



## 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, 2022.

## FINANCIAL HIGHLIGHTS

Overall sales for the quarter increased by 19% over the same period last year. Pharmaceutical sales increased by 17% driven by sustained performance of established brands, while Nutritional sales increased by 19% mainly driven by increase in sales of adult nutritional supplements. Diagnostics segment registered a healthy growth of 36% mainly contributed by COVID testing.

Gross profit margin of your Company over this period was 35%. Gross margin for the pharmaceutical segment declined to 34% from 36%, whereas the gross margin for Nutritional segment declined to 40% from 49% mainly on account of rupee devaluation, inflation and revision of product costs.

Selling and distribution expenses increased by 9% against the same period last year in line with sales growth. Administrative expenses increased by 22% mainly due to inflation, increments and pension charge.

Other charges registered a substantial increase mainly on account of exchange losses due to devaluation of Pakistani Rupee. Net profit for the period was Rs. 1,441.8 million

## FUTURE OUTLOOK

The company continues to face escalation of costs caused by the devaluation of our rupee. We hope that the government will take adequate measures to ensure economic and political stability in the Country. We also look forward to smooth implementation of the expeditious sales tax refunds processing mechanism by the Government.

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

Syed Anis Ahmed  
Chief Executive

Ehsan Ali Malik  
Director

April 28<sup>th</sup>, 2022

## ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022 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 19 فیصد بڑھی۔ فارماسوٹیکل کی سیلز میں 17 فیصد اضافہ ہوا جس کی وجہ سے مستحکم برانڈز کی مسلسل کارکردگی ہے۔ جبکہ نیوٹریشنل (غذائی مصنوعات) کی فروخت میں 19 فیصد اضافہ ہوا جس میں بنیادی حصہ بالغوں کی غذائی مصنوعات کا تھا۔ ڈائیکناسٹک سیگمنٹ نے 36 فیصد کی صحت مند نمو درج کی جس میں بنیادی طور پر COVID ٹیسٹنگ کے ذریعے تعاون ہے۔

آپ کی کمپنی کے (Gross profit margin) خام منافع کی شرح اس مدت میں 35 فیصد تھی۔ فارماسوٹیکل کی مجموعی منافع کی شرح 36 فیصد سے کم ہو کر 34 فیصد ہو گئی جبکہ نیوٹریشنل کی مجموعی منافع کی شرح 49 فیصد سے کم ہو کر 40 فیصد ہو گئی جس کی بنیادی وجہ روپے کی قدر میں کمی، افراط زر اور مصنوعات کی لاگت میں ردو بدل ہے۔

فروخت اور تقسیم کے اخراجات میں پچھلے سال کی اسی مدت کے مقابلے میں فروخت میں اضافے کی وجہ سے 9 فیصد اضافہ ہوا۔ انتظامی اخراجات میں 22 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر، تنخواہوں میں اضافہ اور پنشن چارج ہے۔

پاکستانی روپے کی قدر میں کمی کی وجہ سے دیگر چارجز میں خاطر خواہ اضافہ ریکارڈ کیا گیا۔ اس مدت کے لیے خالص منافع 1,441.8 ملین روپے تھا۔

## مستقبل کا منظرنامہ

کمپنی کو پاکستانی روپے کی قدر میں کمی کی وجہ سے اخراجات میں اضافے کا سامنا کرنا پڑ رہا ہے۔ ہمیں امید ہے کہ حکومت ملک میں معاشی اور سیاسی استحکام کو یقینی بنانے کے لیے خاطر خواہ اقدامات کرے گی۔ ہم حکومت کی جانب سے سیلز ٹیکس ریفرنڈم پراسیسنگ نظام کے تیز رفتار عمل درآمد کے بھی منتظر ہیں۔

اس کے باوجود آپ کی کمپنی درپیش دشواریوں سے آگاہ ہے اور پیداواری صلاحیت کو بہتر بنانے کے لئے اپنی حکمت عملی کا ازسرنو جائزہ لے رہی ہے۔

