

Abbott Laboratories (Pakistan) Limited

Annual Report 2000

VISION

*Be the world's
premier health care company*

MISSION

To improve lives by providing cost-effective health care products and services

DEDICATED TO:

*Employees
Customers
Shareholders
Suppliers
Public*

WE VALUE:

*Innovation
Excellence
Productivity
Respect
Leadership
Responsibility
Quality
Integrity
Trust*

Contents

Company Information
Notice of Annual General Meeting
Chairman's Review
Director's Report
Auditors' Report to the Members
Balance Sheet
Profit and Loss Account
Statement of Changes in Financial Position
Notes to and forming part of the Accounts
Pattern of Shareholding
Statistical Data
List of the Products

COMPANY INFORMATION

BOARD OF DIRECTORS

KAMRAN Y. MIRZA Chairman & Managing Director	LORI O CARLSON (Alternate Mohammad A. Khan)
GREG W. LINDER (Alternate Farhat Qadeer Dar)	GARY P. COUGHLAN (Alternate Ishaque H. Hashmi)
IMRAN A. HALAI	ALI SHABBIR
MALLICK HASEEB UR REHMAN	

SECRETARY

MOHAMMAD AMIN

AUDITORS

SIDAT HYDER QAMAR & CO.
Chartered Accountants

LEGAL ADVISERS

AZFAR & AZFAR
SURRIDGE & BEECHENO

BANKERS

ABN - AMRO BANK
AMERICAN EXPRESS BANK LTD.
BANK OF AMERICA N.T. & S.A.
STANDARD CHARTERED
GRINDLAYS BANK

DEUTSCHE BANK
HABIB BANK LIMITED
MUSLIM COMMERCIAL BANK
NATIONAL BANK OF PAKISTAN
CITIBANK N.A.

REGISTERED OFFICE AND FACTORY

Opp: RADIO PAKISTAN TRANSMISSION CENTRE
HYDERABAD ROAD, LANDHI, KARACHI - PAKISTAN

DEPOTS

ISLAMABAD
PLOT NO. 136, STREET NO.9, 1.10/3 INDUSTRIAL AREA
ISLAMABAD - PAKISTAN

LAHORE
SHAHPUR KANJRA 16 K.M., MULTAN ROAD
LAHORE - PAKISTAN

MULTAN
HASSANABAD, GATE NO.2, NEAR: PAK ARAB FERTILIZERS
KHANWEWAL ROAD, MULTAN - PAKISTAN

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Second Annual General Meeting of ABBOTT LABORATORIES (PAKISTAN) LIMITED, will be held on Thursday May 17, 2001 at 11:30 a.m. in the Council Hall, of the Overseas Investors Chamber of Commerce and Industry, Talpur Road, Karachi, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditors' Reports thereon for the year ended November 30, 2000.
2. To declare a Dividend
3. To appoint Auditors of the Company upto the next Annual General Meeting and to fix their remuneration. The retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

4. To approve the Remuneration of the Directors as explained in Statement u/s 160 of the Companies Ordinance.--Note 1.

BY ORDER OF THE BOARD

MOHAMMED AMIN
SECRETARY

Karachi: March 12, 2001

NOTES:

1. Statement under section 160 of the Companies Ordinance 1984.

ITEM 4

The last approval of Rs. 15.0 million for payment of annual aggregate directors remuneration in respect of 1996 and for future years, was given by the shareholders in the Annual General Meeting held on May 23, 1996. This approval needs to be revised and shareholders approval is sought for aggregate directors remuneration for 2001 and for the future years at Rs. 20 Million per annum, for which the following resolution will be moved.

RESOLVED THAT an aggregate sum not exceeding Rs. 20 million per annum be and is hereby approved as the remuneration of directors working as full time executives of the Company. The working directors are interested in this resolution to the extent of their respective remuneration.

2. The Share Transfer books of the Company will remain closed from Wednesday May 2, 2001 to Wednesday May 16, 2001 (both days inclusive).
3. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend, speak and vote instead of him/her. Proxies must be deposited at

the Company's registered office not less than 48 hours before the time of holding the meeting. A proxy need not be a member of the Company. The proxy shall produce his/her original NIC or Passport to prove his/her identity. A form of proxy is enclosed.

4. Attested copies of NIC or Passport of the Beneficial Owner of the shares of the Company in the Central Depository System of the Central Depository Company (CDC) and the proxy, entitled to attend and vote at this meeting, shall be furnished with the proxy form to the Company.

5. The Beneficial Owner of shares of the Company in the Central Depository System of the Central Depository Company (CDC) or his/her proxy entitled to attend and vote at this meeting, shall produce his/her original NIC or Passport to prove his/her identity.

6. In case of a corporate entity, the Board of Directors' resolution]power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company and the same shall be produced in original at the time of the meeting to authenticate the identity.

7. Shareholders are requested to notify the Company of change in their addresses, if any, immediately.

CHAIRMAN'S REVIEW

It gives me great pleasure in welcoming you to the 52nd Annual General Meeting of the Company.

OPERATING RESULTS:

The net sales of your Company increased from Rs.2,268 million in 1999 to Rs.2,542 million in 2000, registering a growth of 12.1% which is considered satisfactory in light of the depressed economic environment. On June 19th, 2000, after a gap of over three and a half years, the government granted a price adjustment of 8% on controlled, and 10% on decontrolled products. Approximately 3.2% growth is attributed to price adjustment and 8.9 % to volume. This has also impacted the income favourably.

Export sales registered a growth of 42.1% in 2000. The Company exported fifty three products to five countries in 2000.

The following are some of the major products which hold significant market share.

Klaricid	A new generation antibiotic for treatment of respiratory tract infections.
Klaricid 500mg	A new antibiotic which provides excellent combination therapy for cure and management of peptic ulcer disease.
Erythrocin	One of the most widely used and safe antibiotics for every day respiratory tract, skin / soft tissue and dental infections.
Hytrin	Provides symptomatic treatment of BPH (Benign Prostate Hyperplasia)
Epival	Anti-epileptic for safe and effective control of wide ranging seizures and migraine prophylaxis and bipolar disease.
Forane	Inhalation anesthetic with proven superiority, versatility and safety for a wide range of procedures and patient types.
Pediasure	Complete and balanced medical nutrition for children 1-10 years of age. Supports normal growth and weight gain.
Ensure	A complete and balanced medical nutritional supplement for adults and the elderly.
HCV Kit	The reliable & extremely accurate test for diagnosing hepatitis C.

The other major products groups - cough and cold, hematinics, NSAID as well as vitamin preparations, continue to hold their ground against competition.

Profit after tax increased from Rs.71.5 million in 1999 to Rs.179.5 million in 2000, registering an increase of 151 percent. Major factors responsible for the significant improvement in the profitability are sales volume, favourable product mix, price adjustments allowed by the Government, manufacturing efficiencies, and savings in financial charges as a result of reduced borrowings due to Rights Issue proceeds. Whilst

the 2000 profits are substantial when compared with the previous year, the return on equity still remains modest, due to profits being depressed because of lack of adequate price adjustment in the last few years.

NEW PRODUCTS:

The following new products were launched during the year -

ABOCAL

Effervescent calcium, vitamin D, C & B6 tablets for pregnant / nursing mothers and growing children.

VIDAYLIN - L

A multivitamin + lipotropic + lysine syrup for growing children.

PROMOD

High quality protein supplement for body building and weight gain.

FLEXIFLO

Easy feed enteral nutrition bag to be used for patrol pump.

PATROL PUMP

Flexiflo enteral nutrition pump used for tube feeding.

MANUFACTURING AND TECHNOLOGY:

Your Company continues to invest in its manufacturing facilities, to ensure that it maintains its reputation as a manufacturer of the highest quality. During the year under review, your company acquired a highly sophisticated compact line which combines three processes namely washing, sterilizing and filling of injectable products, thereby further raising the standards of Good Manufacturing Practices (GMP) in the Company. The Company also upgraded its Quality Assurance Department, which is one of the most modern and largest in the country.

