



## **Abbott Pakistan**

Un-Audited Financial Statements for the  
First Quarter Ended March 31, 2021



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Munir A. Shaikh (Chairman) (Non-Executive Director)  
Syed Anis Ahmed (Chief Executive Officer)  
Ehsan Ali Malik (Independent Director)  
Ayla Majid (Independent Director)  
Mohsin Ali Nathani (Independent Director)  
Muhammad Anjum Latif Rana (Non-Executive Director)  
Seema Khan (Executive Director)

### AUDIT COMMITTEE

Ehsan Ali Malik (Chairman)  
Ayla Majid  
Muhammad Anjum Latif Rana

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mohsin Ali Nathani (Chairman)  
Munir A. Shaikh  
Syed Anis Ahmed

### RISK MANAGEMENT COMMITTEE

Ayla Majid (Chairperson)  
Syed Anis Ahmed  
Muhammad Anjum Latif Rana  
Seema Khan

### SHARE TRANSFER COMMITTEE

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

### BANKING COMMITTEE

Mohsin Ali Nathani (Chairman)  
Syed Anis Ahmed  
Seema Khan

### NOMINATION COMMITTEE

Munir A. Shaikh (Chairman)  
Syed Anis Ahmed  
Mohsin Ali Nathani  
Ehsan Ali Malik

### CHIEF FINANCIAL OFFICER

Syed Tabish Aseem

### COMPANY SECRETARY

Humayun Altaf

### 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

### SENIOR MANAGEMENT TEAM

Syed Anis Ahmed  
(Chief Executive Officer)  
Syed Tabish Aseem  
(Chief Financial Officer)  
Ihsan Ullah Khan Khattak  
(Director Operations)  
Asim Shafiq  
(General Manager, Abbott Nutrition International Pakistan)  
Habib Ahmed  
(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, Pakistan.

Plot No. 13, Sector 20,  
Korangi Industrial Area, 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, Pakistan-44800.

16 KM Shahpur Kanjran,  
Multan Road, Lahore, Pakistan.

Hasanabad Gate # 2,  
Near Pak Arab Fertilizers,  
Khanewal Road, Multan, Pakistan-60650.

### 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, 2021.

### FINANCIAL HIGHLIGHTS

Overall sales for the quarter increased by 23% over the same period last year. Pharmaceutical sales increased by 10% while Nutritional sales increased by 53% mainly driven by increase in sales of adult nutritional supplements.

Gross margin of your Company improved to 38% versus 35% during the same period last year mainly driven by products mix. Selling and distribution expenses increased by 31% mainly due to higher expenditure on advertisement and sales promotion spend. Net profit as a percentage of sales improved to 15% versus 11% last year.

### FUTURE OUTLOOK

COVID-19 pandemic continues to disrupt business operations worldwide. Your Company is continually evaluating the impact of this pandemic on its operations and financial performance and is re-aligning its strategy to better cope with the posed challenges.

Your company remains cognizant of the challenges and would continue to make all efforts to improve productivity.



Syed Anis Ahmed  
Chief Executive



Ehsan Ali Malik  
Director

April 23<sup>rd</sup>, 2021

## ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021 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 23 فیصد بڑھی۔ فارماسوٹیکل کی سیلز 10 فیصد بڑھی جبکہ نیوٹریشل (غذائی مصنوعات) کی فروخت میں 53 فیصد اضافہ ہوا جس میں بنیادی حصہ بالغوں کی غذائی مصنوعات کا تھا۔

آپ کی کمپنی کے (Gross margin) خام منافع کی شرح product mix کی وجہ سے گذشتہ سال کی اسی مدت کے مقابلے میں 35 فیصد سے بہتر ہو کر 38 فیصد ہو گئی۔ فروخت اور تقسیم کے اخراجات میں 31 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ اشتہار اور فروخت کے اخراجات میں اضافہ ہیں۔ خام منافع کی شرح گذشتہ سال کی اسی مدت کی شرح 11 فیصد سے بڑھ کر 15 فیصد ہو گئی۔

