)  
Saad Siddique  
(Country Manager, Abbott Diagnostics Division Pakistan)  
Dr. Shaikh Adnan Lateef  
(Head of Abbott Diabetes Care Pakistan)  
Asghar Huda  
(Director Human Resource)

## SHARE REGISTRAR

FAMCO Associates (Pvt) Limited,  
8-F, Next to Hotel Faran, Nursery Block 6,  
P.E.C.H.S, Shahrah-e-Faisal, Karachi.

## FACTORY LOCATIONS

Plot No. 258 & 324, Opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi.

Plot No. 13, Sector 20,  
Korangi Industrial Area, Karachi.

## CITY OFFICE

8th Floor, Faysal House,  
St-02, Shahrah-e-Faisal, Karachi.

## SALES OFFICES

House No. 25/III/B, Jamrud Lane,  
University Town, Peshawar, Pakistan.

House No. 187, Aurangzeb Block,  
Near Garden Town, Lahore, Pakistan.

House No. 168-F, Adamjee Road,  
Near Panj Sarki Chowk,  
Rawalpindi Cantt, Pakistan.

## WAREHOUSES

Plot No. 136, Street # 9, Sector 1-10/3,  
Industrial Area, Islamabad.

16 KM Shahpur Kanjran,  
Multan Road, Lahore.

Hasanabad Gate # 2,  
Near Pak Arab Fertilizers,  
Khanewal Road, Multan.

## WEBSITE

[www.pk.abbott](http://www.pk.abbott)

## DIRECTORS' REPORT

The Directors' of your Company are pleased to present the un-audited condensed interim financial statements of your Company, for the first quarter ended March 31, 2023.

### FINANCIAL HIGHLIGHTS

Overall sales for the quarter increased by 17% over the same period last year. Pharmaceutical sales increased by 27% driven by sustained performance of established brands and export sales, while Nutritional sales decreased by 1% on account of lower volumes following price adjustment taken in Q1-2023.

Gross profit margin of your Company over this period was 23% vs 35% during the same period last year. This was mainly due to the impact of devaluation and inflation, which was not compensated by adequate inflationary price adjustments. Gross margin for the pharmaceutical segment declined to 25% from 34%, whereas the gross margin for Nutritional segment declined to 21% from 40%.

Selling and distribution expenses increased by 14% against the same period last year in line with sales growth. Administrative expenses increased by 21% mainly due to inflation.

Other charges showed an increase of 480% mainly on account of exchange losses due to devaluation of Pakistani Rupee. Net loss for the period was Rs. 219.5 million.

### FUTURE OUTLOOK

The pharmaceutical industry continues to face challenges of cost escalation caused by the devaluation of our rupee. In this scenario, adequate inflationary price adjustments are extremely critical for business sustainability and availability of many life-saving and essential medicines for the patients. As a long-term measure, the Authority may consider introducing automatic mechanism and policy to offset the impact of devaluation.

Notwithstanding, your Company remains cognizant of the challenges and would continue to make all efforts to mitigate adverse impact through productivity and cost containment initiatives.



**Syed Anis Ahmed**  
Chief Executive



**Ehsan Ali Malik**  
Director

April 26<sup>th</sup>, 2023

## ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ عبوری مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مالی جھلکیاں

مجموعی سیلز پچھلے سال کی اسی مدت کے مقابلے میں 17 فیصد بڑھی۔ فارماسیوٹیکل کی سیلز میں 27 فیصد اضافہ ہوا جس کی وجہ سے پختہ گام برانڈز کی مسلسل کارکردگی اور برآمد کی فروخت ہے۔ جبکہ نیوٹریشل (غذائی مصنوعات) کی فروخت میں 2023-Q1 میں قیمت کی ایڈجسٹمنٹ کے بعد کم والیوم کی وجہ سے 1 فیصد کمی ہوئی۔