The state of art of pharmaceutical manufacturing and standards of GMP (Good Manufacturing Practices) are constantly changing, and every effort is made to keep abreast of these changes as well as adhere to national and company's environmental, safety and health standards. Abbott Pakistan continues to benefit from technical expertise from Abbott USA and other affiliated companies around the world, enabling it to keep up to date with the latest developments in the Pharmaceutical Industry.

DIVIDEND

Board of Directors are pleased to announce the following final dividend:

- Cash 30%

DIRECTORS:

Your Board consists of:

Mr. Kamran Y Mirza
Ms. Lori O Carlson
Mr. Greg W. Linder
Mr. Gary P. Coughlan
Mr. Imran A. Halai
Mr. Ali Shabbir
Mr. Malik Haseeb ur Rehman

EMPLOYEES

The Company is managed by highly skilled and qualified personnel in all departments. It is the Company's policy to develop human resources and to this effect, continuous efforts are made to upgrade the skills of personnel employed by way of on-job training, as well as, courses and seminars in and outside Pakistan. During the year Abbott Pakistan provided technical support to the Abbott operations in India, South Africa, Thailand, Turkey, Syria and China.

The relationship between staff and management continues to be satisfactory, and I wish to take this opportunity to thank all of them, on behalf of the Board, for their loyal service and good work during the year 2000.

The Union agreement which expired on December 31st, 1999 was negotiated in a cordial

atmosphere and signed on March 01,2000, for a further period of 2 years upto 31st December 2001.

FUTURE PROSPECTS

It should be noted that whilst the Company will strive hard to maintain profitability by managing the factors in it's control, it's and the pharmaceutical industry's financial health, is critically dependent on regular price adjustments (as mentioned above, granted this year, after a gap of over three and a half years) as well as registration of new products at realistic prices. Further the MOH must rationalise its drug registration policy, which at present is inconsistent as well as confusing. Abbott has several exciting new products under development or under registration, which once marketed, will contribute to growth as well as provide benefit of the latest medical research to the public.

The Company appreciates the efforts of the Government to revive the economy and create a more conducive environment for investors in general. It is sincerely hoped, that the pharmaceutical industry will also be a beneficiary of the government's progressive policies, most important of which is realistic and timely price adjustments. Whilst the bulk of the Company's business will continue to be accounted for by sales of pharmaceutical products, the Company will accelerate diversification and expansion of other business, most notably nutritional and diagnostics. The Company will also endeavour to increase exports, and as at November 30,2000 there are 59 products pending registration in 7 different countries.

The Company has successfully completed the Rights Issue of Rs 260 Million in June 2000, reflecting continued confidence of the share holders in the Company's future.

In December 2000, Abbott Laboratories Inc. (Abbott Pakistan's Parent Company) announced that they had entered into an agreement with BASF to purchase BASF's Pharmaceutical Division. In Pakistan BASF's Pharmaceutical Division operates as Knoll Pharmaceutical, which is a publicly listed Company.

In the light of Pakistani Law, your Company is evaluating options to ascertain what would be the best way to proceed with integration / merger of the two Companies in Pakistan.

DIRECTOR'S REPORT

The Directors of ABBOTT LABORATORIES (PAKISTAN) LIMITED, have pleasure in submitting their report together with Audited Accounts of the Company for the year ended November 30, 2000

	Rs.000's	Rs.000's
Net Profit of the Company for the year before taxation but after providing for all expenses, interest and depreciation		304,499
LESS: Provisions for:		
Workers' Profits Participation Fund	15,225	
Workers Welfare Fund	5,053	20,278
	-----	284,221
LESS: Provision for taxation		104,733

		179,488
ADD: Unappropriated profit b/f.		966

Available for appropriations		180,454
LESS: Appropriations:		
- Interim Cash Dividend	10.00%	19,277
- Proposed Final Cash Dividend	30.00%	57,831

- Transfer to General Reserve		103,000

Unappropriated profit c/f.		346
The pattern of shareholdings is given on page 50 of this report.		-----

Abbott Laboratories, a Company incorporated in the State of Illinois, USA is the majority shareholder of the Company.

Earnings per Share

Earnings per share after taxation-Rupees 8.27 (1999: Rupees 3.71)

BY THE ORDER OF THE BOARD

KAMRAN Y. MIRZA
CHAIRMAN & MANAGING DIRECTOR

Karachi: March 12, 2001

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of ABBOTT LABORATORIES (PAKISTAN) LIMITED as at 30 November 2000 and the related profit and loss account and cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

i) the balance sheet and profit and loss account, together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 November 2000 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

SIDAT HYDER QAMAR & CO.
CHARTERED ACCOUNTANTS

KARACHI: 12 MARCH 2001

BALANCE SHEET AS AT NOVEMBER 30, 2000

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>(Rupees '000)</i>	
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital			

30,000,000 (1999: 30,000,000) ordinary shares of Rs. 10/- each		300,000	300,000
<hr/>			
Issued, subscribed and paid-up capital	3	244,818	192,770
Capital reserves		207,218	--
Revenue reserves		547,239	444,859
		<hr/>	<hr/>
		999,275	637,629
DEFERRED LIABILITY			
Deferred taxation	4	18,256	12,788
CURRENT LIABILITIES			
Short-term finances under mark-up arrangements	5	73,965	361,868
Creditors, accrued and other liabilities	6	424,721	305,982
Proposed dividend		57,831	33,735
		<hr/>	<hr/>
		556,517	701,585
CONTINGENCIES AND COMMITMENTS			
	7	--	--
		<hr/>	<hr/>
		1,574,048	1,352,002
<hr/>			
FIXED ASSETS - Tangible			
Operating assets	8	499,790	388,224
Capital work-in-progress	9	38,006	35,568
		<hr/>	<hr/>
		537,796	423,792
LONG-TERM LOANS			
	10	14,288	15,641
LONG-TERM DEPOSITS - Considered good			
		4,714	2,250
CURRENT ASSETS			
Stores and spare parts	11	40,621	48,182
Stock-in-trade	12	636,138	539,667
Trade debts	13	66,162	64,846
Loans and advances	14	13,520	17,038
Trade deposits and short-term prepayments	15	62,833	62,502
Other receivables	16	155,817	148,823
Cash and bank balances	17	42,159	29,261
		<hr/>	<hr/>
		1,017,250	910,319
		<hr/>	<hr/>
		1,574,048	1,352,002
<hr/>			

Auditors' Report Annexed

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED NOVEMBER 30, 2000**

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>(Rupees '000)</i>	
Sales - net	18	2,542,548	2,268,540
Cost of goods sold	19	1,725,052	1,630,536
Gross profit		<hr/>	<hr/>
		817,496	638,004
Administrative, selling and distribution expenses	20	479,870	426,621
Operating profit		<hr/>	<hr/>
		337,626	211,383
Other income	21	3,141	5,381
		<hr/>	<hr/>
		340,767	216,764

Financial charges	22	33,407	72,363
Other charges	23	23,139	11,342
		-----	-----
Profit before taxation		284,221	133,059
		-----	-----
Taxation	24	104,733	61,541
		-----	-----
Profit after taxation		179,488	71,518
		-----	-----
Unappropriated profit brought forward		966	183
		-----	-----
Profit available for appropriations		180,454	71,701
		-----	-----
Appropriations:			
Interim dividend at Re. 1.00 (1999:Nil) per share		19,277	--
Proposed final dividend at Rs.3.00 (1999: Rs.1.75) per share		57,831	33,735
Transfer to general reserve		103,000	37,000
		-----	-----
		180,108	70,735
		-----	-----
Unappropriated profit carried forward		346	966
		=====	=====
Earnings per share - basic and diluted	25	Rs. 8.27	Rs. 3.71
		-----	-----