### مستقبل کا منظر نامہ

COVID-19 وبائی مرض سے دنیا بھر میں کاروباری سرگرمیاں متاثر ہو رہی ہیں۔ آپ کی کمپنی اس وبائی مرض کے اثرات کو اپنے عمل کو جاری رکھنے اور مالی کارکردگی پر مستقل طور پر جانچ رہی ہے اور درپیش چیلنجوں سے بہتر طور پر نمٹنے کے لئے اپنی حکمت عملی کو دوبارہ ترتیب دے رہی ہے۔

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

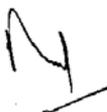
کراچی: 23 اپریل 2021ء

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As At March 31, 2021

	UNAUDITED MARCH 31, 2021	AUDITED DECEMBER 31, 2020
Note	----- (Rupees '000) -----	
<b>Non-Current Assets</b>		
Fixed Assets - Property, plant and equipment	9,134,128	9,070,460
Intangible assets	60,714	66,255
Long-term loans and advances	74,632	68,033
Long-term deposits	7,513	7,513
Long-term prepayments	1,276	1,746
<b>Total Non-Current Assets</b>	<b>9,278,263</b>	<b>9,214,007</b>
<b>Current Assets</b>		
Stores and spares	252,209	244,519
Stock-in-trade	5,697,599	4,981,489
Trade debts	927,139	935,468
Loans and advances	397,689	277,661
Trade deposits and short-term prepayments	503,746	364,015
Interest accrued	9,338	6,404
Other receivables	338,009	481,869
Taxation - net	734,459	921,431
Cash and bank balances	9,443,359	7,488,881
	<b>18,303,547</b>	<b>15,701,737</b>
<b>Current Liabilities</b>		
Trade and other payables	7,793,866	6,593,576
Unpaid dividends	2,447,508	-
Unclaimed dividends	49,749	50,291
Current maturity of lease liabilities	194,984	189,955
	<b>10,486,107</b>	<b>6,833,822</b>
<b>Net Current Assets</b>	<b>7,817,440</b>	<b>8,867,915</b>
<b>Total Assets Less Current Liabilities</b>	<b>17,095,703</b>	<b>18,081,922</b>
<b>Non-Current Liabilities</b>		
Deferred taxation	177,370	227,587
Staff retirement benefits	1,464,964	1,464,964
Long-term portion of Gas Infrastructure Cess Payable	158,366	172,825
Long-term lease liabilities	680,884	626,294
	<b>9</b>	
<b>Contingencies and Commitments</b>		
<b>NET ASSETS</b>	<b>14,614,119</b>	<b>15,590,252</b>
<b>EQUITY:</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	979,003	979,003
Reserves - capital	796,491	767,608
- revenue	12,838,625	13,843,641
<b>SHAREHOLDERS' EQUITY</b>	<b>14,614,119</b>	<b>15,590,252</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

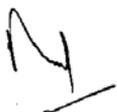
For the Three Months Ended March 31, 2021

	Jan - Mar 2021	Jan - Mar 2020
	----- (Rupees '000) -----	
<b>Sales - net</b>		
Domestic	9,418,224	7,826,264
Export	472,568	235,229
	<u>9,890,792</u>	<u>8,061,493</u>
Cost of sales	<u>6,098,782</u>	<u>5,220,762</u>
<b>Gross profit</b>	3,792,010	2,840,731
Selling and distribution expenses	1,659,366	1,265,416
Administrative expenses	170,345	154,588
Other charges	101,008	218,677
Other income	139,404	99,936
	<u>1,791,315</u>	<u>1,538,745</u>
	2,000,695	1,301,986
Finance costs	25,179	13,575
<b>Profit before taxation</b>	<u>1,975,516</u>	<u>1,288,411</u>
Taxation		
- current	583,241	424,679
- prior	-	1,220
- deferred	(50,217)	(5)
	<u>533,024</u>	<u>425,894</u>
<b>Profit for the period</b>	<u>1,442,492</u>	<u>862,517</u>

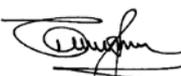
----- (Rupees)-----

<b>Earnings per share - basic / diluted</b>	<u>14.73</u>	<u>8.81</u>
---	--------------	-------------

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Three Months Ended March 31, 2021