ڈائریکٹر

چیف ایگزیکٹو

کراچی: 28 اپریل 2022ء




**ABBOTT LABORATORIES (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	Note	March 31, 2022 ----- Rupees in '000 ----- (Un-audited)	December 31, 2021 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	10,321,358	10,006,158
Intangible assets		43,385	49,017
Long-term loans and advances		67,838	71,646
Long-term deposits		7,513	7,513
Long-term prepayments		1,036	966
<b>Total Non-current Assets</b>		<b>10,441,130</b>	<b>10,135,300</b>
<b>CURRENT ASSETS</b>			
Stores and spares	7	298,626	284,097
Stock-in-trade		6,670,956	6,721,491
Trade debts		1,062,957	1,216,257
Loans and advances	8	623,186	455,639
Trade deposits and short-term prepayments	9	458,436	302,173
Other receivables		785,234	447,976
Taxation - net		327,568	344,437
Short-term investments	10	8,122,782	7,841,030
Cash and bank balances	11	1,329,669	819,347
<b>Total Current Assets</b>		<b>19,679,414</b>	<b>18,432,447</b>
<b>TOTAL ASSETS</b>		<b>30,120,544</b>	<b>28,567,747</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>		<b>2,000,000</b>	<b>2,000,000</b>
200,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	979,003	979,003
Reserves		929,307	892,145
Capital		14,967,263	15,483,490
Revenue		15,896,570	16,375,635
<b>Total Equity</b>		<b>16,875,573</b>	<b>17,354,638</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation		266,415	269,737
Staff retirement benefits		1,498,666	1,466,048
Long-term lease liabilities	13	135,181	133,942
<b>Total Non-current Liabilities</b>		<b>1,900,262</b>	<b>1,869,727</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	9,079,571	9,039,575
Current maturity of lease liabilities	13	97,942	93,744
Unclaimed dividends		57,290	58,163
Unpaid dividend		1,958,006	-
Provision against GIDC		151,900	151,900
<b>Total Current Liabilities</b>		<b>11,344,709</b>	<b>9,343,382</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,120,544</b>	<b>28,567,747</b>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

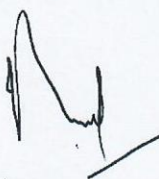
  
**CHIEF FINANCIAL OFFICER**



**ABBOTT LABORATORIES (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(UN-AUDITED)**

		Jan - Mar 2022	Jan - Mar 2021
	Note	----- Rupees in '000 -----	
<b>SALES - NET</b>			
Local		11,523,112	9,418,224
Export		248,047	472,568
		<u>11,771,159</u>	<u>9,890,792</u>
Cost of sales		(7,690,003)	(6,098,782)
<b>GROSS PROFIT</b>		<u>4,081,156</u>	<u>3,792,010</u>
Selling and distribution expenses		(1,816,155)	(1,659,366)
Administrative expenses		(207,578)	(170,345)
Other charges		(253,956)	(101,008)
Other income	16	225,333	139,404
		<u>(2,052,356)</u>	<u>(1,791,315)</u>
		<u>2,028,800</u>	<u>2,000,695</u>
Finance costs		(14,946)	(25,179)
<b>PROFIT BEFORE TAXATION</b>		<u>2,013,854</u>	<u>1,975,516</u>
<b>TAXATION</b>			
- Current		(575,397)	(583,241)
- Deferred		3,322	50,217
		<u>(572,075)</u>	<u>(533,024)</u>
<b>NET PROFIT FOR THE PERIOD</b>		<u><u>1,441,779</u></u>	<u><u>1,442,492</u></u>
<b>BASIC AND DILUTED EARNINGS PER SHARE (Rs. per share)</b>		<u><u>14.73</u></u>	<u><u>14.73</u></u>