آپ کی کمپنی کے (Gross profit margin) خام منافع کی شرح اس مدت میں گزشتہ سال اسی عرصے کے دوران 35 فیصد کے مقابلے میں 23 فیصد رہا۔ جس کی بنیادی وجہ پاکستانی روپے کی قدر میں کمی اور خام مال کی قیمت میں اضافہ تھا جس کی تلافی مہنگائی کی مناسبت سے قیمتوں میں ایڈجسٹمنٹ سے نہیں کی گئی۔ فارماسیوٹیکل کی مجموعی منافع کی شرح 34 فیصد سے کم ہو کر 25 فیصد ہو گئی جبکہ نیوٹریشل کی مجموعی منافع کی شرح 40 فیصد سے کم ہو کر 21 فیصد ہو گئی۔

فروخت اور تقسیم کے اخراجات میں پچھلے سال کی اسی مدت کے مقابلے میں فروخت میں اضافے کی وجہ سے 14 فیصد اضافہ ہوا۔ انتظامی اخراجات میں 21 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر ہے۔

دیگر چارجز میں 480 فیصد کا اضافہ دیکھا گیا جس میں بنیادی طور پر پاکستانی روپے کی قدر میں کمی کی وجہ سے ہونے والے زر مبادلہ کے نقصانات تھے۔ اس مدت کے لیے خالص نقصان 219.5 ملین روپے تھا۔

### مستقبل کا منظر نامہ

فارماسیوٹیکل کی صنعت کو پاکستانی روپے کی قدر میں کمی کی وجہ سے اخراجات میں اضافے کا سامنا کرنا پڑ رہا ہے۔ اس صورت حال میں، کاروبار کو جاری رکھنے کے لیے اور مرلیضوں کے لیے بہت سی زندگی بچانے والی اور ضروری ادویات کی دستیابی کو یقینی بنانے کے لیے مہنگائی کی مناسبت سے قیمتوں میں ایڈجسٹمنٹ انتہائی اہم ہے۔ ایک طویل مدتی اقدام کے طور پر، تھارٹی قدر میں کمی کے اثرات کو دور کرنے کے لیے خودکار طریقہ کار اور پالیسی متعارف کرانے پر غور کر سکتی ہے۔

اس کے باوجود آپ کی کمپنی درپیش دشواریوں سے آگاہ ہے اور پیداواری صلاحیت اور لاگت پر قابو پانے کے اقدامات کے ذریعے منفی اثرات کو کم کرنے کی تمام کوششیں جاری رکھے گی۔



ڈائریکٹر



چیف ایگزیکٹو

کراچی: 26 اپریل 2023ء

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As At March 31, 2023

		March 31, 2023	December 31, 2022
	Note	----- Rupees in '000 -----	
		(Un-audited)	(Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	12,277,951	11,989,333
Intangible assets		22,838	26,904
Long-term loans and advances		80,796	66,509
Long-term deposits		7,513	7,513
Long-term prepayments		1,568	646
<b>Total Non-current Assets</b>		<b>12,390,666</b>	<b>12,090,905</b>
<b>CURRENT ASSETS</b>			
Stores and spares		398,587	340,748
Stock-in-trade	7	10,748,031	8,515,228
Trade debts		1,662,425	1,276,655
Loans and advances	8	663,262	533,859
Trade deposits and short-term prepayments	9	1,180,824	910,115
Other receivables		1,746,176	1,432,351
Taxation - net		553,742	23,826
Short-term investments	10	499,143	830,079
Cash and bank balances	11	6,697,315	7,966,029
<b>Total Current Assets</b>		<b>24,149,505</b>	<b>21,828,890</b>
<b>TOTAL ASSETS</b>		<b>36,540,171</b>	<b>33,919,795</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
200,000,000 ordinary shares of Rs.10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	12	979,003	979,003
Reserves			
- Capital		1,126,262	1,058,639
- Revenue		14,848,866	15,068,387
		15,975,128	16,127,026
<b>Total Equity</b>		<b>16,954,131</b>	<b>17,106,029</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation		362,746	499,662
Staff retirement benefits		1,618,171	1,579,752
Long-term lease liabilities	13	132,110	127,076
<b>Total Non-current Liabilities</b>		<b>2,113,027</b>	<b>2,206,490</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	14,730,962	11,866,573
Current maturity of lease liabilities	13	122,684	120,211
Unclaimed dividends		65,294	66,419
Unpaid dividend	15	2,402,173	2,402,173
Provision against GIDC		151,900	151,900
<b>Total Current Liabilities</b>		<b>17,473,013</b>	<b>14,607,276</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,540,171</b>	<b>33,919,795</b>