Jan - Mar  
2021

Jan - Mar  
2020

----- (Rupees '000) -----

Profit for the period	1,442,492	862,517
Other comprehensive income	-	-
Total comprehensive income for the period	<u>1,442,492</u>	<u>862,517</u>

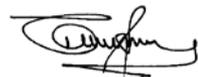
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



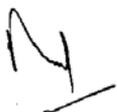
CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)

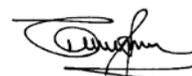
For the Three Months Ended March 31, 2021

	Jan - Mar 2021	Jan - Mar 2020
	Note ----- (Rupees '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	11 2,563,758	2,141,050
Income taxes paid	(396,269)	(464,686)
Long-term loans and advances - net	(6,599)	(5,926)
Long-term prepayments - net	470	1,826
Net cash inflow from operating activities	<u>2,161,360</u>	<u>1,672,264</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(297,314)	(188,346)
Sale proceeds from disposal of property, plant and equipment	9,899	7,318
Interest income	114,582	80,749
Net cash outflow from investing activities	<u>(172,833)</u>	<u>(100,279)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid	(17,165)	(13,924)
Lease rentals paid	(16,342)	(16,798)
Dividends paid	(542)	(2,150)
Net cash outflow from financing activities	<u>(34,049)</u>	<u>(32,872)</u>
Net increase in cash and cash equivalents	<u>1,954,478</u>	<u>1,539,113</u>
Cash and cash equivalents at the beginning of the period	7,488,881	2,757,519
Cash and cash equivalents at the end of the period	<u>9,443,359</u>	<u>4,296,632</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

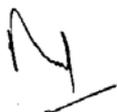
  
CHIEF FINANCIAL OFFICER

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

For the Three Months Ended March 31, 2021

	Reserves						Total Equity
	Capital Reserves		Revenue Reserves		Total		
	Reserve arising on Merger	Other	General Reserves	Un- appropriated Profit			
Share Capital							
----- (Rupees '000) -----							
Balance as at December 31, 2019	979,003	46,097	603,373	5,338,422	6,405,498	12,393,390	13,372,393
<b>Transactions with owners, recorded directly in equity</b>							
Final dividend for the year ended December 31, 2019 @ Rs. 7.5 per share declared subsequent to the year end	-	-	-	-	(734,252)	(734,252)	(734,252)
Capital contribution from Abbott Laboratories, USA	-	-	28,733	-	-	28,733	28,733
<b>Total comprehensive income for the three months ended March 31, 2020</b>							
Profit for the period	-	-	-	-	862,517	862,517	862,517
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	862,517	862,517	862,517
<b>Balance as at March 31, 2020</b>	<b>979,003</b>	<b>46,097</b>	<b>632,106</b>	<b>5,338,422</b>	<b>6,533,763</b>	<b>12,550,388</b>	<b>13,529,391</b>
Balance as at December 31, 2020	979,003	46,097	721,511	5,338,422	8,505,219	14,611,249	15,590,252
<b>Transactions with owners, recorded directly in equity</b>							
Final dividend for the year ended December 31, 2020 @ Rs. 25 per share declared subsequent to the year end	-	-	-	-	(2,447,508)	(2,447,508)	(2,447,508)
Capital contribution from Abbott Laboratories, USA	-	-	28,883	-	-	28,883	28,883
<b>Total comprehensive income for the three months ended March 31, 2021</b>							
Profit for the period	-	-	-	-	1,442,492	1,442,492	1,442,492
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,442,492	1,442,492	1,442,492
<b>Balance as at March 31, 2021</b>	<b>979,003</b>	<b>46,097</b>	<b>750,394</b>	<b>5,338,422</b>	<b>7,500,203</b>	<b>13,635,116</b>	<b>14,614,119</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Three Months Ended March 31, 2021

### 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

##### Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – “Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended December 31, 2020. These condensed interim financial statements are unaudited.