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CASH FLOW STATEMENT
FOR THE YEAR ENDED NOVEMBER 30, 2000**

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>(Rupees '000)</i>	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	26	434,802	326,533
Taxes paid		(110,039)	(98,345)
Long-term loans		1,353	554
Long-term deposits		(2,464)	(550)
		-----	-----
Net cash inflow from operating activities		323,652	228,192
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(197,947)	(118,940)
Sale proceeds of fixed assets		6,805	10,531
		-----	-----
Net cash (outflow) from investing activities		(191,142)	(108,409)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital at premium - net		259,266	--
Short-term finances under mark-up arrangements		(287,903)	(6,006)
Mark-up on short-term finances paid		(38,091)	(56,453)
Dividend paid		(52,884)	(43,670)
		-----	-----
Net cash (outflow) from financing activities		(119,612)	(106,129)
		-----	-----
Net increase in cash and cash equivalents		12,898	13,654
Cash and cash equivalents at the beginning of the year		29,261	15,607
		-----	-----
Cash and cash equivalents at the end of the year		42,159	29,261
		=====	=====

The annexed notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED NOVEMBER 30, 2000**

(Rupees '000)

Reserves

	Capital Reserve			Total	Revenue Reserves		Total	Total	Grand Total
	Share Capital	Reserve for issue of bonus shares	Share premium account		General reserve	Un-appropriated profit			
Balance at November 30, 1998	175,245	17,525	--	17,525	406,893	183	407,076	424,601	599,846
Net profit for the year	--	--	--	--	--	71,518	71,518	71,518	71,518
Dividends	--	--	--	--	--	(33,735)	(33,735)	(33,735)	(33,735)
Issue of bonus shares	17,525	(17,525)	--	(17,525)	--	--	--	(17,525)	--
Transfer	--	--	--	--	37,000	(37,000)	--	--	--
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	17,525	(17,525)	--	(17,525)	37,000	783	37,783	20,258	37,783
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Balance at November 30, 1999	192,770	--	--	--	443,893	966	444,859	444,859	637,629
Net profit for the year	--	--	--	--	--	179,488	179,488	179,488	179,488
Dividends - Interim	--	--	--	--	--	(19,277)	(19,277)	(19,277)	(19,277)
- Final	--	--	--	--	--	(57,831)	(57,831)	(57,831)	(57,831)
Issue of right shares	52,048	--	208,192	208,192	--	--	--	208,192	260,240
Cost of issue of shares	--	--	(974)	(974)	--	--	--	(974)	(974)
Transfer	--	--	--	--	103,000	103,000	--	--	--
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	52,048	--	207,218	207,218	103,000	(620)	102,380	309,598	361,646
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Balance at November 30, 2000	244,818	--	207,218	207,218	546,893	346	547,239	754,457	999,275

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED NOVEMBER 30, 2000

1. THE COMPANY AND ITS OPERATIONS

Abbott Laboratories (Pakistan) Limited. is a public limited company. The Company is incorporated in Pakistan and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges. The Company is principally engaged in the manufacture, import and marketing of research based pharmaceutical, nutritional, diagnostic, hospital and consumer products.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Overall valuation policy

These accounts have been prepared under the historical cost convention.

(b) Basis of preparation

These accounts comply with the requirements of the Companies Ordinance, 1984 and the International Accounting Standards, as applicable in Pakistan, and as applicable to the Company.

(c) Staff retirement benefits

Provident fund

A recognized provident fund (defined contribution) scheme is in operation, which covers all permanent employees who have completed six months' service. Equal contributions are made by the Company and the employees. During the year, the Company has contributed a sum of Rs. 9.686 million to the provident fund.

Pension

The Company operates a recognized, funded defined benefit pension scheme for all its regular permanent employees drawing basic salary exceeding Rs. 1,000/- per month. Contributions are made monthly to the fund on the basis of actuarial recommendations. The scheme is administered by the trustees nominated under the trust deed. An actuarial valuation is performed each year and the most recent actuarial valuation of the scheme was carried out at the balance sheet date i.e. November 30, 2000. The actuarial valuation was carried out using the Projected Unit Credit Method. Under this method, the cost of providing pension is charged

to the income statement so as to spread the regular cost over the service lives of the employees in accordance with the advice of qualified actuaries. Actuarial gains and losses are recognised immediately.

	2000 <i>(Rupees '000)</i>
Provision for Pension Fund	
Present value of defined benefits obligation	355,938
Less: Fair value of plan assets	312,091

Deficit	43,847
Less: Unrecognised transitional liability	24,680

	19,167
	=====

As the total liability based on actuarial valuation as aforesaid exceeds the fund's assets, the Company maintains a provision in its books of account for the shortfall.

The following costs were recognised during the year 2000

Current service cost	15,056
Interest cost	42,123
Expected return on plan assets	(37,789)

	19,390
Transitional liability recognised	12,340
Actuarial loss recognised	7,057

	38,787
	=====

Movement in the net liability was as follows:

Opening net liability	--
Cost recognized as above	38,787
Contributions paid	(19,620)

Closing net liability	19,167
	=====

Actual gain on the fund's assets during the year was Rs. 66 million.

Main assumptions used for actuarial valuation were,

- Expected rate of increase in salaries 11.8% per annum.
- Expected rate of interest 14% per annum.
- Expected rate of increase in pension 5.9% per annum.

Consequent to the adoption of IAS 19- Employee Benefits (revised 1998) a transitional liability of Rs.37.020 million has arisen, which is being amortized over a period of three years pursuant to Securities and Exchange Commission of Pakistan circular 14 of 2000 dated 26 August 2000.

(d) Employees compensated absences

Accruals on account of compensated absences of employees are made using their current salary levels.

(e) Taxation

The charge for current taxation is based on taxable income at current rate of taxation and on "presumptive tax regime" of the Income Tax Ordinance, 1979. The Company accounts for deferred taxation on all significant timing differences using the liability method after taking into account a reasonable estimate of sales expected to be covered under the presumptive tax regime on which no deferred tax is expected to arise.

(f) Fixed assets and depreciation

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Freehold land and capital work-in-progress are stated at cost. Depreciation is charged to income applying the straight-line method whereby the cost less residual value of an asset is written off over its estimated useful life. With respect to additions and disposals during the year, depreciation is charged at half the annual rates.

All expenditures connected with fixed assets, incurred during the construction period, are carried as capital work-in-progress. These are capitalised as and when assets are available for use.

Repairs, renewals and improvements to buildings, maintenance, and additions of any item, except for Diagnostic Division's equipment, costing equivalent to or less than US\$ 1,000 are charged to income.

Profit or loss on disposal of fixed assets is recognized in the year of disposal.

(g) Stores and spare parts

These are valued at weighted average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon, upto the balance sheet date. Provision is made in the accounts for obsolete and slow moving items.

(h) Stock-in-trade

Raw and packing materials are stated at the lower of cost determined on a first-in-first-out basis and net realisable value. Work-in-process and finished goods are valued at the lower of cost and net realisable value. The cost of finished goods and work-in-process includes the material cost and proportionate labour and production overheads. Cost of items in transit comprises invoice value plus other charges incurred thereon, upto the balance sheet date.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and the costs necessary to be incurred to make the sales.

(i) Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing on the balance sheet date, except for those covered under forward exchange contracts which are translated at the contracted rates. Exchange gains and losses are recognized currently.

(j) Revenue recognition

Sales are recognised on dispatch of goods to customers. Provisions for discounts and rebates to customers and returns and other adjustments are made in the period the related sales are recorded.

Other income is recognised on accrual basis.

(k) Financial instruments

Financial assets are long term loans, long term deposits, trade debts, short term loans, advances, other receivables, trade deposits and bank balances. Trade debts are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amount, while other financial assets are stated at cost.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are short term finances under mark-up arrangements, creditors, accrued and other liabilities. Mark-up bearing finances are recorded at the gross proceeds received. Other liabilities are stated at their nominal value. Financial charges are accounted for on an accrual basis.

(1) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made.

(m) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash and bank balances.