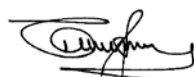
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the Three Months Ended March 31, 2023

	Jan - Mar 2023	Jan - Mar 2022
Note	Rupees in '000	
<b>SALES - NET</b>		
Local	13,049,014	11,523,112
Export	756,904	248,047
	13,805,918	11,771,159
Cost of sales	(10,598,608)	(7,690,003)
<b>GROSS PROFIT</b>	3,207,310	4,081,156
Selling and distribution expenses	(2,061,812)	(1,816,155)
Administrative expenses	(251,939)	(207,578)
Other charges	(1,473,937)	(253,956)
Other income	837,514	225,333
	(2,950,174)	(2,052,356)
	257,136	2,028,800
Finance costs	(9,066)	(14,946)
<b>PROFIT BEFORE TAXATION</b>	248,070	2,013,854
<b>TAXATION</b>		
- Current	(604,507)	(575,397)
- Deferred	136,916	3,322
	(467,591)	(572,075)
<b>NET (LOSS) / PROFIT FOR THE PERIOD</b>	(219,521)	1,441,779
<b>BASIC AND DILUTED EARNINGS PER SHARE (Rs. per share)</b>	(2.24)	14.73

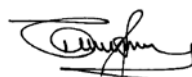
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CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Three Months Ended March 31, 2023

	Jan - Mar 2023	Jan - Mar 2022
----- Rupees in ' 000 -----		
(Loss) / Profit for the period	(219,521)	1,441,779
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	<u>(219,521)</u>	<u>1,441,779</u>

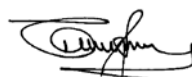
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CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)**

For the Three Months Ended March 31, 2023

	March 31, 2023	March 31, 2022
Note	---- Rupees in '000 ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	21,542	1,808,850
Income taxes paid	(1,134,423)	(558,528)
Long-term loans and advances - net	(14,287)	3,808
Long-term prepayments - net	(922)	(70)
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(1,128,090)</b>	<b>1,254,060</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(689,057)	(658,010)
Investments in term deposit receipts	-	(1,000,000)
Sale proceeds from disposal of property, plant and equipment	29,929	16,154
Interest income received	190,388	108,500
<b>Net cash outflow from investing activities</b>	<b>(468,740)</b>	<b>(1,533,356)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid	(1,559)	(9,509)
Dividends paid	(1,125)	(873)
<b>Net cash outflow from financing activities</b>	<b>(2,684)</b>	<b>(10,382)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,599,514)</b>	<b>(289,678)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>8,791,829</b>	<b>6,619,347</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>7,192,315</b>	<b>6,329,669</b>

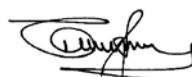
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CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the Three Months Ended March 31, 2023

Share Capital	Reserves					Total	Total Equity
	Capital Reserves		Revenue Reserves				
	Reserve Arising on Merger	Other	General Reserve	Un-appropriated Profit			
----- Rupees in '000 -----							
Balance as at January 1, 2022 (Audited)	979,003	46,097	846,048	5,338,422	10,145,068	16,375,635	17,354,638
Transactions with owners, recorded directly in equity							
Final dividend for the year ended December 31, 2021 @ Rs. 20.0 per share declared subsequent to the year end	-	-	-	-	(1,958,006)	(1,958,006)	(1,958,006)
Employee benefit cost under IFRS 2- 'Share based payments'	-	-	37,162	-	-	37,162	37,162
Total comprehensive income for the period ended March 31, 2022							
Net profit for the period	-	-	-	-	1,441,779	1,441,779	1,441,779
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	1,441,779	1,441,779	1,441,779
Balance as at March 31, 2022 (Un-audited)	979,003	46,097	883,210	5,338,422	9,628,841	15,896,570	16,875,573
Balance as at January 01, 2023 (Audited)	979,003	46,097	1,012,542	5,338,422	9,729,965	16,127,026	17,106,029
Transactions with owners, recorded directly in equity							
Employee benefit cost under IFRS 2- 'Share based payments'	-	-	67,623	-	-	67,623	67,623
Total comprehensive income for the period ended March 31, 2023							
Net loss for the period	-	-	-	-	(219,521)	(219,521)	(219,521)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	(219,521)	(219,521)	(219,521)
Balance as at March 31, 2023 (Un-audited)	979,003	46,097	1,080,165	5,338,422	9,510,444	15,975,128	16,954,131