#### 2.2 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2020.

#### 2.3 Accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended December 31, 2020.

Note	(Unaudited) March 31, 2021	(Audited) December 31, 2020
	-----Rupees -----	

### 3. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	3.1	7,133,666	7,346,918
Capital work-in-progress	3.1	1,156,137	911,993
Right-of-use assets	3.2	844,325	811,549
		<u>9,134,128</u>	<u>9,070,460</u>

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

For the Three Months Ended March 31, 2021

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

	Additions	Disposals	
		Cost	Accumulated Depreciation
	-----	(Rupees '000)	-----
Vehicles	11,476	14,209	8,069
Computers	8,290	-	-
Service equipment	33,404	-	-
Capital work in progress (CWIP) - net of transfers	244,144	-	-
	<u>297,314</u>	<u>14,209</u>	<u>8,069</u>

### 3.2 Right-of-use assets

The Company has right-of-use assets in respect of the following leases:

	(Unaudited) March 31, 2021	(Audited) December 31, 2020
	-----	-----
	(Rupees '000)	(Rupees '000)
Vehicles	567,788	523,635
Warehouses, sales offices and city office	<u>276,537</u>	<u>287,914</u>
	<u>844,325</u>	<u>811,549</u>

- 3.2.1 Following were the additions and disposals of right-of-use assets during the period:

	Additions	Disposals	
		Cost	Accumulated Depreciation
	-----	(Rupees '000)	-----
Vehicles	<u>17,632</u>	<u>2,024</u>	<u>734</u>
		(Unaudited) March 31, 2021	(Audited) December 31, 2020
		----	Rupees in '000 ----

### 4. STOCK-IN-TRADE

Raw and packing materials	2,981,350	2,816,482
Work-in-process	379,460	263,213
Finished goods	<u>2,928,404</u>	<u>2,405,697</u>
	6,289,214	5,485,392
Less: Provision for slow moving and obsolete items	<u>591,615</u>	<u>503,903</u>
	<u>5,697,599</u>	<u>4,981,489</u>

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

Represents trade deposits and short-term prepayments amounting to Rs. 270.610 million and Rs. 233.136 million (December 31, 2020: Rs. 261.517 million and Rs. 102.498 million), respectively, net of provision.

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

For the Three Months Ended March 31, 2021

(Unaudited) (Audited)  
 March 31, December 31,  
 2021 2020  
 ---- Rupees in '000 ----

### 6. CASH AND BANK BALANCES

With banks

Savings accounts:

- Local currency 320,533 454,162

Current accounts:

- Local currency	5,297	7,251
- Foreign currency	510,474	515,015
	515,771	522,266

In hand

- Foreign currency	5,184	5,433
- Local currency	1,766	1,540
	6,950	6,973

Cheques and drafts in hand and in transit 100,105 5,480

Cash and bank balances 943,359 988,881

Short-term investments 8,500,000 6,500,000

Cash and cash equivalents 9,443,359 7,488,881

### 7. TRADE AND OTHER PAYABLES

Includes accrued liabilities and bills payable amounting to Rs. 3,638.405 million and Rs. 1,534.444 million (December 31, 2020: Rs. 2,888.270 million and Rs. 1,422.913 million), respectively.

### 8. LEASE LIABILITIES

The Company has recognised lease liabilities in respect of the following leases:

	March 31, 2021			December 31, 2020		
	Minimum lease payments	Financial charge for future periods	Present value of minimum lease payments	Minimum lease payments	Financial charge for future periods	Present value of minimum lease payments
Not later than one year	260,867	65,883	194,984	252,032	62,077	189,955
Later than one year but not later than five years	761,852	80,968	680,884	708,160	81,866	626,294
<b>Total</b>	<b>1,022,719</b>	<b>146,851</b>	<b>875,868</b>	<b>960,192</b>	<b>143,943</b>	<b>816,249</b>

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

For the Three Months Ended March 31, 2021

### 9. CONTINGENCIES AND COMMITMENTS

#### 9.1 Contingencies

Following are the change in the status of contingencies as reported in annual financial statements for the year ended December 31, 2020:

- 9.1.1 The Additional Commissioner Inland Revenue (ACIR) while finalising the amendment of assessment proceedings u/s 122(5A) of the Income Tax Ordinance, 2001 for tax year 2019 has issued an order reducing the tax refundable by Rs. 305.111 million on account of various contentions. The Company, in line with the advice of its legal and tax advisors filed an appeal before the CIRA. Subsequent to the year end, the Company's appeal to CIRA in respect of the aforementioned proceedings were finalised, whereby CIRA deleted the existing demand and remanded back most of the matters included therein to the learned officer for re-assessment, whilst additions amounting to Rs. 1.043 million were decided in favour of the tax department. During 2021, the tax department proceeded with filing an appeal with the Appellate Tribunal Inland Revenue (ATIR) in respect of the GIDC matter and the related additions deleted by CIR(A) in favor of the Company. The appeal in ATIR is pending adjudication.