3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 10/- each

Number of Shares		2000	1999
2000	1999	(Rupees '000)	
Issued as fully paid for in cash			
627,400	627,400 - as at beginning of the year	6,274	6,274
5,204,796	--- during the year	52,048	--
-----	-----	-----	-----
5,832,196	627,400	58,322	6,274
40,800	40,800 Issued for consideration other than cash	408	408
Issued as fully paid bonus shares			
18,608,821	16,856,365 - as at beginning of the year	186,088	168,563
	1,752,456 - during the year		17,525
18,608,821	18,608,821	186,088	186,088
-----	-----	-----	-----
24,481,817	19,277,021	244,818	192,770
=====	=====	=====	=====

3.1 Abbott Laboratories, USA and Abbott Laboratories (Pacific) Limited, held 20,962,370 and 292,327 shares of Rs. 10/- each, respectively, as at November 30, 2000 (1999:15,858,015 and 230,179 shares respectively).

3.2 Right shares issued during the year are not entitled for any dividends out of profits for the years ended 30 November 1999 and 30 November 2000.

4. DEFERRED TAXATION

	2000	1999
	(Rupees '000)	
Deferred liability arising due to accelerated tax depreciation allowance	34,917	18,623
Debit balances arising on account of provisions made for:		
Slow-moving stock	(4,274)	(2,006)
Doubtful debts	(1,191)	(1,695)
Pension Fund	(6,641)	--
Slow-moving and obsolete stores and spare parts	(2,526)	(2 134)
	-----	-----
	(14,632)	(5,835)
	-----	-----
	20,285	12,788
Less: Liability not expected to reverse due to application of presumptive tax regime	2,029	--
	-----	-----
	18,256	12,788
	=====	=====

5. SHORT-TERM FINANCES UNDER MARK-UP ARRANGEMENTS

	2000	1999
	(Rupees '000)	
Running finance	73,965	286,868
Short-term loans	--	75,000
	-----	-----
	73,965	361,868
	=====	=====

5.1 The facilities for short-term running finances under mark-up arrangements amount to Rs. 675 million (1999: Rs. 660 million). The rate of mark-up ranges between Re.0.342 to 0.411(1999:Re. 0.365 to 0.412) per Rs. 1,000 per day; net of prompt payment rebates. These facilities are secured by pari-passu charge against hypothecation of stock-in-trade, stores and spare parts and book debts and promissory notes. The purchase price is payable on various dates by 30 September 2001.

5.2 The facility for opening letters of credit and guarantees as at November 30, 2000 amounted to Rs.994 million (1999: Rs. 958 million) of which the amount remaining unutilized at the year end was Rs.874 million (1999: Rs. 676 million).

	Note	2000	1999
		(Rupees '000)	
6. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		30,241	29,278

Demonstration equipment *	40,305	37,268	(34)	77,539	28,193	8,867	(2)	37,058	40,481
2000	756,711	195,509	(29,358)	922,862	368,487	78,497	(23,911)	423,072	499,790
1999	671,055	105,816	(20,160)	756,711	314,555	67,224	(13,292)	368,487	388,224

*Demonstration equipment of the Company is in the possession of various hospitals and clinics.

8.2 Details of the items of fixed assets disposed off:

Description	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	Mode of Sale	Particulars of purchaser
Car	318	(203)	115	110	Negotiation	Mr. Mirza Masoud Employee
Car	733	(469)	264	383	Negotiation	Mr. Mohammad Rahim Employee
Car	675	(432)	243	293	Negotiation	Mr. Hassan Zaidi Employee
Car	637	(407)	230	292	Negotiation	Mr. Jameel Akhtar Employee
Car	599	(383)	216	292	Negotiation	Mr. Javid Bukhari Employee
Car	599	(383)	216	293	Negotiation	Mr. Khalid Tanoli Employee
Car	300	(192)	108	132	Negotiation	Mr. M.H. Wasti Employee
Car	599	(383)	216	292	Negotiation	Mr. Amjad Jamal Employee
Car	733	(469)	264	382	Negotiation	Dr. Tajammul Employee
Car	699	(447)	252	382	Negotiation	Mr. Shabbir Najmi Employee
Car	727	(465)	262	382	Negotiation	Mr. Naseem Akhtar Employee
Car	631	(404)	227	338	Negotiation	Mr. Abid Khokhar Employee
Car	560	(448)	112	160	Negotiation	Mr. Ghulam Jeelani Employee
Car	733	(572)	161	323	Negotiation	Mr. Mansoor Ghadiali Employee
Car	477	(372)	105	266	Negotiation	Mr. S. Imtiazuddin Employee
Car	599	(384)	215	293	Negotiation	Mr. Abdul Jaleel Employee
Car	599	(384)	215	293	Negotiation	Mr. Rana Anjum Employee
Car	1,015	(487)	528	450	Negotiation	Mr. Zahir Habib Employee
Van	876	(700)	176	366	Negotiation	Mr. Mohammad Rafiq Employee
Van	540	(432)	108	300	Negotiation	Mr. Shahid Valliani Employee
Van	540	(432)	108	300	Negotiation	Mr. Mohammad Aslam Employee
Van	645	(516)	129	301	Negotiation	Mr. Zahir Shah Contractor
Van	375	(300)	75	135	Negotiation	Mr. Islam ud din Employee
Equipment	2,124	(1,910)	214	--		Old equipment written off
Equipment	110	(50)	60	10	Negotiation	Mr. Saleem Riaz Employee
Equipment	5,431	(5,107)	324	--		Old equipment written off
Furniture	516	(516)	0	--		Old furniture written off
Computers	6,282	(6,203)	79	--		Old computer written off
Buildings	652	(459)	193	--		Old building demolished
Demo equipment	34	(2)	32	37	Negotiation	Lanka Medical(Imports) Ltd. Sri Lanka
2000	29,358	23,911	5,447	6,805		
1999	20,160	13,292	6,868	10,531		

Note **2000** **1999**
(Rupees '000)

9. CAPITAL WORK-IN-PROGRESS

Plant and machinery	29,005	22,501
Others	7,048	3,641
	36,053	26,142
Vehicles pending delivery	1,953	9,426
	38,006	35,568

10. LONG-TERM LOANS - considered good

Due from:		
- Executives	10.3	4,460
- Employees		20,232
		24,692
Less:Recoverable within one year	14	26,556
- Executives		1,749
- Employees		8,655

	10,404	10,915
	-----	-----
	14,288	15,641
	=====	=====

10.1 Loans outstanding for period exceeding three years amounting to Rs. 1.324 million (1999: Rs. 2.691 million).

10.2 Loans given to executives and employees are in accordance with the Company's policy. Such loans are interest free and are repayable in equal monthly installments within four years. The loans for purchase of vehicles are secured by way of registration of vehicles purchased in the name of the Company.

10.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 5.566 million (1999: Rs. 5.074 million).

<i>Note</i>	<i>2000</i>	<i>1999</i>
	<i>(Rupees '000)</i>	
11. STORES AND SPARE PARTS		
Stores	11,844	11,788
Spare parts		
- In hand	36,063	41,196
- In transit	4	1,664
	-----	-----
	36,067	42,860
	-----	-----
	47,911	54,648
Less: Provision for obsolescence	7,290	6,466
	-----	-----
	40,621	48,182
	=====	=====

12. STOCK-IN-TRADE

Raw and packing materials [including stock-in-transit Rs.81.120 million (1999: Rs. 110.396 million)]	256,040	264,644
Work-in-process	133,147	81,575
Finished goods [including stock-in-transit Rs.14.804 million (1999: Rs. 11.029 million)]	259,286	199,526
	-----	-----
	648,473	545,745
Less: Provision for slow-moving stock	12,335	6,078
	-----	-----
	636,138	539,667
	=====	=====

13. TRADE DEBTS

Secured:		
- Due from associated undertakings	13.1	5,514
- Others		1,384

		13,250

		18,764

		26,183
Unsecured:		
Considered good		47,398
Considered doubtful		38,663

		3,438

		50,836
Less: Provision for doubtful debts		43,799

		3,438

		66,162

		64,846
		=====

13.1 The maximum aggregate amounts due from associated undertakings at the end of any month during the year were Rs. 5.514 million (1999: Rs. 1.883 million).