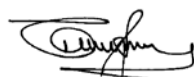
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CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

### 1. THE COMPANY AND ITS OPERATIONS

Abbott Laboratories (Pakistan) Limited (the Company) is a public limited Company incorporated in Pakistan on July 02, 1948, and its shares are quoted on Pakistan Stock Exchange. The address of its registered office is Plot No. 258 & 324, opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi. The Company is principally engaged in the manufacture, import and marketing of branded generic pharmaceutical, nutritional, diagnostic, diabetes care, molecular devices, hospital and consumer products.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022.

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2022, except for the adoption of new standards, amendments and improvements to International Financial Reporting Standards (IFRSs) as disclosed in note 4.

### 4. NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

There are no amendments, interpretations or improvements to International Financial Reporting Standards (IFRSs) which became effective during the current period except for:

- IAS 8 - Definition of Accounting Estimates (Amendments)
- IAS 12 - Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)
- IAS 1 - Disclosure of Accounting Policies (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on these condensed interim financial statements.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

### 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2022.

Note	March 31, 2023	December 31, 2022
	--- Rupees in '000 ---	
	(Un-audited)	(Audited)

### 6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1 & 6.2	10,010,062	9,895,494
Capital work-in-progress	6.1	2,055,712	1,859,957
Right-of-use assets [ROUA]	6.3	212,177	233,882
		<u>12,277,951</u>	<u>11,989,333</u>

6.1 Following were the additions, disposals and transfers of operating fixed assets and capital work-in-progress during the period:

	Additions		Disposals	
	Cost	Cost	Accumulated Depreciation	
	----- Rupees in '000 -----			
Plant and Machinery	30,691	18,367	16,654	
Vehicles	38,675	32,102	16,226	
Office Equipment	-	1,067	1,013	
Service equipment	423,936	52,940	52,940	
Capital work-in-progress - net additions	195,755	-	-	
	<u>689,057</u>	<u>104,476</u>	<u>86,833</u>	

6.2 Depreciation charge for the period ended March 31, 2023 amounted to Rs. 361.091 million (March 31, 2022: Rs. 307.454 million).

### 6.3 Right-of-use assets

Note	March 31, 2023	December 31, 2022
	--- Rupees in '000 ---	
	(Un-audited)	(Audited)
Warehouses, sales offices and city office	212,177	233,882
6.3.1	<u>212,177</u>	<u>233,882</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

6.3.1 Depreciation charge on right-of-use assets for the period ended March 31, 2023 amounted to Rs. 21.705 million (March 31, 2022: Rs. 20.245 million).

### 7. STOCK-IN-TRADE

	March 31, 2023	December 31, 2022
	--- Rupees in '000 ---	
	(Un-audited)	(Audited)
Raw and packing materials	4,828,243	3,179,141
Work-in-process	723,863	734,837
Finished goods	5,548,952	4,829,042
	11,101,058	8,743,020
Less: provision for slow moving and obsolete items	(353,027)	(227,792)
	10,748,031	8,515,228

### 8. LOANS AND ADVANCES

Represents loans and advances amounted to Rs. 38.257 million and Rs. 625.005 million (December 31, 2022: Rs. 32.914 million and Rs. 500.945 million), respectively, net of allowance.