Based on the legal advisor's opinion, management is of the view that the position of the Company is sound and the eventual outcome is expected to be in the Company's favour.

- 9.1.2 The Company is defending various suits filed against it in various courts in Pakistan related to its business operations. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in Company's favor.

#### 9.2 Commitments

- 9.2.1 Commitments for capital expenditure as at March 31, 2021 aggregated to Rs. 387.339 million (December 31, 2020: Rs. 191.262 million).
- 9.2.2 Commitments in respect of letters of credit as at statement of financial position date aggregated to Rs. 941.862 million (December 31, 2020: Rs. 747.263 million).
- 9.2.3 The Company has given bank guarantees of Rs. 267.151 million (December 31, 2020: Rs 269.858 million) to the Customs Department, a utility company and other institutions against tenders.
- 9.2.4 The Company has obtained short term financing facilities from various commercial banks amounting to Rs. 2,150 million (December 31, 2020: Rs. 2,150 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. 250 million (December 31, 2020: Rs. 250 million). The running finance / short term loan carries markup at rates ranging from KIBOR plus 1% to KIBOR plus 2% (December 31, 2020: KIBOR plus 1% to KIBOR plus 2%) 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 borrowed any amount against running finance / short term loan facilities at the statement of financial position date.

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

As at March 31, 2021, Abbott Asia Investments Limited, UK held 76,259,454 (December 31, 2020: 76,259,454) shares. The ultimate holding company is Abbott Laboratories, USA.

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

For the Three Months Ended March 31, 2021

	(Unaudited) March 31, 2021	UNAUDITED Jan - Mar 2020
Note	---- (Rupees '000)----	
<b>11. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,975,516	1,288,411
Adjustment for:		
Depreciation	260,282	234,828
Right-of-use assets	33,881	32,643
Amortisation on intangible assets	5,541	4,826
(Gain) / Loss on disposal of property, plant and equipment	(2,469)	929
Interest income	(117,516)	(79,353)
Expense recognised in profit or loss in respect of equity-settled share-based compensation	28,883	28,733
Finance costs	25,179	13,575
Working capital changes	11.1 354,461	616,458
	<u>2,563,758</u>	<u>2,141,050</u>
<b>11.1 Working capital changes</b>		
(Increase) / decrease in current assets net of provision		
Stores and spares	(7,690)	57,131
Stock-in-trade	(716,110)	219,715
Trade debts	8,329	51,638
Loans and advances	(120,028)	(437,992)
Trade deposits and short-term prepayments	(139,731)	(283,114)
Other receivables	<u>143,860</u>	<u>124,726</u>
	(831,370)	(267,896)
Increase in current liabilities		
Trade and other payables - net	1,185,831	884,354
	<u>354,461</u>	<u>616,458</u>

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

For the Three Months Ended March 31, 2021

### 12. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises the holding company, ultimate holding company, group companies, employee retirement benefit plans, directors and key management personnel. Transactions with related parties are as follows:

	UNAUDITED Jan - Mar 2021	UNAUDITED Jan - Mar 2020
	.... (Rupees '000) ....	
<b>Other related parties</b>		
Sale of goods	156,260	103,631
Purchase of materials	2,001,074	1,288,169
Technical service fee	48,568	47,902
Reimbursements of expenses - net	37,999	85,893
Other income	16,377	17,297
<b>Retirement fund:</b>		
- Contribution to Pension fund	41,099	55,020
- Contribution to Provident fund	29,133	27,522
- Contribution to Gratuity fund	2,556	539
<b>Key management personnel</b>		
Short-term employee benefits	94,240	83,883
Post-employment benefits	9,391	8,099