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CHIEF EXECUTIVE



DIRECTOR

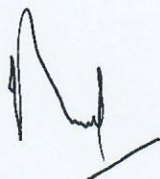


CHIEF FINANCIAL OFFICER

**ABBOTT LABORATORIES (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(UN-AUDITED)**

	<u>Jan - Mar</u> <u>2022</u>	<u>Jan - Mar</u> <u>2021</u>
	----- Rupees in ' 000 -----	
Profit for the period	1,441,779	1,442,492
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u><u>1,441,779</u></u>	<u><u>1,442,492</u></u>

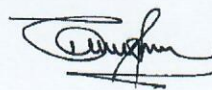
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CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



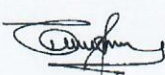
**ABBOTT LABORATORIES (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(UN-AUDITED)**

		March 31, 2022	March 31, 2021
	Note	---- Rupees in '000 ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	17	1,808,850	2,563,758
Income taxes paid		(558,528)	(396,269)
Long-term loans and advances - net		3,808	(6,599)
Long-term prepayments - net		(70)	470
<b>Net cash inflow from operating activities</b>		<b>1,254,060</b>	<b>2,161,360</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(658,010)	(297,314)
Investments in term deposit receipts		(1,000,000)	-
Sale proceeds from disposal of property, plant and equipment		16,154	9,899
Interest income received		108,500	114,582
<b>Net cash outflow from investing activities</b>		<b>(1,533,356)</b>	<b>(172,833)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs paid		(9,509)	(17,165)
Lease rentals paid		-	(16,342)
Dividends paid		(873)	(542)
<b>Net cash outflow from financing activities</b>		<b>(10,382)</b>	<b>(34,049)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(289,678)</b>	<b>1,954,478</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>6,619,347</b>	<b>7,488,881</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	17.2	<b>6,329,669</b>	<b>9,443,359</b>

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**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



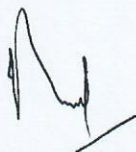
**ABBOTT LABORATORIES (PAKISTAN) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

Share Capital	Reserves					Total Equity
	Capital Reserves		Revenue Reserves		Total	
	Reserve Arising on Merger	Other	General Reserve	Un-appropriated Profit		

----- Rupees in '000 -----

Balance as at January 1, 2021 (Audited)	979,003	46,097	721,511	5,338,422	8,505,219	14,611,249	15,590,252
Transactions with owners, recorded directly in equity							
Final dividend for the year ended December 31, 2020 @ Rs. 25.0 per share declared subsequent to the year end	-	-	-	-	(2,447,508)	(2,447,508)	(2,447,508)
Employee benefit cost under IFRS 2- 'Share based payments'	-	-	28,883	-	-	28,883	28,883
Total comprehensive income for the period ended March 31, 2021							
Net profit for the period	-	-	-	-	1,442,492	1,442,492	1,442,492
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	1,442,492	1,442,492	1,442,492
Balance as at March 31, 2021 (Un-audited)	979,003	46,097	750,394	5,338,422	7,500,203	13,635,116	14,614,119
Balance as at January 01, 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

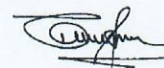
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CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



**ABBOTT LABORATORIES (PAKISTAN) LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**  
**(UN-AUDITED)**

**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, 2021.

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, 2021, 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:

- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Property, Plant and Equipment: Proceeds before Intended Use Amendments to IAS 16.
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities.
- IAS 41 Agriculture – Taxation in fair value measurements.

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

**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, 2021.

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, 2021.



**ABBOTT LABORATORIES (PAKISTAN) LIMITED**

		March 31, 2022	December 31, 2021
Note		---- Rupees in '000 ---- (Un-audited)	(Audited)
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1 & 6.2	8,235,772	8,060,044
Capital work-in-progress	6.1	1,885,422	1,725,705
Right-of-use assets [ROUA]	6.3	200,164	220,409
		<u>10,321,358</u>	<u>10,006,158</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	39,865	-	-
Vehicles	116,207	23,143	8,279
Service equipment	342,221	53,617	53,370
Capital work-in-progress - net additions	159,717	-	-
	<u>658,010</u>	<u>76,760</u>	<u>61,649</u>

6.2 Depreciation charge for the period ended March 31, 2022 amounted to Rs. 307.454 million (March 31, 2021: Rs. 260.282 million).