### 9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Represents trade deposits and short-term prepayments amounted to Rs. 758.706 million and Rs. 422.118 million (December 31, 2022: Rs. 647.920 million and Rs. 262.195 million), respectively, net of allowance.

	March 31, 2023	December 31, 2022
	--- Rupees in '000 ---	
	(Un-audited)	(Audited)
Note		

### 10. SHORT-TERM INVESTMENTS

#### At amortised cost

Term deposit receipts	10.1	495,000	825,800
Accrued profit thereon		4,143	4,279
		499,143	830,079
10.1 Term deposit receipts			
Having less than three months maturity period		495,000	825,800
Having more than three months maturity period		-	-
10.1.1		495,000	825,800
10.1.1 Represents term deposit receipts up to maturity of less than six months with a commercial bank under conventional banking relationship carrying profit at the rate of 18.5% (December 31, 2022: 15.25%) per annum.			

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

		March 31, 2023	December 31, 2022
	Note	---- Rupees in '000 ----	
		(Un-audited)	(Audited)
<b>11. CASH AND BANK BALANCES</b>			
<b>With banks</b>			
Saving accounts:			
- local currency	11.1	5,352,656	6,947,311
Current accounts:			
- local currency		45,120	5,700
- foreign currency		1,292,634	1,008,460
		1,337,754	1,014,160
<b>In hand</b>			
- local currency		2,285	3,710
- foreign currency		4,620	848
		6,905	4,558
		<u>6,697,315</u>	<u>7,966,029</u>

11.1 These saving accounts carrying mark-up at the rate of 15.5% (December 31, 2022: 14.50%) per annum.

### 12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at March 31, 2023, Abbott Asia Investments Limited, UK (the Holding Company) held 76,259,454 (December 31, 2022: 76,259,454) shares. The ultimate Holding Company is Abbott Laboratories, USA.

### 13. LEASE LIABILITIES

Following is the maturity analysis of lease liabilities recognised by the Company:

		March 31, 2023	December 31, 2022
	Note	---- Rupees in '000 ----	
		(Un-audited)	(Audited)
Not later than one year		122,684	120,211
Later than one year but not later than five years		132,110	127,076
	13.1	<u>254,794</u>	<u>247,287</u>
<b>13.1 Movement of lease liabilities</b>			
Balance at beginning of the period / year		247,287	227,686
Additions		-	96,495
Accretion of interest		7,507	25,412
Payments		-	(102,306)
Balance at end of the period / year		<u>254,794</u>	<u>247,287</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

### 14. TRADE AND OTHER PAYABLES

Includes accrued liabilities amounted to Rs. 4,360.212 million (December 31, 2022: Rs. 3,921.977 million) and bills payable of Rs. 7,413.816 million (December 31, 2022: Rs. 4,905.046 million).

### 15. UNPAID DIVIDENDS

Represents amounts payable to Abbott Asia Investments Limited (the Holding Company) on account of final dividend for the year ended December 31, 2021 and interim dividend for the year ended December 31, 2022. The remittance of dividend is currently in process.

### 16. CONTINGENCIES AND COMMITMENTS

#### 16.1 Contingencies

16.1.1 The Company is defending various minor suits filed against it in various courts in Pakistan related to its business operations as at reporting date, which are not material to disclose as contingencies. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in the Company's favour.

#### 16.2 Commitments

16.2.1 Commitments for capital expenditure as at March 31, 2023 aggregated to Rs. 430.355 (December 31, 2022: Rs. 377.579 million).

16.2.2 Commitments in respect of letters of credit as at March 31, 2023 aggregated to Rs. 1,727.312 million (December 31, 2022: Rs. 1,067.440 million).

16.2.3 The Company has given bank guarantees as at March 31, 2023 of Rs. 1,200.103 million (December 31, 2022: 708.983 million) to the Customs Department, a utility company and other institutions against tenders.