### 13. SEGMENT ANALYSIS

#### 13.1 Segment wise operating results for the first quarter:

	UNAUDITED					UNAUDITED				
	Jan - Mar					Jan - Mar				
	2021					2020				
	Pharmaceutical	Nutritional	Diagnostics	Others	Total	Pharmaceutical	Nutritional	Diagnostics	Others	Total
----- (Rupees '000) -----										
Sales	6,210,307	2,967,686	808,365	328,807	10,315,165	5,663,050	1,924,190	577,722	151,940	8,316,902
Less:										
Sales return and discounts	28,679	10,786	24,847	1,597	65,909	23,631	10,402	19,644	3,160	56,837
Sales tax and excise duty	-	317,388	8,220	32,856	358,464	-	191,533	3,356	3,683	198,572
Sales - net	6,181,628	2,639,512	775,298	294,354	9,890,792	5,639,419	1,722,255	554,722	145,097	8,061,493
Cost of sales	3,975,943	1,345,378	581,331	196,130	6,098,782	3,694,463	1,028,538	403,686	94,075	5,220,762
Gross profit	2,205,685	1,294,134	193,967	98,224	3,792,010	1,944,956	693,717	151,036	51,022	2,840,731
Selling and distribution expenses	1,110,727	426,071	54,962	67,606	1,659,366	882,696	306,295	49,866	26,559	1,265,416
Administrative expenses	142,874	22,745	4,726	-	170,345	129,682	19,310	5,596	-	154,588
Segment result	952,084	845,318	134,279	30,618	1,962,299	932,578	368,112	95,574	24,463	1,420,727

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

For the Three Months Ended March 31, 2021

### 13.2 Reconciliation of segment results with profit before taxation

	UNAUDITED Jan - Mar 2021 ----- (Rupees '000) -----	UNAUDITED Jan - Mar 2020 ----- (Rupees '000) -----
Total segment results	1,962,299	1,420,727
Other income	139,404	99,936
Other charges	101,008	218,677
Finance costs	25,179	13,575
<b>Profit before taxation</b>	<b><u>1,975,516</u></b>	<b><u>1,288,411</u></b>

### 13.3 Geographical information

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

Pakistan	9,418,225	7,826,264
Afghanistan	315,261	126,323
Sri Lanka	1,046	5,275
Switzerland	156,260	103,631
	<b><u>9,890,792</u></b>	<b><u>8,061,493</u></b>

### 13.4 Segment Assets and Liabilities

	UNAUDITED					AUDITED				
	March 31, 2021					December 31, 2020				
	Pharmaceutical	Nutritional	Diagnostics	Others	Total	Pharmaceutical	Nutritional	Diagnostics	Others	Total
	----- (Rupees '000) -----									
Segment assets employed	12,442,739	1,119,197	2,909,109	97,888	16,568,933	11,593,408	1,089,473	3,203,432	68,517	15,954,830
Unallocated corporate assets					11,012,877					8,960,914
<b>Total reported assets</b>					<b><u>27,581,810</u></b>					<b><u>24,915,744</u></b>
Segment liabilities	6,483,154	1,115,248	637,144	133,804	8,369,350	5,221,834	972,307	714,521	80,073	6,988,735
Unallocated corporate liabilities					4,598,341					2,336,757
<b>Total reported liabilities</b>					<b><u>12,967,691</u></b>					<b><u>9,325,492</u></b>

---

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

For the Three Months Ended March 31, 2021

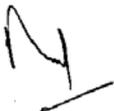
### 14. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

From	To	Rupees in '000
Selling and distribution expenses	Cost of sales	98,301

### 15. DATE OF AUTHORISATION

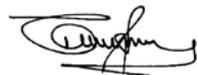
These condensed interim financial statements were authorised for issue on April 23, 2021 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER





**ABBOTT LABORATORIES (PAKISTAN) LIMITED**

**Registered Office**

Opposite Radio Pakistan  
Transmission Centre, Hyderabad Road,  
Landhi, P.O. Box 7229, Karachi  
Phone :111-ABBOTT (111-222-688)  
Fax: (92-21) 35001903

**City Office**

8th Floor, Faysal House,  
St-02, Shahrah-e-Faisal, Karachi  
Phone: (92-21) 32799018, 32799019  
Fax: (92-21) 32800244  
URL: [www.pk.abbott](http://www.pk.abbott)