**6.3 Right-of-use assets**

		March 31, 2022	December 31, 2021
Note		---- Rupees in '000 ---- (Un-audited)	(Audited)
Vehicles		-	-
Warehouses, sales offices and city office		200,164	220,409
	6.3.1	<u>200,164</u>	<u>220,409</u>

6.3.1 Depreciation charge on right-of-use assets for the period ended March 31, 2022 amounted to Rs. 20.245 million (March 31, 2021: Rs. 33.881 million).

**7. STOCK-IN-TRADE**

	March 31, 2022	December 31, 2021
	---- Rupees in '000 ---- (Un-audited)	(Audited)
Raw and packing materials	3,425,802	3,036,799
Work-in-process	417,502	311,929
Finished goods	3,207,700	3,744,603
	<u>7,051,004</u>	<u>7,093,331</u>
Less: provision for slow moving and obsolete items	<u>(380,048)</u>	<u>(371,840)</u>
	<u>6,670,956</u>	<u>6,721,491</u>

**8. LOANS AND ADVANCES**

Represent loans and advances amounted to Rs. 33.077 million and Rs. 590.109 million (December 31, 2021: Rs. 33.864 million and Rs. 421.775 million), respectively, net of allowance.

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

Represent trade deposits and short-term prepayments amounted to Rs. 247.442 million and Rs. 210.994 million (December 31, 2021: Rs. 231.865 million and Rs. 70.308 million), respectively, net of allowance.



		March 31, 2022	December 31, 2021
	Note	---- Rupees in '000 ---- (Un-audited)	(Audited)
<b>10. SHORT-TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Term deposit receipts	10.1	8,000,000	7,800,000
Accrued profit thereon		122,782	41,030
		<u>8,122,782</u>	<u>7,841,030</u>
<b>10.1 Term deposit receipts</b>			
Having less than three months maturity period		5,000,000	5,800,000
Having more than three months maturity period		3,000,000	2,000,000
	10.1.1	<u>8,000,000</u>	<u>7,800,000</u>

**10.1.1** Represents term deposit receipts up to maturity of six months with a commercial bank under conventional banking relationship carrying profit at the rate ranging from of 8.75% to 9.55% (December 31, 2021: 8.20% to 9.05%) per annum and having maturity up to August 15, 2022.

		March 31, 2022	December 31, 2021
	Note	---- Rupees in '000 ---- (Un-audited)	(Audited)
<b>11. CASH AND BANK BALANCES</b>			
<b>With banks</b>			
Saving accounts:			
- local currency	11.1	576,009	129,137
Current accounts:			
- local currency		32,101	11,082
- foreign currency		715,741	673,322
		<u>747,842</u>	<u>684,404</u>
<b>In hand</b>			
- local currency		2,875	4,215
- foreign currency		2,943	1,591
		<u>5,818</u>	<u>5,806</u>
		<u>1,329,669</u>	<u>819,347</u>

**11.1** These saving accounts carrying mark-up at the rate of 8.25% (December 31, 2021: 7.25%) per annum.

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

As at March 31, 2022, Abbott Asia Investments Limited, UK (the Holding Company) held 76,259,454 (December 31, 2021: 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, 2022	December 31, 2021
	Note	---- Rupees in '000 ---- (Un-audited)	(Audited)
Not later than one year		97,942	93,744
Later than one year but not later than five years		135,181	133,942
	13.1	<u>233,123</u>	<u>227,686</u>
<b>13.1 Movement of lease liabilities</b>			
Balance at beginning of the period / year		227,686	816,249
Additions		-	182,280
Accretion of interest		5,437	54,479
Payments		-	(170,238)
Early settlement		-	(655,084)
Balance at end of the period / year		<u>233,123</u>	<u>227,686</u>



**14. TRADE AND OTHER PAYABLES**

Includes accrued liabilities amounted to Rs. 4,417.147 million (December 31, 2021: Rs. 4,032.346 million), bills payable of Rs. 2,468.143 million (December 31, 2021: Rs. 2,630.129 million) and gas infrastructure development cess of Rs. 90.871 million (December 31, 2021: Rs. 140.588 million).