14. LOANS AND ADVANCES

Current portion of long-term loans	10	
Executives		1,749
Employees		1,808

		8,655

		9,107

		10,404	10,915
Advances to:			
Executives	14.1	529	565
Employees		10	10
Suppliers		2,577	5,548
		-----	-----
		3,116	6,123
		-----	-----
		13,520	17,038
		=====	=====

14.1 The maximum aggregate amounts due at the end of any month during the year were, from:

- the Chief Executive		148	188
- Directors		440	367
- Executives		2,663	2,587

15. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits		17,428	7,093
Short-term prepayments		45,405	55,409
		-----	-----
		62,833	62,502
		=====	=====

16. OTHER RECEIVABLES

Income tax - net	24.1	136,129	125,355
Due from associated undertakings	16.1	11,087	11,035
Others		8,601	12,433
		-----	-----
		155,817	148,823
		=====	=====

16.1 The maximum aggregate amounts due from associated undertakings at the end of any month during the year were Rs. 11.087 million (1999: Rs. 11.035 million).

17. CASH AND BANK BALANCES

With banks:			
- in foreign currency - saving account		1,840	6,027
- in local currency - current accounts		2,837	1,068
		-----	-----
		4,677	7,095
Cash in transit		37,482	22,166
		-----	-----
		42,159	29,261
		=====	=====

18. SALES - net

Local		2,540,490	2,282,113
Export - to associated undertakings		10,431	2,683
- to others		88,065	66,631
		-----	-----
		98,496	69,314
		-----	-----
		2,638,986	2,351,427
Less: Discounts and bonus issues		41,757	39,174
Sales tax		54,681	43,713
		-----	-----
		96,438	82,887
		-----	-----
		2,542,548	2,268,540
		=====	=====

19. COST OF GOODS SOLD

Opening work-in-process		81,575	84,787
Raw and packing materials consumed		1,248,773	1,183,291
		-----	-----

	1,330,348	1,268,078
Manufacturing expenses		
Salaries, wages and staff welfare	185,357	154,743
Stores and spare parts consumed	10,976	4,524
Fuel and power	23,730	22,497
Depreciation	48,921	41,315
Repairs and maintenance	17,455	6,763
Technical fee	42,926	39,031
Project expense	--	5,484
Insurance	3,528	2,697
Printing and stationery	1,497	1,408
Travelling and entertainment	2,139	1,835
Rent, rates and taxes	930	654
Laboratory testing supplies	11,505	13,344
Computer expenses	7,143	5,670
Postage, telephone and telegram	1,748	2,288
Others	19.1	9,563
	367,418	309,490
	-----	-----
	1,697,766	1,577,568
Closing work-in-process	(133,147)	(81,575)
	-----	-----
Cost of goods manufactured	1,564,619	1,495,993
Finished products		
Opening stock	199,526	239,838
Purchases	220,194	94,231
	-----	-----
	419,720	334,069
	-----	-----
Total cost of finished products available for sale	1,984,338	1,830,062
Closing stock	(259,286)	(259,286)
	-----	-----
	1,725,052	1,630,536
	=====	=====

19.1 Details of Other Expense

Other Fees and Purchased Services	6,129	5,287
Product development expenses	253	476
Recruitment and training expenses	341	41
Membership and subscription	65	98
Miscellaneous Expenses	2,775	1,335
	-----	-----
	9,563	7,237
	=====	=====

20. ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES

Salaries, allowances and staff welfare	183,664	151,157
Rent, rates and taxes	7,125	6,853
Repairs and maintenance	7,358	6,818
Insurance	5,707	4,836
Depreciation	29,575	25,909
Auditors' remuneration	20.1	2,148
Legal, professional and other services	4,529	652
Postage, telephone and telegram	9,530	5,490
Stationery and printing	4,442	10,302
Travelling and entertainment	4,442	3,816
Advertising, samples and sales promotion	48,511	42,959
Forwarding expenses	129,172	115,192
Donations	22,099	25,999
Others	20.2	365
Electricity	365	404
Computer expenses	2,795	2,475
Training expenses	10,315	7,692
Provision for doubtful debts	5,964	6,028
Packing and miscellaneous supplies	1,625	1,081
Others	20.3	7,583
	13,924	15,406
	-----	-----
	496,431	440,526
Less: Recoveries from an associated undertaking	16,561	13,905
	-----	-----
	479,870	426,621

20.1 Auditors' Remuneration

Audit fee	400	325
Fee for special reports and certifications, tax and sundry advisory services	1,713	292
Out of pocket expenses	35	35
	-----	-----
	2148	652
	=====	=====

20.2 Recipients of donations do not include any parties in which a director or his spouse had any interest.

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>(Rupees '000)</i>	
20.3 Details of Other Expenses			
Other fees and purchased services		5,802	5,540
Security expenses		1,790	1,624
Membership and Subscription		827	1,070
Air conditioning expenses		2,685	2,346
Housekeeping expenses		1,278	910
Building maintenance expenses		950	541
Water charges		174	156
Purchased gas		62	82
Miscellaneous expenses		356	3,137
		-----	-----
		13,924	15,406
		=====	=====

21. OTHER INCOME

Gain on sale of fixed assets		1,358	3,663
Miscellaneous		1,783	1,718
		-----	-----
		3,141	5,381
		=====	=====

22. FINANCIAL CHARGES

Interest/Mark-up on short-term finances		32,825	55,801
Bank charges		1,259	1,463
Exchange (gain)Loss		(677)	15,099
		-----	-----
		33,407	72,363
		=====	=====

23. OTHER CHARGES

Research and development contribution		2,861	1,344
Workers' profits participation fund		15,225	7,153
Workers' welfare fund		5,053	2,845
		-----	-----
		23,139	11,342
		=====	=====

24. TAXATION

Current		99,265	49,478
Prior years'		--	8,778
Deferred		5,468	3,285
		-----	-----
		104,733	61,541
		=====	=====

24.1 In finalizing the Company's assessments for the assessment years 1984-85 to 1993-94, 1995-96 and 1997-98 to 1998-99, (accounting years ended November 30, 1983 to 1992, 1994 and 1996 to 1997), the Deputy Commissioner of Income Tax (DCIT) has made certain additions to income on various grounds mainly on the contention that the Company had allegedly paid excessive amounts for importing raw materials. The status of the cases is as under:

<i>Accounting</i>	<i>Assessment</i>	<i>Tax Demand</i>	<i>Case Pending</i>
-------------------	-------------------	-------------------	---------------------

<i>Year</i>	<i>Year</i>	<i>(Rs. '000)</i>	<i>With</i>
1983 to 1990	1984-85 to 1991-92	101,452	DCIT The ITAT has set aside the cases for re-assessment by the DCIT, who has not yet done so.
1991 to 1992	1992-93 to 1993-94	65,502	DCIT The CIT(A) has set aside the cases for re- assessment by the DCIT. The department has filed an appeal with the ITAT, which is still pending.
1994	1995-96	9,629	DCIT The CIT(A) has upheld the add-backs therefore, the Company has filed an appeal with the ITAT.
1996	1997-98	8,584	DCIT The ITAT has set aside the case for re-assessment by the DCIT, who has not yet done so.
1997	1998-99	27,443	DCIT The CIT(A) has set aside the case for re-assessment by the DCIT, who has not yet done so.

Included in the above are certain demands, aggregating to Rs. 13.432 million relating to the assessment years 1990-91 to 1993-94 which were made by the DCIT on the contention that the Company has incurred advertisement and sales promotion expenses more than five percent of its turnover which is not in accordance with the Rule 33 of the Drug Act. However, in a similar case the High court of Sindh has decided the case in favour of the assessee, hence the management is confident that the appeal will ultimately be decided in favour of the Company.

Most of the above cases are set aside by various appellate authorities for re-assessment, however, certain cases are still pending decisions. The Company's maximum exposure on this account would not exceed Rs. 75.131 million in case of adverse decisions.