16.2.4 The Company has obtained short-term financing facilities from various commercial banks amounting to Rs. 3,950 million (December 31, 2022: Rs. 3,650 million). These facilities can be utilised for letters of credit, guarantees and running finance / short-term loans. However, the running finance / short-term loan utilisation cannot exceed Rs. 1,290 million (December 31, 2022: Rs. 1,290 million). The running finance / short-term loan carries mark-up at rates ranging from KIBOR minus 0.25% to flat KIBOR (December 31, 2022: KIBOR minus 0.25% to flat KIBOR) per annum and are secured against first joint pari passu hypothecation charge over stocks and book debts of the Company, ranking hypothecation charge over stocks and book debts of the Company, promissory notes, and counter guarantees. The Company has not utilised any amount against running finance / short-term loan facilities neither pledged its inventory at the statement of financial position date.

### 17. OTHER CHARGES

	Three months ended March 31, 2023	Three months ended March 31, 2022
	----- Rupees in '000 -----	
	(Un-audited)	(Un-audited)
Exchange losses- net	1,425,650	72,223
Workers' Profit Participation Fund	14,198	107,679
Workers' Welfare Fund	21,692	40,318
Central Research Fund	2,506	20,258
Auditors' remuneration	2,967	2,341
Others	6,924	11,137
	1,473,937	253,956

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

Note	Three months ended March 31, 2023	Three months ended March 31, 2022	
	---- Rupees in '000----		
	(Un-audited)	(Un-audited)	
18.	<b>OTHER INCOME</b>		
	<b>Income from financial assets</b>		
	Term deposit receipts	30,475	175,623
	Saving accounts	184,458	14,629
		214,933	190,252
	<b>Income from non-financial assets</b>		
	Liabilities written back	546,366	-
	Gain on disposal of property, plant and equipment - net	12,286	1,043
	Reversal of expected credit losses on trade debts	8,619	927
	Reversal of expected credit losses on other receivables	21	-
	Scrap sales	18,882	8,982
	Others	36,407	24,129
		622,581	35,081
		837,514	225,333
19.	<b>CASH GENERATED FROM OPERATIONS</b>		
	Profit before taxation	248,070	2,013,854
	<b>Adjustment for non-cash changes and other items:</b>		
	Depreciation of operating fixed assets	6.2 361,091	307,454
	Depreciation of right-of-use assets	6.3.1 21,705	20,245
	Amortisation of intangible assets	4,066	5,632
	Gain on disposal of property, plant and equipment	18 (12,286)	(1,043)
	Interest income	18 (190,252)	(190,252)
	Expense recognized in profit or loss in respect of equity-settled shared-based compensation	67,623	37,162
	Staff retirement benefits - net	38,419	32,618
	Finance costs	9,066	14,946
	Working capital changes	19.1 (525,960)	(431,766)
		21,542	1,808,850
19.1	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets</b>		
	Stores and spares	(57,839)	(14,529)
	Stock-in-trade	(2,232,803)	50,535
	Trade debts	(385,770)	153,300
	Loans and advances	(129,403)	(167,547)
	Trade deposits and short-term prepayments	(270,709)	(156,263)
	Other receivables	(313,825)	(337,258)
		(3,390,349)	(471,762)
	<b>Increase in current liabilities</b>		
	Trade and other payables	2,864,389	39,996
		(525,960)	(431,766)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

	Three months ended March 31, 2023	Three months ended March 31, 2022
	---- Rupees in '000----	
	(Un-audited)	(Un-audited)
19.2 Cash and cash equivalents		
Cash and bank balances	6,697,315	1,329,669
Term deposit receipts	495,000	5,000,000
	<u>7,192,315</u>	<u>6,329,669</u>

### 20. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise the parent company, ultimate parent company, group companies, employee retirement benefit plans, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Transactions with related parties during the period are as follows:

	Three months ended March 31, 2023	Three months ended March 31, 2022
	---- Rupees in '000----	
	(Un-audited)	(Un-audited)
<b>Group companies</b>		
Sale of goods	311,856	109,317
Purchase of materials	4,569,571	3,084,339
Technical service fee	60,420	56,670
Reimbursement of expenses - net	76,283	63,886
Other income	36,407	24,129
<b>Retirement fund:</b>		
Contribution to Pension fund	56,982	56,588
Contribution to Provident fund	33,774	31,436
Contribution to Gratuity fund	8,533	5,172
<b>Key management personnel:</b>		
Remuneration and other short-term employee benefits	164,665	118,865
Post-employment benefits	13,093	11,235