**15. CONTINGENCIES AND COMMITMENTS****15.1 Contingencies**

- 15.1.1** 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.

**15.2 Commitments**

- 15.2.1** Commitments for capital expenditure as at March 31, 2022 aggregated to Rs. 494.584 (December 31, 2021: Rs. 661.503 million).

- 15.2.2** Commitments in respect of letters of credit as at March 31, 2022 aggregated to Rs. 770.549 million (December 31, 2021: Rs. 1,025.130 million).

- 15.2.3** The Company has given bank guarantees as at March 31, 2022 of Rs. 935.740 million (December 31, 2021: Rs. 585.401 million) to the Customs Department, a utility company and other institutions against tenders.

- 15.2.4** The Company has obtained short-term financing facilities from various commercial banks amounting to Rs. 3,150 million (December 31, 2021: Rs. 3,150 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, 2021: 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, 2021: 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.

**16. OTHER INCOME****Income from financial assets**

Term deposit receipts  
Savings accounts

**Income from non-financial assets**

Gain on disposal of property, plant and equipment - net  
Reversal of expected credit losses on trade debts  
Scrap sales  
Others

Note	Three months ended March 31, 2022	Three months ended March 31, 2021
	---- Rupees in '000---- (Un-audited)	(Un-audited)
	175,623	111,706
	14,629	5,810
	190,252	117,516
	1,043	2,470
	927	-
	8,982	3,041
	24,129	16,377
	35,081	21,888
	225,333	139,404



**17. CASH GENERATED FROM OPERATIONS**

Profit before taxation		2,013,854	1,975,516
<b>Adjustment for non-cash changes and other items:</b>			
Depreciation of operating fixed assets	6.2	307,454	260,282
Depreciation of right-of-use assets	6.3.1	20,245	33,881
Amortisation of intangible assets		5,632	5,541
Gain on disposal of property, plant and equipment	16	(1,043)	(2,469)
Interest income	16	(190,252)	(117,516)
Expense recognized in profit or loss in respect of equity-settled shared-based compensation		37,162	28,883
Staff retirement benefits - net		32,618	-
Finance costs		14,946	25,179
Working capital changes	17.1	(431,766)	354,461
		<u>1,808,850</u>	<u>2,563,758</u>

**17.1 Working capital changes**

**(Increase) / decrease in current assets**

Stores and spares	(14,529)	(7,690)
Stock-in-trade	50,535	(716,110)
Trade debts	153,300	8,329
Loans and advances	(167,547)	(120,028)
Trade deposits and short-term prepayments	(156,263)	(139,731)
Other receivables	(337,258)	143,860
	<u>(471,762)</u>	<u>(831,370)</u>

**Increase in current liabilities**

Trade and other payables	39,996	1,185,831
	<u>(431,766)</u>	<u>354,461</u>

**17.2 Cash and cash equivalents**

Cash and bank balances	1,329,669	943,359
Term deposit receipts	5,000,000	8,500,000
	<u>6,329,669</u>	<u>9,443,359</u>