Although the final disposition of these additional tax demands is difficult to predict, the management is confident that on the merits of the case, the ultimate decision will be in the Company's favour. Accordingly, no provision has been made in the accounts in respect of the aforementioned tax demands.

The assessments for the assessment years 1999-2000 and 2000-2001 have yet not been finalized by the DCIT.

	<i>Note</i>	<i>2000</i>	<i>1999</i>
		<i>(Rupees '000)</i>	
25. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to Shareholders		179,488	71,518
Weighted average number of ordinary shares in issue (in thousands) - adjusted		21,701	19,277
Basic and diluted earnings per share		Rs. 8.27	Rs. 3.71

26. CASH GENERATED FROM OPERATIONS

Profit before taxation		284,221	133,059
Depreciation		78,496	67,224
Profit on sale of fixed assets		(1,358)	(3,663)
Interest / mark-up charges		33,407	55,801
Working capital changes	26.1	40,036	74,112
		434,802	326,533

26.1 Working Capital Changes

(Increase)/decrease in current assets			
Stores and spare parts		7,561	(6,059)
Stock in trade		(96,471)	44,646
Trade debts		(1,316)	(6,898)
Loans and advances		3,518	(949)

Trade deposits and short-term prepayments	(331)	32,637
Other receivables (net)	3,780	(1,221)
	-----	-----
	(83,259)	62,156
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities (net)	123,295	11,956
	-----	-----
	40,036	74.11
	=====	=====

27. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts for remuneration, including all benefits to Directors, the Chief Executive and Executives of the Company, charged in these accounts are as follows:

	2000			1999		
	Directors	Chief Executive	Executives	Directors	Chief Executive	Executives
	----- (Rupees '000) -----					
Managerial remuneration	3,923	6,042	90,729	3,761	3,564	73,532
Rent/Utility/Maintenance/ Furnishing	--	--	--	--	1,998	--
Retirement benefits	671	1,041	14,853	641	711	11,871
Leave passage / Encashment	419	374	11,524	422	726	4,213
Medical expenses	60	21	1,922	12	10	1,539
	-----	-----	-----	-----	-----	-----
	5,073	7,478	119,028	4,836	7,009	91,155
	-----	-----	-----	-----	-----	-----
Number of persons	2	1	234	2	1	186
	=====	=====	=====	=====	=====	=====

The Directors, Chief Executive and other Executives are provided with free use of Company maintained cars.

Note 2000 1999
(Rupees '000)

28. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

Technical service fee	42,926	39,031
Sale of goods	10,431	2,683
Purchase of materials	756,586	675,682
Receipts against services for Diagnostic Division	17,396	13,905
Rental charges	--	1,320

29. CAPACITY

The capacity and production of the Company's plant is indeterminable as it is a multi-product plant involving varying processes of manufacture.

30. NUMBER OF EMPLOYEES

Production	527	532
Marketing and Distribution	409	415
Administration	42	40
	-----	-----
	978	987
	=====	=====

31. SEGMENT WISE OPERATING RESULTS

	2000				1999			
	Pharma	Diagnostic/ Equipment	Others	Total	Pharma	Diagnostic/ Equipment	Others	Total
	----- (Rupees '000) -----							
Sales	2,238,988	129,336	270,662	2,638,986	2,024,429	92,904	234,094	2,351,427
Less:								
Discount and bonus	41,757	--	--	41,757	39,174	--	--	39,174
Sales tax	4,947	18,660	31,074	54,681	357	13,417	29,939	43,713
	-----	-----	-----	-----	-----	-----	-----	-----
Net sales	2,192,284	110,676	239,588	2,542,548	1,984,898	79,487	204,155	2,268,540
Cost of goods sold								
Note (31.1)	(1,543,233)	(40,620)	(141,199)	(1,725,052)	(1,491,964)	(25,125)	(113,447)	(1,630,536)

Gross profit	649,051	70,056	98,389	817,496	492,934	54,362	90,708	638,004
Administrative and selling expenses								
Note (31.2)	(378,164)	(27,896)	(73,810)	(479,870)	(347,745)	(23,445)	(55,431)	(426,621)
Operating profit	270,887	42,160	24,579	337,626	145,189	30,917	35,277	211,383
Segment assets employed (%)	82.5	8.0	9.5	100.0	83.9	6.5	9.6	100

31.1 Segment wise Cost of Goods Sold

	2000				1999			
	Pharma	Diagnostic/ Equipment	Others	Total	Pharma	Diagnostic/ Equipment	Others	Total
----- (Rupees '000) -----								
Opening work-in-process	80,324	--	1,251	81,575	83,183	--	1,604	84,787
Raw and packing mat-								
	1,229,071	--	19,702	1,248,773	1,164,728	--	18,563	1,183,291
	1,309,395	--	20,953	1,330,348	1,247,911	--	20,167	1,268,078
Manufacturing Expenses								
Salaries, wages and staff Welfare	181,429	--	3,928	185,357	151,433	--	3,310	154,743
Stores and spare parts consumed	10,735	--	241	10,976	4,427	--	97	4,524
Fuel and power	23,209	--	521	23,730	22,016	--	481	22,497
Depreciation	47,848	--	1,073	48,921	40,432	--	883	41,315
Repairs and maintenance	17,072	--	383	17,455	6,618	--	145	6,763
Technical fee	41,984	--	942	42,926	38,196	--	835	39,031
Project expense	--	--	--	--	5,366	--	118	5,484
Insurance	3,451	--	77	3,528	2,639	--	58	2,697
Printing and stationery	1,464	--	33	1,497	1,378	--	30	1,408
Traveling and entertainment	2,092	--	47	2,139	1,796	--	39	1,835
Rent, rates and taxes	910	--	20	930	640	--	14	654
Laboratory testing								
Supplies	11.25	--	252	11,505	13,059	--	285	13,344
Computer expenses	6,986	--	157	7,143	5,549	--	121	5,670
Postage, telephone and Telegram	1,710	--	38	1,748	2,239	--	49	2,288
Others	9,353	--	210	9,563	7,082	--	155	7,237
	359,496	--	7,922	367,418	302,870	--	6,620	309,490
	1,668,891	--	28,875	1,697,766	1,550,781	--	26,787	1,577,568
Closing work in process	(132,987)	--	(160)	(133,147)	(80,324)	--	(1,251)	(81,575)
Cost of goods manufactured	1,535,904	--	28,715	1,564,619	1,470,457	--	25,536	1,495,993
Finished products								
Opening stock	150,840	23,518	25,168	199,526	157,841	19,782	62,215	239,838
Purchases	25,974	63,222	130,998	220,194	14,506	28,860	50,865	94,231
	176,814	86,740	156,166	419,720	172,347	48,642	113,080	334,069
Total cost of finished products available for sale	1,712,718	86,740	184,881	1,984,339	1,642,804	48,642	138,616	1,830,062
Closing stock	(169,485)	(46,120)	(43,682)	(259,286)	(150,840)	(23,517)	(25,169)	(199,526)
Total cost of goods sold	1,543,233	40,620	141,199	1,725,052	1,491,964	25,125	113,447	1,630,536

31.2 Segment wise Administrative, Selling and Distribution expenses

	2000				1999			
	Pharma	Diagnostic/ Equipment	Others	Total	Pharma	Diagnostic/ Equipment	Others	Total
----- (Rupees '000) -----								
Salaries, allowances and staff welfare	147,422	11,532	24,710	183,664	127,564	9,632	13,961	151,157

Rent, rates and taxes	5,242	1,005	878	7,125	5,733	492	628	6,853
Repairs and maintenance	5,467	975	916	7,358	4,452	1,879	487	6,818
Insurance	3,977	1,064	666	5,707	3,718	711	407	4,836
Depreciation	18,720	9,934	921	29,575	16,956	7,469	1,484	25,909
Auditors' remuneration	1,839	3	306	2,148	586	2	64	652
Legal, professional and other Services	3,876	4	649	4,529	4,932	19	539	5,490
Postage, telephone and telegram	6,703	1,705	1,122	9,530	7,700	1,759	843	10,302
Stationery and printing	3,437	429	576	4,442	3,180	287	349	3,816
Travelling and entertainment	39,195	2,752	6,564	48,511	36,261	2,729	3,969	42,959
Advertising, samples and sales promotion	91,188	7,114	30,870	129,172	81,105	5,560	28,527	115,192
Forwarding expenses	21,255	212	632	22,099	25,148	5	846	25,999
Donations	312		53	365	183	201	20	404
Electricity	2,270	145	380	2,795	2,175	61	239	2,475
Computer expenses	7,463	1,602	1,250	10,315	5,990	1,047	655	7,692
Training expenses	5,038	82	844	5,964	5,141	324	563	6,028
Provision for doubtful debts	(38)	1,669	(6)	1,625	(428)	1,556	(47)	1,081
Packing and miscellaneous supplies	5,344	1,344	895	7,583	6,311	456	690	7,457
Others	9,454	2,886	1,584	13,924	11,038	3,161	1,207	15,406
	378,164	44,457	73,810	496,431	347,745	37,350	55,431	440,526
Less: Recoveries from an associated Undertaking	--	16,561	--	16,561	--	13,905	--	13,905
Total	378,164	27,896	73,810	479,870	347,745	23,445	55,431	426,621

32. FINANCIAL INSTRUMENTS

32.1 Interest / mark-up rate risk exposure

The Company's exposure to interest / mark-up rate risk and the effective rates on its financial assets and liabilities as of November 30, 2000 are summarized as follows:

	2000			1999		
	Interest/ mark-up bearing- maturity less than one year	Non- Interest/ Mark-up Bearing	Total	Interest/ mark-up bearing- maturity less than one year	Non- Interest/ mark-up Bearing	Total
----- (Rupees '000) -----						
Financial assets						
Long-term loans	--	14,288	14,288	--	15,641	15,641
Long-term deposits	--	4,714	4,714	--	2,250	2,250
Trade debts	--	66,162	66,162	--	64,846	64,846
Loans and advances	--	13,520	13,520	--	17,038	17,038
Trade deposits	--	17,428	17,428	--	7,093	7,093
Other receivables - net	--	19,688	19,688	--	23,468	23,468
Cash and bank balances	1,840	40,319	42,159	6,027	23,234	29,261
	1,840	176,119	177,959	6,027	153,570	159,597

Effective interest / mark-up rate is approximately 2% per annum.

Financial liabilities

Short-term finances	73,965	--	73,965	361,868	--	361,868
Creditors, accrued and Other liabilities	--	382,671	382,671	--	277,293	277,293
	73,965	382,671	456,636	361,868	277,293	639,161

The effective interest / mark-up rates for the monetary financial liabilities are mentioned in the respective notes to the accounts.

32.2 Concentration of credit risk

The substantial supplies of the Company are made on cash basis. Further, the Company attempts to control credit risk associated with the carrying amount of its receivables by

monitoring credit exposures, limiting transactions with specific dealers and customers and continuing assessment of credit worthiness of such dealers and customers.

32.3 Foreign exchange risk

The Company limits its exposure to foreign exchange risk by hedging the transactions denominated in foreign currency using forward contracts.

32.4 Fair value of financial instruments

The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

33. CORRESPONDING FIGURES

Certain prior year's figures have been re-arranged, wherever necessary.

PATTERN OF SHARE HOLDING

as at 30/11/2000 (including rights shares)

<i>Number of Shareholders</i>	<i>Shareholding</i>			<i>Total Shares Held</i>
557 holding from	1	to	100	shares 16,108
268 holding from	101	to	500	shares 64,933
278 holding from	501	to	1000	shares 172,430
129 holding from	1001	to	5000	shares 270,915
17 holding from	5001	to	10000	shares 116,057
2 holding from	10001	to	15000	shares 22,662
2 holding from	15001	to	20000	shares 31,220
1 holding from	45001	to	50000	shares 45,620
1 holding from	60001	to	65000	shares 60,569
1 holding from	100001	to	105000	shares 101,261
1 holding from	115001	to	120000	shares 118,572
1 holding from	195001	to	200000	shares 198,430
1 holding from	215001	to	220000	shares 217,243
1 holding from	220001	to	225000	shares 221,579
1 holding from	290001	to	295000	shares 292,327
1 holding from	350001	to	355000	shares 350,447
1 holding from	395001	to	400000	shares 396,869
1 holding from	405001	to	410000	shares 406,058
1 holding from	415001	to	420000	shares 416,150
1 holding from	20960001	to	20965000	shares 20,962,367
-----				-----
1,266				24,481,817
-----				-----

<i>Categories of Shareholders</i>	<i>Number of Shareholders</i>	<i>Shares Held</i>	<i>Percentage</i>
Individuals	1,252	2,771,588	11.32
Investment Companies	4	3,453	0.014
Insurance Companies	2	101,270	0.414
Joint Stock Companies	2	350,521	1.432
Modaraba Companies	1	249	0.001
Foreign Investors	2	21,254,694	86.818
Co-operative Societies	3	42	0.000
-----	-----	-----	-----
Totals	1,266	24,481,817	100.000
-----	-----	-----	-----

STATISTICAL DATA

FIVE YEARS AT A GLANCE

	-----RUPEES IN MILLIONS-----				
	1996	1997	1998	1999	2000
Financial Position					
Shareholders Equity	508.2	551.2	599.8	637.6	999.3
Total Assets	909.0	1107.4	1315.6	1352.0	1574.0
Operating Position					
Sales (Net)	1,612.1	1,920.5	2,147.3	2,268.5	2,542.5
Profit Before Taxation	198.1	107.2	153.6	133.1	284.2
Taxation	68.4	24.4	56.8	61.6	104.7

Profit After Taxation	129.7	82.8	96.8	71.5	179.5
Ratios					
Earnings Per Share Pre Tax	13.68	6.73	5.02	3.71	8.27
Distribution					
Cash Dividen %	25.0	25.0	27.5	17.5	40.0
Stock Divide %	10.0	10.0	10.0	NIL	NIL
Share Price Rs.					
High	171.00	120.00	88.00	59.00	65.00
Low	113.00	85.50	50.00	46.00	42.00
Average	142.00	102.75	69.00	52.50	53.50

LIST OF PRODUCT

PRODUCT NAME	PACK SIZE
ANAESTHETICS	
Abocain 0.5%	5 x 10 ml
Abocain 0.5%	5 x 20 ml
Abocain Spinal 7.5mg/ml	5 x 2ml
Atrelax Inj.	5 x 2.5 ml
Atrelax Inj.	5 x 5.0 ml
Continuous Epidural 17 G	
Double Decker Anaesthesia tray (without drugs) with plastic LOR syringe	
Mini Kit 18 G for continuous Epidural anaesthesia	
Mini Kit 17 G for continuous Epidural anaesthesia with plastic LOR syringe	
Ethrane	250 ml
Forane	100ml
Pentothal Sodium 500 mg with 10 ml Sterile Water	25's
Propofol Abbott 1% Inj.	5 x 20 ml
Propofol Abbott Inj.	50 ml
Sevorane	250 ml
ANTI-ACNE LOTION	
Eryderm	60 ml
ANTI ARTHRITIC	
Artifen Injection	5 x 3 ml
Artifen Gel	20 gm
Artifen 25 mg Tablets	10x 10's
Artifen 50 mg Tablets	10x 10's
Flexin 250 mg	10x10's
Flexin 250 mg	2x10's
Flexin 500 mg	10x10's
Flexin 500 mg	2x 10' s
ANTIACID/ANTI-FLATULENT	
Banacid S Tablets	10x10's
Banacid S Suspension	120 ml
ANTI B.P.H.	
Hytrin 1 mg	3 x 10's
Hytrin 2 mg	3 x 10's
Hytrin 5 mg	3 x 10's
ANTI T.B.	
Abbutol 400mg	10x 10' s
Abrifam 450mg	10x10's
Abrifam 600mg	10x 10's
Rambuzid Filmtab	10x 10's
ANTI U.T.I.	
Urixin 400mg Tablets	10x 10' s
ANTI-DIARRHOEAL	
Kaltin Suspension	120 ml

Pedialyte (Plain)	500 ml
Pedialyte (Bubble gum)	500 ml

ANTI-EPILEPTIC

Epival 125 mg Tablets	10 x 10's
Epival 250 mg Tablets	10 x 10's
Epival 500 mg Tablets	10 x 10's
Epival Syrup	60 ml
Epival I.V.	5 ml vial

ANTI-HAEMORRHOIDAL

Tronolane Cream	20 gm
-----------------	-------

ANTI-HYPERTENSIVE

Calcard Tablets 60mg	10 x 10's
----------------------	-----------

BRONCHODILATOR

Bremax 1 mg Tablets	10 x 10's
Bremax 2 mg Tablets	10 x 10's
Bremax Syrup	60 ml
Theograd Gradumet Tabs. 350 mg	10 x 10's

CHOLERETICS & CHOLAGOGUE

Bilsan	30's
--------	------

CONSUMER / G.H.C. PRODUCTS

Abbowax Ear Wax Removal System	15 ml
Citrosoda Granules	100 x 4 gm
Fiberad	125 gm
Mammol Ointment	15 gm
Mospel	50 ml
Murine Plus	15 ml
Murine Clear Eyes	15 ml
Rashnil	15 gm
Selsun	60 ml
Selsun Blue	90 ml
Selsun Blue (with H/c)	120 ml
Selsun Gold	120 ml

COUGH & COLD

Cofcol Elixir	60ml
Cofcol Elixir	120ml
Cofcol Tablets	25 x 10's
Rondec Syrup	120 ml
Rondec Syrup	60 ml
Rondec-D Oral Drops	10 ml
Rondec-TR	10x10's

DISEASE SPECIFIC NUTRITIONALS

Ensure Plus	250 ml
Pulmocare	250 ml
Glucerna	250 & 500ml
Nepro	8 Floz.
Suplena	8 Floz.
Osmolite RTH	500 ml
Vital HN	6 sachet x 79 gm

HAEMATINICS

Iberol-F	25's
Iberet Drops	10ml
Iberet Folic-500 Gradumet	15' s
Iberet Folic-500 Gradumet	20's
Iberet 500 Gradumet Tablets	15's
Iberet 500 Gradumet Tablets	20's
Iberet-500 Liquid	120 ml
Iberet-500 Liquid	60 ml

NUTRITIONAL PRODUCTS

Ensure Powder (Vanilla, Banana, Chocolate & Strawberry flavour)	400gm
Promod Powder	275 gm

Gain Powder	450 gm
Isomil Powder	400 gm
PediaSure Powder (Vanilla)	400 gm
Pediasure Powder (Chocolate)	400 gm
Sensimil Powder	375 gm
Sensimil Powder	125 gm
Similac with Iron Powder	450 gm
Similac Powder	450 gm
Formance Powder	300 gm

NUTRITIONAL DEVICES

Flexiflow Easy Feed bag W/Grav. Set (51584)	
Flexiflow Patrol enteral Pump	
Flexiflow Screw Cap with gravity	
Flexiflow Screw Cap with Patrol Pump	
Nasoenteric Tube	12
Nasoenteric Tube	12
Inverta Peg Kit	20
Gastrostomy Tube	20
Gastrostomy Tube	22
Low Profile Gastrostomy Tube	26
Over The Guidewire	
Nasojejunal Tube	10
Over The Guidewire	
Jejunal Tube	10
Over The Guidewire	
Gastrostomy Peg	20
Jejunal Tube	10
Jejunal Tube	8

OTHER ANTI-BACTERIALS

Abozole Injection	100 ml
Abozole 400rag Tablets	10 x 10's

HOSPITAL DEVICES

Life Care XL Pump	1's
Primary IV Pump Set	1's
Provider Pump Sets	1's
Pain Management Provider	1's

OTHER HOSPITAL PRODUCTS

Abboath T	14 x 5 1/2"
Abboath T	16 x 5 1/2"
Calcijex 1 meg / ml	25 x 1 ml
Dial a Flo	18"
Liposyn II 20%	200 ml
Dobutamine Inj. 250mg	1 x 20 ml
Dopamine 200rag	5 ml
Dopamine 800 mg	10 ml
Survanta	8 ml vials

SYSTEMIC ANTIBIOTICS

Abbecin 20mg Inj.	1 x 2ml
Abbecin 80mg Inj.	1 x 2ml
Clindacin Injection 600mg	1 x 4ml
Clindacin Injection 900mg	1 x 6ml
Enoxabid 400 mg Tablets	2 x 10's
Erythrocin 100 mg filmtab	12's
Erythrocin 250 mg filmtab	100's
Erythrocin 250 mg filmtab	10x 1 O's
Erythrocin 500 mg filmtab	10x 10's
Erythrocin Drops	30 ml
Erythrocin Granules	60 ml
Erythrocin I.V.	1 gm vial
Erybron Tablets	10x10's
Erybron Granules	60 ml
Klaricid 250mg Tablets	10's
Klaricid 500mg Tablets	10's
Klaricid I.V.	0.5gm vial
Klaricid Granules (F.P.)	60ml
Klaricid XL	5's

Lincomycin Injection 300mg	5 x 1 ml
Lincomycin Injection 600mg	1 x 2 ml
Pediazole	60 ml
Sparaxin 100mg	1 x 10's
Vancomycin Injection 500 mg	1 x 10ml
Vancomycin Injection I g	1 x 20ml

VASOACTIVE

Loftyl Injection 5 ml	5's
Loftyl Tablets 150mg	5x20's
Loftyl tablets 300mg	5 x 10's

VITAMINS

Becefol	20's
Becefol	25's
Becefol	60's
Bejectal (IM/IV)	10 x 1 ml
Bejctal (Infusion pack)	10 ml
Bejctal T (IM/IV)	10 x 1 ml
Bejctal T (Infusion pack)	10 ml
Bevidox Tablets	30's
Bevidox Tablets	100's
Bevidox Injection 3 ml	25's
Cecon Drops	10 ml
Cecon-500 Chewable Tablets	40's
Dayalets	30's
Optilets-M	30's
Pramet - FA	20's
Surbex Syrup	60 ml
Surbex Syrup	120 ml
Surbex-T	20's
Surbex-T	25's
Surbex-T	60' s
Surbex - Z	20's
Trividox Injection 3 ml	25's
Vidaylin	120 ml
Vidaylin	60 ml
Vidaylin - M	120 ml
Vidaylin - M	60 ml
Vidaylin Drops	10 ml
Vidaylin - L	120 ml
Abocal Effervescent Tablets	10's

ANTI SEPTIC DISINFECTANT

Abodine Gargle / Mouth Wash	60 ml
-----------------------------	-------

STOMATIOLOGICALS

Abodine Solution	60ml
Abodine Surgical Scrub	60ml

MUCOLYTIC

Mucolator	30 x 3 g
-----------	----------

DIAGNOSTICS PRODUCTS

- Immunoassy Automatic system / Accessories / Reagents, IMx, AxSym, TDX
- Clinical Chemistry Analyzer Aicyon 300
- Abbott Murex System / Accessories / Reagents
- Diagnostic Reagents
- Cancer
- Cardiovascular
- Hepatitis
- Infectious Diseases & Immunology
- Metabolic & Digestic Diseases
- OB-Gyn
- Retrovirus
- Rubella
- Sexually Transmitted Diseases
- Thyroid
- Diagnostic Reagent Accessories
- Diagnostic Instruments & Accessories

- Cell-Dyn Hdematology System / Reagents / Consumable / Accessories / Slide Maker Stainer
- Abbott Testpack Reagents

Rapid Testing

Determine products For :-

- Hepatitis
- Aids
- Syphillus

MediSense:

- Precision QID & Strips.