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

### 21. SEGMENT ANALYSIS

#### 21.1 Segment wise operating results for three months ended (Un-audited):

	Jan to Mar 2023					Jan to Mar 2022				
	Pharmaceutical	Nutritional	Diagnostic	Others	Total	Pharmaceutical	Nutritional	Diagnostic	Others	Total
	----- Rupees in '000 -----									
Sales	10,081,105	3,961,422	1,069,344	493,939	15,605,810	7,821,125	3,889,994	1,057,137	387,231	13,155,487
Less:										
Sales return	7,772	6,538	-	1,424	15,734	15,209	4,524	-	557	20,290
Trade discounts	792,596	221,045	-	28,262	1,041,903	569,889	218,260	-	22,039	810,188
Sales tax and excise duty	80,570	603,309	7,514	50,862	742,255	-	514,214	6,173	33,463	553,850
Sales - net	9,200,167	3,130,530	1,061,830	413,391	13,805,918	7,236,027	3,152,996	1,050,964	331,172	11,771,159
Cost of sales	(6,893,907)	(2,484,817)	(956,552)	(263,332)	(10,598,608)	(4,766,703)	(1,892,020)	(842,590)	(188,690)	(7,690,003)
Gross profit	2,306,260	645,713	105,278	150,059	3,207,310	2,469,324	1,260,976	208,374	142,482	4,081,156
Selling and distribution expenses	(1,284,282)	(579,599)	(108,201)	(89,730)	(2,061,812)	(1,160,137)	(520,941)	(64,194)	(70,883)	(1,816,155)
Administrative expenses	(206,186)	(38,334)	(7,419)	-	(251,939)	(168,551)	(29,989)	(9,038)	-	(207,578)
Segment result	815,792	27,780	(10,342)	60,329	893,559	1,140,636	710,046	135,142	71,599	2,057,423

#### 21.2 Reconciliation of segment results with profit before taxation (Un-audited)

	Jan to Mar 2023	Jan to Mar 2022
	---- Rupees in '000 ----	
Total segment results	893,559	2,057,423
Other income	837,514	225,333
Other charges	(1,473,937)	(253,956)
Finance costs	(9,066)	(14,946)
<b>Profit before taxation</b>	<b>248,070</b>	<b>2,013,854</b>

#### 21.3 Geographical information (Un-audited)

Sales to external customers, net of returns, discounts, sales tax and excise duty

Pakistan	13,049,014	11,523,112
Afghanistan	445,048	130,138
Srilanka	-	8,592
Switzerland	311,856	109,317
	<b>13,805,918</b>	<b>11,771,159</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2023

### 21.4 Segment Assets and Liabilities

	UN-AUDITED					AUDITED				
	March 31, 2023					December 31, 2022				
	Pharmaceutical	Nutritional	Diagnostics	Others	Total	Pharmaceutical	Nutritional	Diagnostics	Others	Total
	(Rupees '000)									
Segment assets employed	18,473,317	3,466,961	5,174,855	316,102	27,431,235	16,613,831	2,493,301	4,780,594	158,408	24,046,134
Unallocated corporate assets					9,108,936					9,873,661
Total reported assets					<u>36,540,171</u>					<u>33,919,795</u>
Segment liabilities	10,649,905	2,625,601	2,405,079	252,667	15,933,252	5,474,722	1,501,895	1,042,472	157,145	8,176,234
Unallocated corporate liabilities					3,652,788					8,637,532
Total liabilities					<u>19,586,040</u>					<u>16,813,766</u>

### 22. DATE OF AUTHORISATION

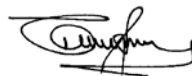
These condensed interim financial statements were authorised for issue on April 26, 2023 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



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