**18. 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, 2022 ----- Rupees in '000----- (Un-audited)	Three months ended March 31, 2021 (Un-audited)
<b>Group companies</b>		
Sale of goods	109,317	156,260
Purchase of materials	3,084,339	2,001,074
Technical service fee	56,670	48,568
Reimbursement of expenses - net	63,886	37,999
Other income	24,129	16,377
<b>Retirement fund:</b>		
Contribution to Pension fund	56,588	41,099
Contribution to Provident fund	31,436	29,133
Contribution to Gratuity fund	5,172	2,556
<b>Key management personnel:</b>		
Remuneration and other short-term employee benefits	118,865	101,944
Post-employment benefits	11,235	10,350



# 19. SEGMENT ANALYSIS

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

	Jan to Mar 2022					Jan to Mar 2021				
	Pharmaceutical	Nutritional	Diagnostic	Others	Total	Pharmaceutical	Nutritional	Diagnostic	Others	Total
----- Rupees in '000 -----										
Sales	7,821,125	3,889,994	1,057,137	387,231	13,155,487	6,797,387	3,132,889	783,518	349,070	11,062,864
Less:										
Sales return	15,209	4,524	-	557	20,290	14,970	2,344	-	2,280	19,594
Trade discounts	569,889	218,260	-	22,039	810,188	600,789	173,645	-	19,580	794,014
Sales tax and excise duty	-	514,214	6,173	33,463	553,850	-	317,388	8,220	32,856	358,464
Sales - net	7,236,027	3,152,996	1,050,964	331,172	11,771,159	6,181,628	2,639,512	775,298	294,354	9,890,792
Cost of sales	(4,766,703)	(1,892,020)	(842,590)	(188,690)	(7,690,003)	(3,975,943)	(1,345,378)	(581,331)	(196,130)	(6,098,782)
Gross profit	2,469,324	1,260,976	208,374	142,482	4,081,156	2,205,685	1,294,134	193,967	98,224	3,792,010
Selling and distribution expenses	(1,160,137)	(520,941)	(64,194)	(70,883)	(1,816,155)	(1,110,727)	(426,071)	(54,962)	(67,606)	(1,659,366)
Administrative expenses	(168,551)	(29,989)	(9,038)	-	(207,578)	(142,874)	(22,745)	(4,726)	-	(170,345)
Segment result	1,140,636	710,046	135,142	71,599	2,057,423	952,084	845,318	134,279	30,618	1,962,299

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

	Jan to Mar 2022	Jan to Mar 2021
----- Rupees in '000 -----		
Total segment results	2,057,423	1,962,299
Other income	225,333	139,404
Other charges	(253,956)	(101,008)
Finance costs	(14,946)	(25,179)
Profit before taxation	2,013,854	1,975,516

19.3 Geographical information (Un-audited)

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

Pakistan  
Afghanistan  
Sri Lanka  
Switzerland

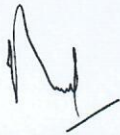
Jan to Mar 2022	Jan to Mar 2021
Rupees in '000	
11,523,112	9,418,225
130,138	315,261
8,592	1,046
109,317	156,260
<b>11,771,159</b>	<b>9,890,792</b>

19.4 Segment Assets and Liabilities

	UN-AUDITED					AUDITED				
	March 31, 2022					December 31, 2021				
	Pharmaceutical	Nutritional	Diagnostics	Others	Total	Pharmaceutical	Nutritional	Diagnostics	Others	Total
(Rupees '000)										
Segment assets employed	13,110,337	2,175,883	3,936,884	101,045	19,324,149	12,352,347	2,281,134	3,575,463	151,700	18,360,644
Unallocated corporate assets					10,796,395					10,207,103
Total reported assets					<b>30,120,544</b>					<b>28,567,747</b>
Segment liabilities	5,966,771	1,371,241	1,251,318	150,395	8,639,725	5,474,722	1,501,895	1,042,472	157,145	8,176,234
Unallocated corporate liabilities					4,605,246					3,036,875
Total liabilities					<b>13,244,971</b>					<b>11,213,109</b>

20. DATE OF AUTHORISATION

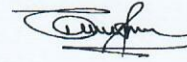
These condensed interim financial statements were authorised for issue on April 28, 2022 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER