

Wyeth®



**LEADING THE  
WAY TO A  
HEALTHIER WORLD**

Wyeth Pakistan Limited  
Annual Report 2016



# Mission, Vision And Values

## *Mission*

Our mission is to apply science and our global resources to improve health and well-being at every stage of life.

## *Vision*

Working together for a healthier world.

## *Our Commitments*

We are committed to:

- ▶ Advance wellness, prevention, treatments and cures.
- ▶ Bring the best scientific minds together to challenge the most feared diseases of our time.
- ▶ Set the standard for quality, safety and value of medicines.
- ▶ Promote curiosity, inclusion and a passion for our work.
- ▶ Be a leading voice for improving everyone's ability to have reliable and affordable health care.
- ▶ Maximize our financial performance so we can meet our commitments to all who rely on us.

## *Values*

- ▶ **Customer Focus:** We are deeply committed to meeting the needs of our customers, and we constantly focus on customer satisfaction.
- ▶ **Community:** We play an active role in making every community in which we operate - a better place to live and work knowing that its ongoing vitality has a direct impact on the long term health of the business.
- ▶ **Respect for People:** We recognize that people are a cornerstone of our success. We value our diversity as a source of strength and are proud of our history of treating employees with respect and dignity.
- ▶ **Performance:** We strive for continuous improvement in our performance, measuring results carefully and ensuring that integrity and respect for people are never compromised.
- ▶ **Collaboration:** We know that to be a successful company we must work together, frequently transcending organizational and geographic boundaries to meet the changing needs of our customers.
- ▶ **Leadership:** We believe that leaders empower those around them by sharing knowledge and rewarding outstanding individual effort. We are dedicated to providing opportunities for leadership at all levels in our organization.
- ▶ **Innovation:** Innovation is the key to improving health and sustaining our growth and profitability.
- ▶ **Quality:** Quality is ingrained in the work of our colleagues and all our values. We are dedicated to the delivery of quality healthcare. Our business practices and processes are designed to achieve quality results that exceed the expectations of all of our stakeholders.
- ▶ **Integrity:** We demand of ourselves and others the highest ethical standards, and our product and processes will be of the highest quality.

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Iftikhar Soomro	Chairman
Dr. Farid Khan	Chief Executive
Husain Lawai	
Moin M. Fudda	
Badaruddin F. Vellani	
Iqbal Bengali	
S. M. Wajeehuddin	

### COMPANY SECRETARY

S. M. Wajeehuddin

### AUDIT COMMITTEE

Moin M. Fudda	Chairman
Iftikhar Soomro	
Badaruddin F. Vellani	

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

Badaruddin F. Vellani	Chairman
Iftikhar Soomro	
Dr. Farid Khan	

### EXECUTIVE COMMITTEE

Dr. Farid Khan	Chairman
S. M. Wajeehuddin	

### SHARE TRANSFER COMMITTEE

Dr. Farid Khan	Chairman
S. M. Wajeehuddin	

### BANKERS

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

### AUDITORS

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

### LEGAL ADVISORS

Vellani & Vellani  
Orr, Dignam & Co.  
Mohammad Mitha

### SHARE REGISTRAR

**THK Associates (Pvt.) Ltd.**  
1st Floor, 40-C, Block-6  
P.E.C.H.S., Karachi - 75400  
UAN: 021 111-000-322, Fax 021-34168271

### HEAD OFFICE / REGISTERED OFFICE

S-33, Hawkes Bay Road, S.I.T.E., Karachi.  
Ph. # 92-21-32354651-61  
Fax # 92-21-32331045  
Website: [www.wyethpakistan.com](http://www.wyethpakistan.com)

**Note:** These accounts are also available on our website.

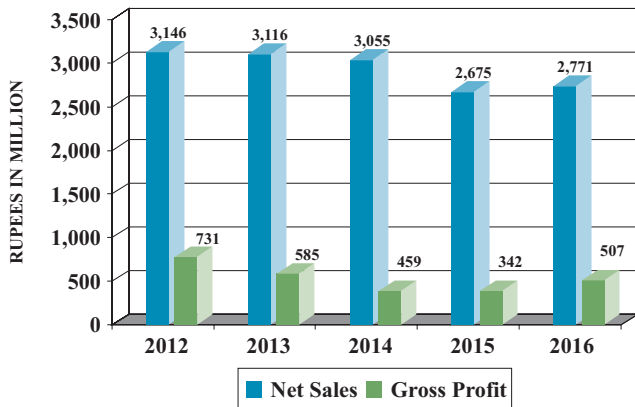
## KEY OPERATING AND FINANCIAL DATA OF SIX YEARS

KEY INDICATORS	2011	2012	2013	2014	2015	2016	
		(Restated)	(Restated)				
<b>Operating results (Rs. in millions)</b>							
Net sales	2,899	3,146	3,116	3,055	2,675	2,771	
Gross profit	742	731	585	459	342	507	
Operating profit / (loss)	274	245	57	(13)	82	196	
Profit / (loss) before tax	273	244	57	(14)	81	195	
Profit / (loss) after tax	150	132	17	(85)	32	113	
<b>Financial position (Rs. in millions)</b>							
Shareholder's equity	1,170	1,315	1,207	1,093	1,141	1,225	
Property, plant & equipment	135	150	208	264	382	17	
Net current assets	1,015	1,153	954	800	738	1,178	
<b>Profitability</b>							
Gross profit	%	25.60	23.24	18.78	15.02	12.79	18.28
Operating profit / (loss)	%	9.45	7.79	1.82	(0.42)	3.08	7.08
Profit / (loss) before tax	%	9.42	7.76	1.82	(0.45)	3.04	7.03
Profit / (loss) after tax	%	5.17	4.20	0.54	(2.77)	1.20	4.07
<b>Performance</b>							
Fixed assets turnover	Times	21.47	21.00	14.98	11.56	7.00	* 7.81
Avg. inventory holding period	Days	175	177	143	120	114	125
Average collection period	Days	6	9	10	8	5	4
Return on equity	%	12.82	10.04	1.39	(7.73)	2.81	9.21
<b>Liquidity</b>							
Current	Times	2.83	4.11	2.91	2.47	2.34	2.58
Quick	Times	0.56	1.13	1.06	0.94	1.10	1.36
<b>Valuation</b>							
Earnings / (loss) per share	Rs.	123.33	134.90	11.82	(59.48)	22.52	79.36
Book value per share	Rs.	823.28	918.29	849.80	769.05	802.44	861.37
Dividend per share	Rs.	40.00	80.00	20.00	-	20.00	35.00
Price earning ratio	Times	5.51	6.93	432.65	-	103.01	53.47

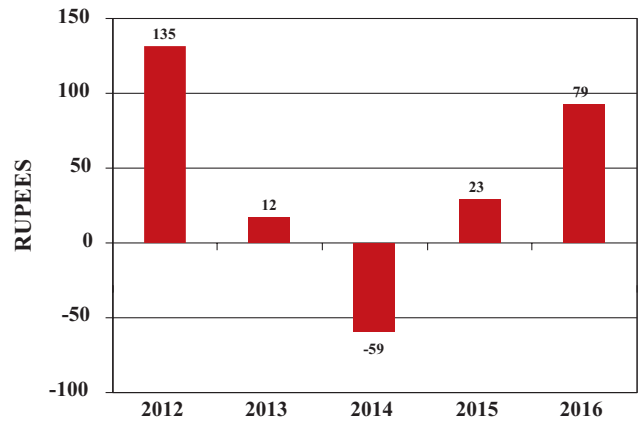
\* Based on total value of Plant & Machinery inclusive of Assets held for sale.

## PERFORMANCE AT A GLANCE

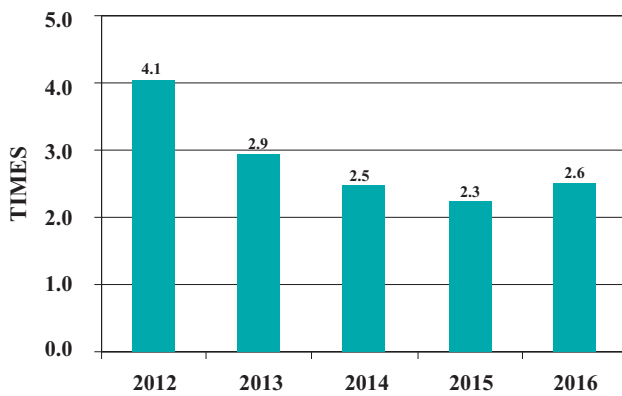
NET SALES & GROSS PROFIT ANALYSIS



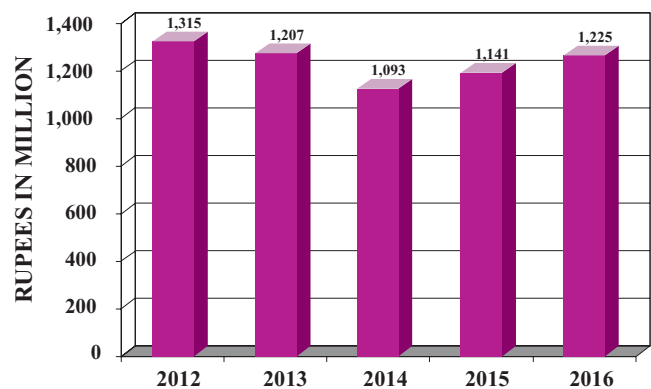
EARNINGS / (LOSS) PER SHARE



CURRENT RATIO



SHAREHOLDERS' EQUITY



Wyeth

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the SIXTY-EIGHTH Annual General Meeting of Wyeth Pakistan Limited will be held at Institute of Bankers of Pakistan, M. T. Khan Road, Karachi, at 11:00 a.m. on Tuesday, March 28, 2017 to transact the following business:

### ORDINARY BUSINESS

1. (a) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended November 30, 2016 together with the Directors' and Auditors' Reports thereon
- (b) To consider, approve and declare and authorize the payment of final dividend for the year ended November 30, 2016. The Directors have recommended the payment of a final dividend of 35%, that is, Rs.35 per share of Rs.100 each, for the year ended November 30, 2016 payable to those Members whose names appear on the Register of Members as at the close of business on March 20, 2017.
2. To appoint Auditors for the year ending November 30, 2017 and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS

3. To consider and approve the transmission of annual balance sheet and profit and loss account, auditor's report and directors' report etc. ('Annual Audited Accounts') as well as notice of annual general meeting to Members either through e-mail or CD/DVD/USB at their registered addresses in accordance with Securities and Exchange Commission of Pakistan SRO 787(I)/2014 dated 8 September 2014 read together with SRO No. 470(I)/2016 dated 31 May 2016 and for that purpose to pass the following resolution:

**"RESOLVED THAT** as notified by the Securities and Exchange Commission of Pakistan vide its SRO No. 787(I)/2014 dated 8 September 2014 read together with SRO No. 470 (I)/2016 dated 31 May 2016 the transmission of annual audited financial statements, auditor's report and directors' report etc. ("Annual Audited Accounts") as well as notice of annual general meeting to members at their registered address in soft form that is by way of e-mail, CD or DVD or USB instead of transmitting the annual audited accounts in hard copies be and is hereby approved."

4. To consider and approve the sale of the manufacturing facility of the Company located at Hawkesbay along with the transfer of the following products of the Company, namely, Entox-P; Lederplex; Lederrif; Mucaine; Nilstat; Tri-Hemic and Wymox, to ICI Pakistan Limited and in this regard pass the following resolution:

**"RESOLVED THAT,** the sale to ICI Pakistan Limited on such terms and subject to such conditions as may be approved by the Board of Directors of the Company, the Company's manufacturing facility located at Hawkesbay along with the following products of the Company, namely, Entox-P; Lederplex; Lederrif; Mucaine; Nilstat; Tri-Hemic; and Wymox, be and is hereby approved."



A statement as required under section 160(1)(b) of the Companies Ordinance 1984 in respect of the special businesses to be considered at the meeting is annexed to the notice of this meeting being sent to the Members.

By Order of the Board



**S. M. WAJEEHUDDIN**  
Company Secretary

Karachi: March 03, 2017.

**Notes:**

1. Reference is made to the Securities and Exchange Commission of Pakistan Notification SRO 831(I) of 2012 dated July 5, 2012. In this connection the individual Members, who have not yet submitted photostat copy of their valid CNIC to the Company, are once again requested to send their CNIC (copy) with Folio Number mentioned thereon at the earliest to the Company's Share Registrar at THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400. Corporate Entities are also requested to provide their National Tax Number (NTN) certificate (copy) with Folio Number mentioned thereon to the Company's Share Registrar (as mentioned above). In case on non-receipt of valid CNICs, the Company will be constrained to withhold dispatch of dividend warrants to such shareholders.
2. The Share Transfer Books of the Company will remain closed from Tuesday, March 21, 2017 to Tuesday, March 28, 2017 (both days inclusive).
3. A member entitled to attend, speak and vote at the above meeting shall be entitled to appoint another person, as his/her proxy to attend, demand or join in demanding a poll, speak and vote instead of him/her. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company. The completed proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.
5. Members are requested to promptly communicate any change in their addresses or bank mandate as registered to the Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400.
6. CDC Account Holders will further have to follow the under mentioned guidelines as prescribed in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:
  - A. For Attending the Meeting:**
    - i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
    - ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

## **B. For Appointing Proxies:**

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
  - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
  - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. The shareholders holding physical shares are also required to bring their original CNIC and attested copy of CNIC of shareholder(s) of whom he/she/they hold proxy(ies) without which such shareholder(s) shall not be allowed to attend and/or sign the Register of Shareholders/Members at the AGM.
8. Accounts of the Company for the year ended November 30, 2016 are also available on the Company's website: [www.wyethpakistan.com](http://www.wyethpakistan.com).

## **9. Dividend Mandate (Optional)**

Pursuant to SECP Circular No. 18 of 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account. In this regard, shareholders are advised to submit application to the Company's Share Registrar giving particulars relating to their name, folio number, title of account, bank account number, the bank's name and complete mailing address of the bank. Please note that this dividend mandate is optional and not compulsory.

## **10. Payment of Cash Dividend Electronically (Optional)**

In compliance with the SECP Circular No.8(4)SM/CDC 2008 dated 5 April 2013, the Company wishes to inform its shareholders that under the law they are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Accordingly, shareholders, wishing to exercise this option, may submit their application to the Company's Share Registrar, stating therein particulars as required above under the Bank Mandate.

## **11. As regards deduction of withholding tax on the amount of dividend:**

- i) The Government of Pakistan through Finance Act 2014 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

(a) For filers of income tax returns	12.5%
(b) For non-filers of income tax returns	20.0%

To enable the Company to make a tax deduction on the amount of dividend @ 12.5% instead of 20.0%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend i.e. April 21, 2017 otherwise tax on their cash dividend will be deducted @20.0% instead @12.5%.

- ii) For any query/problem/information, the investors may contact the Company's Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400, at the following phone number 111-000-322, 34168266-68-70 or email address [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk).
- iii) The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company's Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the Company's name and their respective folio numbers.

## **12. Circulation of Annual Audited Accounts and Notice of AGM through E-mail, CD or DVD or USB**

We are pleased to inform shareholders that the Securities and Exchange Commission of Pakistan has under and pursuant to SRO No. 787(I)/2014 dated 8 September 2014 and SRO 470(I) dated 31 May 2016 permitted companies to circulate their annual balance sheet and profit and loss accounts, auditor's report and directors' report etc. ("Annual Audited Accounts") along with the notice of annual general meeting ("AGM Notice"), to its shareholders by email, CD or DVD or USB. Shareholders of the Company who wish to receive Notice and Annual Audited Accounts in the future by email, CD or DVD or USB are requested to provide the completed Form that shall be available on the company's website [www.wyethpakistan.com](http://www.wyethpakistan.com), to the Company's Share Registrar, Central Depository Company of Pakistan Limited, Company Secretary.

Members are also required to intimate any change in their registered email addresses in a timely manner to ensure effective communication by the company

### **Statement under Section 160(1)(b) of the Companies Ordinance, 1984**

#### **(1) Circulation of Annual Audited Accounts by Electronic means**

Vide SRO No. 787(I)/2014 dated 8 September 2014 and SRO 470(I) dated 31 May 2016 the Securities and Exchange Commission of Pakistan has permitted companies to circulate their annual balance sheet and profit and loss accounts, auditor's report and director's report ("Annual Audited Accounts") along with the notice of annual general meeting ("AGM Notice") to its shareholders by e-mail, CD or DVD or USB on the terms and subject to the conditions as mentioned in the aforesaid notifications. Accordingly, it is proposed that for the purposes aforesaid the resolution set forth at agenda item 3 of the Notice convening the forthcoming Annual General Meeting be passed as and by way of an ordinary resolution.

## **(2) Asset Sale Transaction with ICI Pakistan Limited**

The Company has been reprioritizing its portfolio with specific focus on high margin products to address declining sales and increased cost.

In view of the on-going reprioritization, the Board of Directors considered various options which were available to the Company and are of the view that the most viable option is to sell the manufacturing facility of the Company located at Hawkesbay along with certain of its non-core products, namely, Entox-P; Lederplex; Lederrif; Mucaine; Nilstat; Tri-Hemic and Wymox, to ICI Pakistan Limited. These products are licensed to the Company by Wyeth LLC, US (a subsidiary of Pfizer Inc.) and its affiliates, who have agreed to allow the Company to retain for itself the proceeds relating to the sale of these products to ICI Pakistan Limited.

Accordingly, the Board of Directors of the Company have recommended that the manufacturing facility of the Company located at Hawkesbay along with of the following products of the Company, namely, Entox-P; Lederplex; Lederrif; Mucaine; Nilstat; Tri-Hemic; and Wymox, be sold to ICI Pakistan Limited, subject to all regulatory approvals and on terms and conditions to be approved by the Board of Directors. Accordingly, it is proposed that for the purposes aforesaid the resolution set forth at agenda item 4 of the Notice convening the forthcoming Annual General Meeting be passed as and by way of an ordinary resolution.

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## نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ Wyeth پاکستان لمیٹڈ کا 68 واں سالانہ اجلاس عام بروز منگل، 28 مارچ 2017 کی صبح 11 بجے انسٹی ٹیوٹ آف بینکرز آف پاکستان، ایم۔ٹی۔خان روڈ، کراچی میں درج ذیل امور پر کارروائی کے لیے منعقد کیا جائے گا:

### عمومی کارروائی

1- (الف) 30 نومبر 2016 کو ختم شدہ سال کے لیے کمپنی کی آڈٹ شدہ مالیاتی تفصیلات بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹس کی وصولی، غور اور منظوری  
(ب) 30 نومبر 2016 کو ختم شدہ سال کے لیے حتمی منافع منقسمہ کا اعلان اور اس کی ادائیگی کے لیے اختیارات کی منظوری پر غور۔ ڈائریکٹرز نے 30 نومبر 2016 کو ختم شدہ سال کے لیے 100 روپے کے فی شیئر پر 35% حتمی منافع منقسمہ یعنی 35 روپے کی ادائیگی کی سفارش کی ہے، 30 نومبر 2016 کو ختم شدہ سال کے لیے حتمی منافع منقسمہ ایسے ممبران کو قابل ادائیگی ہوگا، جن کے نام 20 مارچ 2017 کو کاروباری دن کے اختتام پر ممبران کے رجسٹر میں موجود ہوں گے۔

2- 30 نومبر 2017 کو ختم ہونے والے سال کے لیے آڈیٹرز کا تقرر اور ان کے مشاہرے کے تعین کے لیے بورڈ کو اختیار دینا۔

### خصوصی کارروائی


3- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 8 ستمبر 2014 کو جاری ہونے والے (SRO 787(I)/2014) اور مورخہ 31 مئی 2016 کو جاری ہونے والے (SRO No. 470(I)2016) کو ایک ساتھ ملا کر پڑھا جائے، کے تحت سالانہ بیننس شیٹ اور اکاؤنٹ کے نفع و نقصان کی تفصیلات، اس پر آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) کے علاوہ سالانہ اجلاس عام کی ممبران کو اطلاع ای میل یا CD یا DVD یا USB کے ذریعے ان کے رجسٹرڈ پتوں پر ترسیل کی رضامندی حاصل کرنا اور اس مقصد کے لیے درج ذیل قرارداد منظور کرنا:

”قرار پایا کہ جس طرح سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات بذریعہ مورخہ 8 ستمبر 2014 کو جاری ہونے والے (SRO 787(I)/2014) اور مورخہ 31 مئی 2016 کو جاری ہونے والے (SRO No. 470(I)2016) کو ایک ساتھ ملا کر پڑھا جائے، میں بیان کیا گیا ہے کہ سالانہ آڈٹ شدہ مالیاتی تفصیلات، ان پر آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ، (”سالانہ آڈٹ شدہ اکاؤنٹس“) کے علاوہ سالانہ اجلاس عام کی ممبران کو اطلاع ای میل، CD یا DVD یا USB کے ذریعے ان کے رجسٹرڈ پتوں پر ہارڈ کاپیز کے بجائے سوفٹ فارم میں ارسال کی جائے اور یہاں پر اس کی منظوری دی جاتی ہے۔“

4- ہاس بے میں واقع کمپنی کے مینوفیکچرنگ پلانٹ کو کمپنی کی درج ذیل ناموں سے پروڈکٹس این ٹاکس۔ پی؛ لیڈر پلیکس؛ لیڈر لیف؛ میوکیٹن؛ نلسٹیٹ؛ ٹرائی۔ہیمک؛ اور وائموکس کے ساتھ آئی سی آئی پاکستان لمیٹڈ کو فروخت کرنے کی منظوری اور اس سلسلے میں درج ذیل قرارداد منظور کرنا:

”قرار پایا کہ کمپنی کے ہاس بے میں واقع مینوفیکچرنگ پلانٹ کو کمپنی کی درج ذیل ناموں سے پروڈکٹس این ٹاکس۔ پی؛ لیڈر پلیکس؛ لیڈر لیف؛ میوکیٹن؛ نلسٹیٹ؛ ٹرائی۔ہیمک؛ اور وائموکس کے ساتھ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے آئی سی آئی (ICI) پاکستان لمیٹڈ کو مذکورہ شرائط پر اور کمپنی کے مذکورہ حالات میں فروخت کی یہاں پر منظوری دی جاتی ہے۔“

کمپنی آرڈیننس 1984 کے سیکشن (b)(1) 160 کے تحت اجلاس عام میں عمل پذیر خصوصی کارروائیوں سے متعلق دستاویز اس اجلاس کی اطلاع کے ہمراہ ممبران کو ارسال کی جا رہی ہے۔

بحکم بورڈ  


المس ایم وچیرہ الدین  
 کمپنی سیکریٹری

کراچی: 03 مارچ، 2017

## نوٹس:

- 1- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 5 جولائی، 2012 کو جاری کردہ نوٹیفیکیشن SRO 831(I) of 2012 کے حوالے سے ریفرنس تیار کیا گیا ہے۔ اس سلسلے میں ایسے انفرادی ممبران جنہوں نے ابھی تک اپنے مؤثر سی این آئی سی کی نقل کمپنی میں جمع نہیں کرائی ہے، ان سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ وہ فوری طور پر، اس پر درج فولیو نمبر کے ہمراہ اپنے سی این آئی سی کی نقل کمپنی کے شیئر رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C بلاک، 6، پی۔ ای۔ سی ایچ۔ ایس۔، کراچی۔ 75400 کو ارسال کریں۔ کارپوریٹ اداروں سے بھی درخواست کی جاتی ہے کہ وہ اپنے نیشنل ٹیکس نمبر (NTN) سرٹیفیکیٹ کی (نقل) اس پر درج فولیو نمبر کے ساتھ کمپنی کے شیئر رجسٹرار (مذکورہ بالا) کو ارسال کریں۔ مؤثر سی این آئی سی کی نقول موصول نہ ہونے کی صورت میں کمپنی ایسے شیئر ہولڈرز کو جتنی منافع منقسمہ کے وارنٹس کی ترسیل روکنے پر مجبور ہوگی۔
- 2- کمپنی کی شیئر ٹرانسفر بکس 21 مارچ 2017 تا 28 مارچ 2017 (بشمول دونوں دن) بند رہیں گی۔
- 3- مندرجہ بالا اجلاس میں شرکت، بولنے اور ووٹ ڈالنے کا اہل ممبر اگر چاہے تو اپنی جگہ اجلاس میں شرکت کرنے، ووٹنگ کا مطالبہ کرنے یا مطالبہ میں شامل ہونے یا اظہار خیال کرنے اور ووٹ ڈالنے کیلئے کسی دوسرے فرد کو بطور پراکسی تقرر کر سکتا ہے۔ اس طرح منتخب کردہ پراکسی کو اجلاس میں شرکت کرنے، اظہار خیال کرنے اور ووٹ ڈالنے کے وہی اختیارات میسر ہوں گے جو اصل ممبر کو حاصل ہیں۔ پراکسی کیلئے کمپنی کا ممبر ہونا لازمی ہے۔ مکمل پراکسی فارم اجلاس سے 48 گھنٹے پہلے کمپنی کے رجسٹرار آفس میں داخل کرانا لازمی ہے۔
- 4- کارپوریٹ ممبر ہونے کی صورت میں، پراکسی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع دستخط کے نمونے کمپنی کے پاس داخل کرائے جائیں۔
- 5- ممبران سے درخواست ہے کہ وہ اپنے پتے یا بینک مینڈیٹ کی تبدیلی سے ہمارے کمپنی کے شیئر رجسٹرار، پہلی منزل 40-C بلاک، 6، پی۔ ای۔ سی۔ ایچ۔ ایس۔، کراچی۔ 75400 کو فوری آگاہ کریں۔
- 6- سی ڈی سی کے اکاؤنٹ ہولڈرز کو دی گئی شرائط کے علاوہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 بتاریخ 26 جنوری 2000 میں دی گئی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا:

## A- اجلاس میں شرکت کے لیے:

- (i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا وہ فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور جس کی رجسٹریشن کی تفصیلات ریگولیشنز کے مطابق اپ لوڈ کر لی گئی ہیں، اجلاس میں شرکت کے موقع پر اپنی شناخت کی تصدیق اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ کے ذریعے کرائیں گے۔

(ii) کارپوریٹ ممبر ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور نمائندے کے دستخط کے نمونے پیش کرنے ہوں گے (بشرطیکہ یہ سب پہلے فراہم نہ کئے گئے ہوں)۔

## B- پراسی کے تقرر کے لیے:

- (i) انفرادی صورت میں، اکاؤنٹ ہولڈر، سب اکاؤنٹ ہولڈر یا/ اور وہ فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں، اور جس کی رجسٹریشن تفصیلات ریگولیشنز کے مطابق اپ لوڈ کر لی گئی ہوں، اوپر درج شدہ طریقے کے مطابق پراسی فارم جمع کرائیں گے۔
- (ii) پراسی فارم کی تصدیق دوا فراد کریں گے جن کے نام، پتے، اور قومی شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- (iii) پراسی فارم کے ساتھ بینیفیشل اوزر اور پراسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں لگانا لازمی ہے۔
- (iv) اجلاس کے موقع پر پراسی اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کریں گے۔
- (v) کارپوریٹ ممبر ہونے کی صورت میں، پراسی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اور دستخط کے نمونے پیش کرنا ہوں گے (بشرطیکہ یہ سب پہلے فراہم نہ کئے گئے ہوں)۔

7- فزیکل شیئرز کے مالکان کو اپنا اصلی کمپیوٹرائزڈ قومی شناختی کارڈ اور پراسی کو قومی شناختی کارڈ کی تصدیق شدہ کاپی ہمراہ لانا لازمی ہے جس کے بغیر انہیں اجلاس میں شرکت کرنے یا ای۔ جی ایم کے ارکان/ حصص یافتگان کے رجسٹر میں دستخط کرنے کی اجازت نہیں ہوگی۔

8- 30 نومبر 2016 کو ختم ہونے والے سال کیلئے کمپنی کے اکاؤنٹس، کمپنی کی ویب سائٹ [www.wyethpakistan.com](http://www.wyethpakistan.com) پر بھی فراہم کر دیئے گئے ہیں۔

## 9- منافع منقسمہ کا مینڈیٹ (اختیاری)

SECP کے 2012 کے سرکلر نمبر 18 کے مطابق شیئرز ہولڈر اگر چاہے تو کمپنی کو اس کے بینک اکاؤنٹ کے ذریعے ڈیویڈنڈ کی ادائیگی کی ہدایت دے سکتا ہے۔ اسلئے حصص یافتگان سے درخواست ہے کہ وہ اس بابت ایک درخواست کمپنی کے شیئرز رجسٹرار کو جمع کرائیں جس میں انکی تمام مطلوبہ تفصیلات بشمول نام، فوٹیو نمبر، ٹائٹل آف اکاؤنٹ، بینک اکاؤنٹ نمبر، بینک کا نام اور مکمل ڈاک کا پتہ موجود ہو۔ براہ مہربانی نوٹ کر لیں کہ یہ منافع منقسمہ کا مینڈیٹ مرضی پر منحصر ہے اور لازمی نہیں۔

## 10- منافع منقسمہ کی ادائیگی الیکٹرانک طریقے سے (اختیاری)

SECP کے سرکلر نمبر SM/CDC 2008 (4) 8 تاریخ 5 اپریل 2013 کے مطابق کمپنی، حصص یافتگان کو مطلع کرنا چاہتی ہے کہ قانوناً وہ نقد منافع منقسمہ بذریعہ ڈیویڈنڈ وارنٹس وصول کرنے کے بجائے براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے بھی مجاز ہیں۔ اسلئے حصص یافتگان اگر یہ طریقہ اختیار کرنا چاہیں تو اس بابت ایک درخواست جس میں ان کی تمام مذکورہ بالا بینک مینڈیٹ میں بیان کردہ مطلوبہ تفصیلات موجود ہوں، کمپنی کے شیئرز رجسٹرار کو جمع کروا سکتے ہیں۔

## 11- ڈیویڈنڈ پروڈ ہولڈنگ ٹیکس کے حوالے سے:

i- حکومت پاکستان کی جانب سے انکم ٹیکس آرڈیننس 2001 سیکشن 150 میں فنانس ایکٹ 2014 کے تحت کی جانے والی ترمیم کے مطابق کمپنیز کی طرف سے ادا کی جانے والی ڈیویڈنڈ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی کے لئے مختلف شرحیں تجویز کی گئی ہیں۔ یہ شرحیں مندرجہ ذیل ہیں:

(الف) انکم ٹیکس ریٹرنز فائل کرنے والوں کیلئے	12.5 فیصد
(ب) انکم ٹیکس ریٹرنز فائل نہ کرنے والوں کیلئے	20.0 فیصد

کمپنی کو 20.0 فیصد کے بجائے 12.5 فیصد ٹیکس کی کٹوتی کا مجاز بنانے کیلئے تمام شیئرز ہولڈرز جن کے نام FBR کی ویب سائٹ پر فراہم کردہ ایکٹیو ٹیکس پیئرز لسٹ (ATL) میں موجود نہیں باوجود فائل ہونے کے، ان کو متنبہ کیا جاتا ہے کہ وہ کیش ڈیویڈنڈ کی ادائیگی کی تاریخ 21 اپریل 2017 سے قبل ATL میں اپنے نام کا اندراج یقینی بنائیں۔ بصورت دیگر ان کے کیش ڈیویڈنڈ پر ٹیکس کی کٹوتی 12.5 فیصد کے بجائے 20.0 فیصد کے حساب سے کی جائیگی۔

ii- مزید سوالات/مسائل/معلومات کیلئے سرمایہ کار کمپنی کے شیئرز رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40، بلاک 6، پی۔ای۔سی۔ ایچ۔ ایس، کراچی۔ 75400 سے فون نمبر 322-000-7011-68-34168266 پر یا بذریعہ ای میل [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk) رابطہ کر سکتے ہیں۔

iii- CDC کا نوٹس رکھنے والے کارپوریٹ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ اپنے NTN اپنے متعلقہ پارٹنیشنس سے اپ ڈیٹ کر لیں۔ جبکہ کارپوریٹ فزیکل شیئرز ہولڈرز کمپنی کے شیئرز رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40 بلاک 6، پی۔ای۔سی۔ ایچ۔ ایس، کراچی۔ 75400 کو روانہ کریں۔ شیئرز ہولڈرز NTN\NTN سرٹیفکیٹ، (جو بھی صورت ہو) بھیجتے ہوئے کمپنی کا نام اور ان کے متعلقہ فولیو نمبر ضرور بتائیں۔

12- سالانہ آڈٹ شدہ اکاؤنٹس اور سالانہ اجلاس عام کے نوٹس کی بذریعہ ای میل، CD یا DVD یا USB ترسیل ہم حصص یافتگان کو پرسرت مطلع کرتے ہیں کہ برطانیہ SRO No. 787 (I)/2014 بتاریخ 8 ستمبر 2014 اور SRO 470 (I) بتاریخ 31 مئی 2016 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنی کو اپنی سالانہ بیلنس شیٹ اور اکاؤنٹ کا نفع و نقصان، آڈیٹرز اور ڈائریکٹرز کی رپورٹ وغیرہ ("سالانہ رپورٹ") بشمول سالانہ عام اجلاس کے نوٹس ("سالانہ اجلاس عام کا نوٹس") بذریعہ ای میل، CD یا DVD یا USB کے ذریعے ترسیل کی اجازت دی ہے۔ کمپنی کے حصص یافتگان جو مستقبل میں بذریعہ ای میل CD یا DVD یا USB نوٹس اور سالانہ آڈٹ شدہ اکاؤنٹس وصول کرنے کے خواہشمند ہیں ان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ [www.wyethpakistan.com](http://www.wyethpakistan.com) پر دستیاب مکمل فارم کمپنی کے شیئرز رجسٹرار، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، کمپنی سیکریٹری کو فراہم کریں۔

ممبرز سے درخواست کی جاتی ہے کہ موثر ابلاغ کیلئے اپنے رجسٹرڈ ای میل ایڈریسز میں ہونے والی کسی بھی تبدیلی سے بروقت مطلع کریں۔



## کمپنیز آرڈیننس 1984 کے سیکشن (b)(1) 160 کے تحت ایک اسٹیٹمنٹ

### (1) سالانہ آڈٹ شدہ اکاؤنٹس کی الیکٹرونک کے ذریعے ترسیل

SRO No. 787(I)/2014 بتاریخ 8 ستمبر 2014 اور SRO 470(I) بتاریخ 31 مئی 2016 کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیز کو سالانہ بیلنس شیٹ اور اکاؤنٹ کا نفع و نقصان، آڈیٹ اور ڈائریکٹرز کی رپورٹ ("سالانہ آڈٹ شدہ اکاؤنٹس") جمع سالانہ اجلاس عام کے نوٹس ("سالانہ اجلاس عام کا نوٹس") کی حصص یافتگان کو بذریعہ ای میل، CD یا DVD یا USB مذکورہ نوٹس میں بیان کردہ شرائط و ضوابط کے مطابق ترسیل کی اجازت دی ہے۔ اس مقصد کے لئے قرارداد مہران کے سامنے منظوری کیلئے بطور عام قرارداد پیش کی جائے گی۔ اس طرح، یہ تجویز دی گئی ہے کہ آئندہ سالانہ اجلاس عام کی اطلاع میں مذکورہ بالا ایجنڈا نمبر 3 میں شامل قرارداد کو عمومی قرارداد کے طور پر منظور کیا جائے گا۔

### (2) آئی سی آئی (ICD) پاکستان لمیٹڈ کے ساتھ ایسٹ سیل ٹرانزیکشن

کمپنی نے اپنے پورٹ فولیو کو از سر نو تازہ بنی بنیادوں پر تیار کرنے کے لیے زیادہ نفع بخش پروڈکٹس پر خصوصی توجہ اور سیلز میں کمی اور اخراجات میں اضافے کی نشاندہی کی ہے۔

کمپنی نے پورٹ فولیو کی از سر نو تیاری کے دوران، بورڈ آف ڈائریکٹرز نے مختلف دستیاب مواقع پر غور کیا اور سب سے زیادہ بہتر حل اس کو قرار دیا کہ کمپنی کے ہاسک بے میں واقع مینوفیکچرنگ پلانٹ کو کمپنی کی مخصوص غیر اہم پروڈکٹس، جن کے نام، این ٹاکس۔ پی، لیڈر پبلیکس؛ لیڈر ریف؛ میوکیٹن؛ ٹلسٹیٹ؛ ٹرائی۔ ہیپک؛ وائٹموکس ہیں، سمیت آئی سی آئی (ICD) پاکستان لمیٹڈ کو فروخت کیا جائے۔ یہ پروڈکٹس Wyeth ایل ایل سی، یو ایس (Pfizer Inc.) کی ذیلی کمپنی کے تحت لائسنس شدہ ہیں، اس کے الحاق شدگان نے بھی کمپنی کو ان پروڈکٹس کی آئی سی آئی (ICD) پاکستان لمیٹڈ کو فروخت کی اجازت دے دی ہے۔ اس طرح کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے ہاسک بے میں واقع مینوفیکچرنگ پلانٹ کو کمپنی کی درج ذیل پروڈکٹس کے ساتھ جن کے نام، این ٹاکس۔ پی؛ لیڈر پبلیکس؛ لیڈر ریف؛ میوکیٹن؛ ٹلسٹیٹ؛ ٹرائی۔

ہیپک اور وائٹموکس ہیں، سمیت آئی سی آئی (ICD) پاکستان لمیٹڈ کو تمام قانونی تقاضے پورے کرنے اور بورڈ آف ڈائریکٹرز کی منظوری سے مشروط فروخت کی سفارش کی ہے۔ اس طرح، یہ تجویز دی گئی ہے کہ آئندہ سالانہ اجلاس عام کی اطلاع میں مذکورہ بالا ایجنڈا نمبر 4 میں شامل قرارداد کو عمومی قرارداد کے طور پر منظور کیا جائے گا۔

# Wyeth

## DIRECTORS' REPORT TO SHAREHOLDERS

We are pleased to present your Company's Annual Report for 2016 together with the audited financial statements for the year ended November 30, 2016.

### Financial Results

The Chief Executive's review on pages 22-23 covers the results of the Company's operations and its future outlook.

The Directors of the Company endorse the contents of the Chief Executive's Review.

The summarized operating results of your Company for the year ended November 30, 2016 are as follows:

	Rupees in '000
Sales	2,770,780
Gross Profit	506,535
Profit before tax	194,781
Profit after tax	112,816

The earning per share of your Company for the year ended November 30, 2016 is Rupees 79.36 [2015: 22.52].

During the year, the Company started pursuing the sale of its manufacturing facilities along with some of its non-core brands. Further details of these developments are covered in the Chief Executive's Review and the operating results of these brands are given in Note 26 to the Accounts.

### Review of Operations and Future Outlook

The Chief Executive's Review at pages 22 to 23 of the Annual Report discusses the operations and future outlook of your Company in more detail

The Directors of the Company endorse the contents of the Chief Executive's Review.

### Dividend

The Directors have recommended dividend @ 35% (i.e. Rs. 35 per share) as final dividend for the year 2016.

### Holding Company

Wyeth LLC, U.S.A. holds 576,470 (40.55%) shares, and Wyeth Holdings Corporation, U.S.A. (a 100% wholly owned subsidiary of Wyeth LLC,) holds 448,560 (31.55%) shares, in Wyeth Pakistan Limited, thus the total holding of Wyeth in Wyeth Pakistan Limited is 72.10%. Further, as a result of the global acquisition of Wyeth by Pfizer Inc., on October 15, 2009, Pfizer Inc. is the ultimate majority shareholder of Wyeth Pakistan Limited.

### Pattern of Shareholding

The shareholding information as at November 30, 2016 and the pattern of shareholding of the Company are set out at pages 70 to 71 of the Annual Report.

## Corporate and Financial Reporting Framework

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

- a) The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, comprehensive income, changes in equity and cash flows.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements. There has been no departure from IFRS.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no departure from best practices of corporate governance, as detailed in the listing regulations.
- h) Key operating and financial data of last six years (including current period) is set out on page no 2.
- i) There are certain disputed demands of Income Tax, which have not been accrued or paid. These have been explained in note 16 to the financial statements on Taxation under the head of Contingencies and Commitments.
- j) The value of investments of pension, gratuity and provident fund were as follows:

Name of Fund	Unaudited 2016	Audited 2015
DB Pension Fund	Rs. 75 million	Rs. 76 million
DC Pension Fund	Rs. 101 million	Rs. 91 million
Gratuity Fund	Rs. 65 million	Rs. 83 million
Provident Fund	Rs. 243 million	Rs. 251 million

The value of investments includes accrued interest and the audit of these funds for 2016 is in progress.

- k) During the year eight Board of Directors meetings were held and the attendance of Directors at those meetings is as follows:

Name	No. of Meetings Attended
Mr. Iftikhar Soomro	8
Dr. Farid Khan	8
Mr. Husain Lawai	4
Mr. Moin M. Fudda	8
Mr. Badaruddin F. Vellani	8
Syed Zakwan Ahmed	7
Mr. S. M. Wajeehuddin	8

- 1) All Board members have the necessary qualifications and experience and are fully conversant with their duties and responsibilities required under the Code of Corporate Governance. The Board is compliant with the training requirement and the criteria as prescribed in the Code of Corporate Governance.

## Related Party Transactions

All related party transactions during the year were approved by the Board and the details of all such transactions were placed before the Audit Committee. The Company maintains a full record of all such transactions, along with the terms and conditions of these transactions

## Capital Expenditure

Capital expenditure of Rs. 12.2 million was made during the year under review in respect of motor vehicles and equipment.

## Environment, Health and Safety

In recognition of Wyeth Pakistan Limited's contributions and track records towards improving environmental performance, we received the 13th Environmental Excellence Awards 2016 from the National Forum of Environment and Health (NFEH).

We encourage our managers and supervisors to establish individual plans for resource and energy conservation. We are also advancing consumption of cleaner energy so that reliance on conventional sources of energy is minimized in order to contribute our efforts towards reducing the Company's carbon footprint.

## Subsequent Events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of this report.

## Directors

Since the last AGM, Mr. Syed Zakwan Ahmed resigned from the board of directors on November 8, 2016 and Mr. Iqbal Bengali has been appointed in his place on February 3, 2017. The present directors are as follows:

Mr. Iftikhar Soomro	Chairman/Director
Dr. Farid Khan	Chief Executive/Director
Mr. Husain Lawai	Director
Mr. Moin M. Fudda	Director
Mr. Badaruddin F. Vellani	Director
Mr. Iqbal Bengali	Director
Mr. S. M. Wajeeluddin	Director

## Audit Committee

The terms of reference of the Audit Committee have been determined by the Board of Directors in accordance with the guidelines provided in the Code of Corporate Governance. The current Audit Committee consists of three members, Mr. Moin M. Fudda (Chairman), Mr. Iftikhar Soomro and Mr. Badaruddin F. Vellani. The Committee held four meetings during the year. Attendance of members in those meetings is as follows:

Name	No. of Meetings Attended
Mr. Moin M. Fudda	4
Mr. Iftikhar Soomro	4
Mr. Badaruddin F. Vellani	4

## Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee held one meeting during the year which was attended by all of the present Committee members, namely, Mr. Badaruddin Vellani, Mr. Iftikhar Soomro and Dr. Farid Khan.

## Auditors

The present Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible for reappointed, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as auditors of the Company for the financial year ending November 30, 2017 till the conclusion of the AGM to be held in 2018 at a remuneration to be determined by the Board of Directors.

## Corporate Governance

A statement of compliance with the Code of Corporate Governance is attached with this report.

By Order of the Board



**Iftikhar Soomro**  
Chairman

Karachi: February 28, 2017

# Wyeth

## ڈائریکٹرز کی رپورٹ بطرف شیئر ہولڈرز

30 نومبر 2016 کو ختم ہونے والے سال کے لیے ہم آپ کی کمپنی کی سالانہ رپورٹ برائے سال 2016 مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

### مالی نتائج:

منتظم اعلیٰ کا جائزہ جو صفحات 22 تا 23 موجود ہے جو کمپنی کی سرگرمیوں کے نتائج اور اہم نکات و تفصیلات مستقبل کا احاطہ کرتا ہے۔ کمپنی کے ڈائریکٹرز منتظم اعلیٰ کے جائزے کے مضامین کی توثیق کرتے ہیں۔ 30 نومبر کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے آپریٹنگ (عملی) نتائج کے خلاصہ جات درج ذیل ہیں:

روپے ہزاروں میں	
2,770,780	فروخت
506,535	کل منافع
194,781	منافع قبل از ٹیکس
112,816	منافع بعد از ٹیکس

30 نومبر 2016 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کا منافع فی شیئر 79.36 روپے ہا [2015 میں یہ 22.52 روپے تھا]۔ دوران سال، کمپنی نے اسکے پلانٹ مع اسکے نون۔کور برانڈ ذہنی غیر بنیادی برانڈ ذہنی فروخت کا آغاز کر دیا۔ ان پیش روخت کی مزید تفصیلات منتظم اعلیٰ کے جائزے میں احاطہ کی گئیں ہیں اور ان برانڈز کے عملی نتائج حسابات (اکاؤنٹس) کے نوٹ نمبر 26 میں دیئے گئے ہیں۔

### سرگرمیوں اور مستقبل کا جائزہ:

سالانہ رپورٹ کے منتظم اعلیٰ کے جائزے کے صفحات 22 تا 23 پر آپ کی کمپنی کی سرگرمیوں و کاروباری امور اور تو قفصات مستقبل کو زیادہ تفصیل سے زیر بحث لایا گیا ہے۔ کمپنی کے ڈائریکٹرز منتظم اعلیٰ کے جائزے کے مضامین کی توثیق کرتے ہیں۔ منافع: سال 2016 کے لئے ڈائریکٹرز نے 35% یعنی 35 روپے فی حصص بطور حتمی منافع کی شناسائی کی ہے۔

### ہولڈنگ کمپنی:

دائیتھ پاکستان لمیٹڈ میں وائیٹھ ایل ایل سی، یو ایس اے 576,470 (40.55%) حصص، اور وائیٹھ ہولڈنگ کارپوریشن، یو ایس اے (دائیتھ ایل ایل سی کی یو ایس اے 100% مکمل ملکیتی ذیلی کمپنی 448,560 (31.55%) حصص رکھتے ہیں، لہذا وائیٹھ کی مجموعی طور وائیٹھ پاکستان لمیٹڈ میں 72.10% ملکیت موجود ہے۔ مزید برآں، 115 اکتوبر، 2009 پر فائزر انکارپوریشن کی جانب سے وائیٹھ کی عالمی اکتساب کے نتیجے کے طور پر فائزر انکارپوریشن وائیٹھ پاکستان لمیٹڈ کا مطلق بڑا شیئر ہولڈر ہے۔

### شیئر ہولڈنگ کا اسلوب:

بمطابق 30 نومبر، 2016 پر شیئر ہولڈنگ کی معلومات اور کمپنی کی شیئر ہولڈنگ کا اسلوب سالانہ رپورٹ کے صفحات 70 تا 71 ترتیب دیئے گئے ہیں۔

## ادارہ جاتی (کارپوریٹ) اور مالیاتی رپورٹنگ فریم ورک:

- کارپوریٹ گورننس کے کوڈ کی مطابقت میں، ہم ذیل میں ادارہ جاتی اور مالیاتی رپورٹنگ فریم ورک پر بیانات درج کر رہے ہیں:
- (الف) کمپنی کی انتظامیہ کی جانب سے تیار کیے گئے مالیاتی گوشوارے کمپنی کی حالت کار، اسکی سرگرمیوں، امور کے نتائج، جامع آمدن، حصص میں تبدیلی اور نقد بہاؤ کو منصفانہ طور پر پیش کرتے ہیں۔
- (ب) کمپنی کے حسابات کی کتابیں برقرار رکھی گئیں ہیں۔
- (ج) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیز مستقل طور پر بروئے کار لائی جاتی رہی ہیں اور تخمینہ جات اور حسابات معقول اور متاثر غور و خوض پر مبنی ہے۔
- (د) انٹرنیشنل فنانسئل رپورٹنگ اسٹینڈرڈز (IFRS)، جیسے کہ پاکستان پر لاگو ہیں، کی گوشواروں کی تیاری میں بیرونی کی جاتی رہی ہے۔ آئی ایف آر ایس سے کسی قسم کی اوگردانی نہیں کی جاتی۔
- (ه) اندرونی کنٹرول کا نظام ڈیزائن میں خاص اچھا ہے اور مؤثر طریقے سے نافذ ہے اور اس کی نگرانی کی جاتی ہے۔
- (و) کمپنی کی صلاحیت کے بارے میں ذرہ برابر بھی شک و شبہ نہیں ہے کہ وہ رواں کاروبار کے طور پر جاری و ساری رہے۔
- (ز) کارپوریٹ گورننس کی بہترین روش و عادت سے سرمو انحراف نہیں ہے جیسا کہ لسٹنگ ضوابط میں مفصل درج ہے۔
- (ح) پچھلے 6 برسوں کی بنیادی، عملی اور مالیاتی معلومات (بشمول جاری عرصہ) صفحہ نمبر 2 پر ترتیب دے دی گئی ہے۔
- (ط) اکم ٹیکس کے کچھ تنازع مطالبات ہیں، جنہیں جمع یا ادا نہیں کیا گیا۔ ان کی تشریح ہیڈ آف چیئرمینز اینڈ مینجمنٹس کے تحت ٹیکس ریشن پر مالیاتی گوشواروں کے نوٹ نمبر 16 میں کردی گئی ہے۔
- (ث) چیئرمین، گریجویٹ اور پروویڈنٹ فنڈ کی سرمایہ کاریوں کی مالیت درج ذیل تھیں:

فنڈ کا نام	غیر آڈٹ شدہ 2016	آڈٹ شدہ 2015
ڈی بی بینشن فنڈ	75 ملین روپے	76 ملین روپے
ڈی سی بینشن فنڈ	101 ملین روپے	91 ملین روپے
گریجویٹ فنڈ	65 ملین روپے	83 ملین روپے
پروویڈنٹ فنڈ	243 ملین روپے	251 ملین روپے

2016 کے لیے سرمایہ کاریوں کی مالیت میں جمع شدہ سود اور ان فنڈز (رقوم) کی آڈٹ جاری ہے۔

(ک) دوران سال بورڈ آف ڈائریکٹرز کے 18 اجلاس منعقد کیے گئے اور ان اجلاس میں ڈائریکٹرز کی حاضری حسب ذیل رہی:

نام	حاضری کے ساتھ اجلاس کی تعداد
جناب افتخار سومرو	8
ڈاکٹر فرید خان	8
جناب حسین لوئی	4
جناب معین ایم فدا	8
جناب بدرالدین ویلانی	8
سید زکوان احمد	7
جناب ایس۔ ایم وچھیہ الدین	8

تمام بورڈ ممبران ضروری اہلیت اور تجربہ رکھتے ہیں اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوب اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔

## متعلقہ فریق لین دین

سال کے دوران تمام متعلقہ فریق لین دین بورڈ کی جانب سے منظور کردہ تھے اور ایسے تمام لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے پیش کئے گئے تھے۔ کمپنی ایسے تمام لین دین مع ان لین دین کی شرائط و ضوابط کا مکمل ریکارڈ محفوظ رکھتی ہے۔

## سرمایہ اخراجات:

موٹر گاڑیوں اور ساز و سامان کے سلسلے میں زیر جائزہ سال کے دوران 12.2 ملین روپے کا سرمایہ اخراجات استعمال کیا گیا۔

## ماحول، صحت اور حفاظت۔

ماحولیاتی کارکردگی کی بہتری کی جانب واضح پاکستان لمیٹڈ کی خدمات اور ٹریک ریکارڈ کے اعتراف میں، ہم نے نیشنل فورم آف انوائرنمنٹ اینڈ ہیلتھ (این ایف ایچ) کی طرف سے تیرھواں انوائرنمنٹ ایکسیلیٹس ایوارڈ 2016 حاصل کیا۔

ہم ہمارے منیجرز اور سپروائزرز کی وسائل اور بقائے توانائی کے لئے انفرادی منصوبات کی تشکیل و ترتیب کی حوصلہ افزائی کرتے ہیں۔ ہم صاف ستھرائی توانائی کے استعمال کو بھی فروغ دے رہے ہیں تاکہ توانائی کی روایتی ذرائع پر انحصار کم سے کم کیا جائے اور کمپنی کے کاربن کے نقش پائیں کمی کی جانب ہماری خدمات پیش کی جائیں۔

## بعد کے واقعات:

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کوئی اہم تبدیلی یا کوئی وعدہ و عہد جو کمپنی کے مالیاتی صورتحال کو متاثر کرتی ہو رہی نہیں ہوئی ہے۔

## ڈائریکٹرز:

گزشتہ سالانہ اجلاس عام کے بعد، جناب سید ذکوان احمد نے مورخہ 8 نومبر 2016 کو بورڈ آف ڈائریکٹرز سے استعفیٰ دے دیا ہے اور ان کی جگہ جناب اقبال بنگالی کی تقرری مورخہ 3 فروری 2017 کو عمل میں لائی گئی ہے۔ ڈائریکٹرز درج ہیں:

جناب افتخار سومرو	چیئر مین / ڈائریکٹر
ڈاکٹر فرید خان	منتظم اعلیٰ / ڈائریکٹر
جناب حسین لوہانی	ڈائریکٹر
جناب معین ایم فزا	ڈائریکٹر
جناب بدرالدین ایف ویلانی	ڈائریکٹر
جناب اقبال بنگالی	ڈائریکٹر
جناب ایس۔ ایم۔ وجیہ الدین	ڈائریکٹر

## آڈٹ کمیٹی:

آڈٹ کمیٹی کے اختصاصات یعنی ٹرمز آف ریفرنس کوڈ آف کارپوریٹ گورننس یعنی (ضابطہ نظم ادارہ) میں مہیا رہنے اصولوں کے مطابق بورڈ آف ڈائریکٹرز کی جانب سے طے کر دیئے گئے ہیں۔ سال کے دوران کمیٹی اجلاس منعقد کر چکی ہے۔ ان اجلاس میں حاضری کی صورتحال درج رہی:



نام	اجلاس میں حاضری کی تعداد
جناب معین ایم فدا	4
جناب افتخار سومر	4
جناب بدرالدین ایف ویلانی	4

موجودہ آڈٹ کمیٹی تین ارکان جناب معین ایم فدا (چیئرمین)، جناب افتخار سومر اور جناب بدرالدین ایف ویلانی پر مشتمل ہے۔

## انسانی وسائل اور مشاہیرہ کمیٹی:

انسانی وسائل اور مشاہیرہ کمیٹی یعنی ہیومن ریسورسز اینڈ ریمزیشن کمیٹی نے سال کے دوران ایک اجلاس منعقد کیا جس میں تینوں ارکان یعنی جناب بدرالدین ایف ویلانی، جناب افتخار سومر اور ڈاکٹر فرید خان شریک ہوئے۔

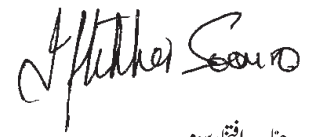
## آڈیٹرز:

موجودہ آڈیٹرز، کے پی ایم جی تاثیر بادی کمپنی، چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ اجلاس عام کے اختتام پر سیکڈوشن ہو رہے ہیں اور دوبارہ تقرری کے لئے اہلیت رکھتے ہیں اس لئے خود کو دوبارہ تقرری کے لیے پیش کر دیا ہے۔ بورڈ آف ڈائریکٹرز نے کے پی ایم جی تاثیر بادی کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی کے آڈیٹرز برائے مالی سال 2017 جو کہ 30 نومبر 2017 کو اختتام پزیر ہوگا اس کے لیے آڈٹ کمیٹی کی دوبارہ تقرری کے لئے سفارشات کی توثیق کر دی ہے، بورڈ آف ڈائریکٹرز آئندہ سالانہ اجلاس عام کے اختتام تک آنکے مشاہیرہ تعین کرے گا۔ سالانہ اجلاس عام منعقد ہوگا۔

## کارپوریٹ گورننس یعنی ادارہ جاتی نظم و نسق۔

اس رپورٹ کے ساتھ ضابطہ نظم ادارہ یعنی کوڈ آف کارپوریٹ گورننس کی مطابقت میں ایک بیان منسلک کیا جا رہا ہے۔

بحکم بورڈ



جناب افتخار سومر

چیئرمین

کراچی، 28 فروری 2017ء

# Wyeth

## CHIEF EXECUTIVE'S REVIEW

I am pleased to present the Annual Report 2016 of Wyeth Pakistan Limited for the year ended November 30, 2016.

### Operating Results

Sales for the year under review have increased by Rs. 96 million due mainly to price increase taken on hardship cases pending with the Drug Regulatory Authority of Pakistan (DRAP) in respect of which the Company filed a petition and obtained a stay order from the Sindh High Court. However, the impact of price increases has been partially reduced as a result of lower sales of Anti TB products which remained out of stock during the first half of the year due to supply constraints of one of its excipient together with lower sales of some other non-promotable products. The Company has been able to keep its operating expenses uniform, which have decreased marginally by 1% as compared to last year. Higher sales due to price increase and flat operating expenses have resulted in higher profit before tax by 239% as compared to last year.

The sale and divestment process of Anne French is progressing to its closing stages and progress of disposal of the manufacturing facility along with some non-core brands is also progressing at satisfactory pace. The transaction is subject to necessary approvals including shareholders' approval. The Management believes that these transactions, besides generating value for the shareholders, will also reduce the Company's exposure to lower profitability due to increasing manufacturing costs.

During the current year there was an overall recovery of the law and order situation and the business environment improved. However, the situation with respect to pricing of pharmaceutical products is still strained. As stated above, the company has had to contest certain clauses of the new Drug Pricing Policy announced by the DRAP in March 2015 in the courts. We consider that a satisfactory resolution of the contested aspects of new Policy between Pharmaceutical Industry and the Government will further improve business environment for the Company as well as the wider industry.

### Future Outlook

With a focus on certain specialized therapeutic areas and lean operations, we believe that the Company will be in a better position to serve patients and provide reliable results to its shareholders.

Reduced oil prices, projected low inflation and anticipated stable exchange rates suggest a favourable future outlook for the business. We also anticipate that a fully functional Drug Regulatory Authority would help to review certain aspects of the newly announced Drug Pricing Policy and also assist in improving the regulatory environment in which the Company operates. At the same time, we believe that there is an urgent need to timely resolve hardship cases and to implement inflationary price increases, so that the pharmaceutical industry can see certainty and continuity of business opportunities. Therefore, we believe that there is also grave need for the Government to resolve these long pending issues, together with a practical enforcement of Intellectual Property Rights and implementation of data exclusivity.

### Colleagues

We are thankful to all our colleagues for their sincere and steady efforts during the year and wish to place on record our appreciation of all their hard work.



**Dr. Farid Khan**  
Chief Executive

Karachi: February 28, 2017

## منتظم اعلیٰ کا جائزہ (Chief Executive's Review)

30 نومبر 2016 کو ختم ہونے والے سال کے لئے وانجھ پاکستان لمیٹڈ کی سالانہ رپورٹ 2016 پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

### آپریٹنگ نتائج (Operating Results)

زیر جائزہ سال کے کیلئے فروخت 96 ملین روپے سے بڑھ گئی جس کی بڑی وجہ ڈرگ ریگولیشنز اتھارٹی آف پاکستان (ڈی آر اے پی) کے ساتھ زیر التوا ہارڈ شپ کینسر پر بڑھائی گئی قیمتیں ہیں جس پر کمپنی نے دیگر فارماسیوٹیکل صنعت کے ارکان کے ساتھ ایک درخواست جمع کرائی ہوئی اور سندھ بانی کورٹ سے ایک حکم امتناعی حاصل کر رکھا ہے۔ تاہم بڑھتی قیمتوں کا اثر ایٹنی ٹی بی پروڈکٹس کی فروخت میں قدرے کمی کے نتیجے میں جزوی طور پر کم ہو گیا ہے جو کہ سال کے پہلے نصف کے دوران حاضر اسٹاک میں دستیاب نہیں تھیں کیونکہ اس کے اجزا میں سے ایک کی فراہمی میں مسائل تھے اور ساتھ ہی کچھ دیگر غیر تشہیری پروڈکٹس کی فروخت بھی کم تھی۔ کمپنی اپنے آپریٹنگ اخراجات کو یکساں رکھنے کے قابل رہی جو کہ گزشتہ سال کے مقابلے میں کچھ 1% سے کم رہے۔ قیمتوں میں اضافے کی وجہ سے کچھ زیادہ فروخت اور یکساں اخراجات جاریہ کے نتیجے میں گزشتہ سال کے مقابلے میں 239% سے زیادہ منافع قبل از ٹیکس ہوا۔

این فرنچ (Anne French) کی فروخت اور سرمایہ کاری کی واپسی کا عمل اپنے اختتامی مراحل کی جانب گامزن ہے اور ایشیاء سازی یعنی مینیوفیکچرنگ سہولت کی فروخت کی پیش رفت مع کچھ نون-کور براؤنڈ بھی اطمینان بخش رفتار سے آگے بڑھ رہی ہے۔ لیکن دین پر ضروری منظوری کا اطلاق ہے جس میں شیئر ہولڈرز کی منظوری بھی شامل ہے۔ انتظامیہ کو یقین ہے کہ یہ لیسن دین، شیئر ہولڈرز کیلئے قدر افزا فروڈگی کی تشکیل کے علاوہ کمپنی کی نفع بخشی کے لیے سرمایہ کاری میں کمی کرے گا جس کی وجہ ایشیاء سازی کی بڑھتی ہوئی لاگت ہے۔

رواں سال میں امن و عامہ کی مجموعی صورتحال میں بہتری کو ظاہر کیا ہے اور کاروباری فضا میں بھی بہتری ظاہر کی ہے۔ تاہم فارماسیوٹیکل پروڈکٹس کی قیمتیں اب بھی دباؤ کا شکار ہے۔ جیسا کہ پہلے پیراگراف میں عرض کیا ہے کہ، کمپنی مع صنعت کے دیگر کھلاڑیوں کے معرہ مارچ 2015 میں ڈی آر اے پی کی جانب سے اعلان کردہ نئی ڈرگ پرائسنگ پالیسی کی کچھ دفعات پر عدالت میں کچھ اعتراضات کے ساتھ گئے ہیں۔ ہمارا خیال ہے کہ فارماسیوٹیکل انڈسٹری اور حکومت کے درمیان نئی پالیسی کے متنازع پہلوؤں میں اطمینان بخش حل ناصرف کمپنی کے لئے بلکہ صنعت کے لئے بھی کاروباری ماحول کو مزید بہتر بنائے گا۔

### مستقبل کی توقعات:

علاج معالجے کے کچھ مخصوص شعبوں اور راستہ سرگرمیوں پر توجہ کے ساتھ، ہم یقین رکھتے ہیں کہ کمپنی مریضوں کی خدمت کے لئے بہتر صورتحال میں ہوگی اور اپنے قابل قدر شیئر ہولڈرز کو با اعتماد نتائج فراہم کرے گی۔

تیل کی کم قیمتیں، ظاہر کئے گئے کم افراط ذرا اور متوقع مستحکم شرح ہائے تبادلہ کاروبار کے لئے حوصلہ افزا توقعات مستقبل کی نشاندہی کرتے ہیں۔ ہم توقع کرتے ہیں کہ ایک مکمل فعال ڈرگ ریگولیشن اتھارٹی اعلان کردہ نئی ڈرگ پرائسنگ پالیسی کے کچھ پہلوؤں کے جائزے میں مدد فراہم کرے گی انضباطی ماحول جس میں کمپنی سرگرم عمل ہے میں بہتری لانے میں مدد معاون بھی ہوگی۔ دریں اثناء، ہم یقین کرتے ہیں کہ ڈرگ درخواستوں کی رجسٹریشن کی رفتار، ہارڈ شپ کینسر کے بروقت حل اور افراط زر کے سبب قیمتوں میں اضافے کے نفاذ میں تیزی سے اضافے کی ضرورت ہے تاکہ فارماسیوٹیکل انڈسٹری (صنعت دواسازی) کاروباری مواقع میں یقینی اور تسلسل کا مشاہدہ کر سکے۔ لہذا ہمیں وثوق ہے کہ حکومت کے لئے انتہائی ضروری ہے کہ وہ طویل عرصے سے زیر التوا معاملات کو حل کرے ساتھ ہی ایٹیکلچرل پراپرٹی رائٹس کے عملی نفاذ اور ڈیٹا ایکسچو بیٹی کے نفاذ کے مسئلے کو بھی حل کرے۔

رفقاء: ہم اپنے تمام رفقاء کے خلوص اور پورے سال مستقل کاوشات کے لئے اگلے مشکور ہیں اور انکی محنت شاقہ کو دل کی گہرائیوں سے سراہتے ہیں۔

  
 ڈاکٹر فرید خان  
 منتظم اعلیٰ  
 کراچی، 28 فروری 2017ء

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in regulation number 5.19 of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. As at November 30, 2016 the Board constitutes of :

Category	Names
Independent Director	Mr. Moin M. Fudda
Non- Executive Directors	Mr. Iftikhar Soomro
	Mr. Husain Lawai
	Mr. Badaruddin F. Vellani
Executive Directors	Dr. Farid Khan - CEO
	Mr. S. M. Wajeehuddin

The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code.

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Financial Institution (NBFI) or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One casual vacancy has been created on the Board during the current year which was filled subsequent to November 30, 2016 within the prescribed period.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures and these have been placed on the Company's website.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and other executive and non-executive directors have been taken by the Board/shareholders.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The Board is compliant with the training requirement and the criteria as prescribed in the CCG.

10. No new appointments of the Chief Financial Officer, Company Secretary and Head of Internal Audit were made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board except for annual final statements which were endorsed by CFO only as the CEO was not in Pakistan due to official visit.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the Audit Committee is an independent director Mr. Moin M. Fudda.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Audit Committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive director and the Chairman of the Committee is also a non-executive director.
18. The Board has outsourced its internal audit function to a reputable firm of Chartered Accountants who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company. Further, the Company has designated Head of Internal Audit to act as coordinator between firm providing internal audit services and the Audit Committee of the Board.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, relevant employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.



**Dr. Farid Khan**  
Chief Executive

Karachi: February 28 2017



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
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## **REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of Wyeth Pakistan Limited ("the Company") for the year ended November 30, 2016 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange where the Company is listed.


The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended November 30, 2016.

Date: **28 February 2017**  
Karachi

  
**KPMG Taseer Hadi & Co.**  
Chartered Accountants

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



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## **Auditors' Report to the Members**

We have audited the annexed balance sheet of Wyeth Pakistan Limited ("the Company") as at November 30, 2016 and the related profit and loss account, statement of comprehensive income, 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, statement of comprehensive income, 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 November 30, 2016 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 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: **28 February 2017**  
Karachi

**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Syed Iftikhar Anjum**

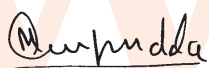
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## BALANCE SHEET AS AT NOVEMBER 30, 2016

	Note	2016	2015
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	16,900	382,239
Long-term loans to employees	5	4,552	2,969
Long-term deposits		5,412	10,883
Deferred taxation	6	19,359	7,048
Total non-current assets		46,223	403,139
<b>CURRENT ASSETS</b>			
Spares		-	32,386
Stock-in-trade	7	906,617	646,967
Trade debts	8	34,470	19,133
Loans and advances	9	37,006	46,576
Deposits, prepayments and other receivables	10	73,891	89,550
Interest accrued		399	1,075
Taxation - net		241,791	222,825
Cash and bank balances	11	10,549	230,124
		1,304,723	1,288,636
Assets held for sale	12	618,974	-
<b>Total current assets</b>		<b>1,923,697</b>	<b>1,288,636</b>
<b>Total assets</b>		<b>1,969,920</b>	<b>1,691,775</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital	13	142,161	142,161
Reserves		952,601	951,179
Unappropriated profit		129,764	47,422
<b>Total equity</b>		<b>1,224,526</b>	<b>1,140,762</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	745,394	551,013
<b>Total equity and liabilities</b>		<b>1,969,920</b>	<b>1,691,775</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes 1 to 40 form an integral part of these financial statements.

Since the Chief Executive is for the time being not in Pakistan due to official visit, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

  
Moin M. Fudda  
Director

  
Badaruddin F. Vellani  
Director




## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED NOVEMBER 30, 2016

	Note	2016	2015 Restated
(Rupees in '000)			
<b>CONTINUING OPERATIONS</b>			
Net sales	17	1,252,239	1,379,405
Cost of sales	18	1,078,087	1,188,422
Gross profit		174,152	190,983
Selling, marketing and distribution expenses	19	169,919	170,839
Administrative expenses	20	50,123	52,453
		220,042	223,292
		(45,890)	(32,309)
Other income	22	13,009	21,895
Other expenses	23	11,305	-
		1,704	21,895
		(44,186)	(10,414)
Finance cost	24	593	573
Loss before taxation		(44,779)	(10,987)
Taxation	25	7,701	19,774
Loss from continuing operations		(52,480)	(30,761)
<b>DISCONTINUED OPERATION</b>			
Profit from discontinued operation, net of tax	26	165,296	62,778
Profit for the year		112,816	32,017
(Rupees)			
Earnings per share	27	79.36	22.52
Earnings per share - Continuing operations	27	(36.92)	(21.64)

The annexed notes 1 to 40 form an integral part of these financial statements.

Since the Chief Executive is for the time being not in Pakistan due to official visit, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

  
Moin M. Fudda  
Director

  
Badaruddin F. Vellani  
Director


## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED NOVEMBER 30, 2016

	2016	2015
	(Rupees in '000)	
Profit for the year	112,816	32,017
<b>Other comprehensive income</b>		
Items not to be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit liability	(2,567)	17,430
Deferred tax charge	525	(3,392)
	(2,042)	14,038
<b>Total comprehensive income for the year</b>	<b>110,774</b>	<b>46,055</b>

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Moin M. Fudda  
Director

  
Badaruddin F. Vellani  
Director


# Wyeth

## CASH FLOW STATEMENT FOR THE YEAR ENDED NOVEMBER 30, 2016

	Note	2016	2015
<b>(Rupees in '000)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	32	(74,244)	347,148
Taxes paid		(112,717)	(124,065)
Net cash (used in) / generated from operating activities		<b>(186,961)</b>	223,083
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(12,333)	(157,624)
Profit received on bank deposits		4,935	8,074
Proceeds from disposal of property, plant and equipment		3,255	6,678
Net cash used in investing activities		<b>(4,143)</b>	(142,872)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(28,471)	(18)
Net (decrease) / increase in cash and cash equivalents		<b>(219,575)</b>	80,193
Cash and cash equivalents at beginning of the year		230,124	149,931
Cash and cash equivalents at end of the year	11	<b>10,549</b>	230,124

The annexed notes 1 to 40 form an integral part of these financial statements.

Since the Chief Executive is for the time being not in Pakistan due to official visit, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

  
Moin M. Fudda  
Director

  
Badaruddin F. Vellani  
Director


## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED NOVEMBER 30, 2016

	Issued, subscribed and paid-up capital	Reserves		Unappro- priated profit	Total	
		General reserve	*Others			Sub total
(Rupees in '000)						
<b>Balance as at November 30, 2014</b>	142,161	931,753	18,014	949,767	1,367	1,093,295
Total comprehensive income for the year						
Profit for the year - Restated	-	-	-	-	32,017	32,017
Remeasurement of defined benefit liability - net of tax	-	-	-	-	14,038	14,038
	-	-	-	-	46,055	46,055
<b>Transactions with owners recognized directly in equity</b>						
Share-based payments (note 30.4)	-	-	1,412	1,412	-	1,412
<b>Balance as at November 30, 2015</b>	142,161	931,753	19,426	951,179	47,422	1,140,762
Total comprehensive income for the year						
Profit for the year	-	-	-	-	112,816	112,816
Remeasurement of defined benefit liability - net of tax	-	-	-	-	(2,042)	(2,042)
	-	-	-	-	110,774	110,774
<b>Transactions with owners recognized directly in equity</b>						
Final dividend for the year ended November 30, 2015 at Rs. 20 per share	-	-	-	-	(28,432)	(28,432)
Share-based payments - (note 30.4)	-	-	1,422	1,422	-	1,422
<b>Balance as at November 30, 2016</b>	<b>142,161</b>	<b>931,753</b>	<b>20,848</b>	<b>952,601</b>	<b>129,764</b>	<b>1,224,526</b>

\* Others represents contribution from parent in respect of share based payment plan (note 3.8).

The annexed notes 1 to 40 form an integral part of these financial statements.

Since the Chief Executive is for the time being not in Pakistan due to official visit, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

  
**Moin M. Fudda**  
Director

  
**Badaruddin F. Vellani**  
Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2016

### 1. STATUS AND NATURE OF BUSINESS

Wyeth Pakistan Limited ("the Company") is a public limited Company incorporated in 1949 in Pakistan. The Company's registered office is situated at S-33, Hawkes Bay Road, S.I.T.E., Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange and is engaged in manufacturing, import, marketing, distribution and sale of research based ethical specialties and other pharmaceutical products.

Pfizer Inc. is the ultimate parent of the Company. Wyeth LLC, USA and Wyeth Holding Corporation USA, which are subsidiaries of Pfizer Inc., are the principal shareholders of the Company.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand unless stated otherwise.

#### 2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from period of revision.

In particular, information about judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements, and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are included in following notes:

- (a) Property, plant and equipment (note 3.1)
- (b) Stock-in-trade (note 3.2)
- (c) Trade debts (note 3.3)
- (d) Taxation (note 3.9)
- (e) Staff retirement benefits (note 3.7)
- (f) Assets held for sale (3.16)

## **2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after January 1, 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 1, 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' effective for annual periods beginning on or after January 1, 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after January 1, 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The amendments are not likely to have an impact on Company's financial statements.
- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 - 'Non- current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, plant and equipment

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work-in-progress which is stated at cost. Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged in the year of acquisition. Cost includes expenditure that is directly attributable to the acquisition of the asset.

##### *Subsequent cost*

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity, and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is retired from use.

Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

### *Depreciation*

Depreciation is charged to profit and loss account applying the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values, depreciation rates and method are reviewed at each balance sheet date and adjusted if the impact is significant.

Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged in the month of disposal. The rates of depreciation are stated in note 4.3 to the financial statements.

### *Gains and losses on disposal*

An item of property, plant and equipment is derecognized upon disposal or where no future economic benefits are expected to be realized from its use or disposal. Gains or losses on disposal of an item of property, plant and equipment are recognized in the profit and loss account.

### *Capital work in progress*

Capital work in progress is stated at cost and consists of expenditure incurred and advances made in respect of assets in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

## **3.2 Stock-in-trade**

Stock in trade are valued at the lower of cost and net realizable value. Cost is determined using first-in first-out method.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

Provision is made for slow moving and obsolete items wherever necessary and is recognized in profit and loss account.

## **3.3 Trade debts**

Trade debts are initially measured at fair value and subsequently at amortized cost using the effective interest method, less provision for impairment, if any. A provision for impairment of trade debts is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts are written off when considered irrecoverable.



### **3.4 Cash and cash equivalents**

For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand, with banks in deposit accounts and term deposit receipts with original maturity period of three months or less.

### **3.5 Provisions**

Provisions are recognized when, the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimates of the obligations can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

### **3.6 Revenue recognition**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Return on short-term deposits is accounted for on an accrual basis using the effective interest rate method.

### **3.7 Staff retirement benefits**

#### **3.7.1 Defined benefit schemes**

The Company operates the following defined benefit schemes:

- An approved funded pension scheme for management staff. Pension is payable for life and thereafter to surviving spouses and / or dependent children; and
- An approved funded gratuity scheme for all its permanent employees.

Benefits under such schemes are payable on completion of prescribed qualifying period of service. Contributions are made by the Company to these funds on the basis of actuarial valuations carried out annually by a qualified actuary using projected unit credit method. All actuarial gains and losses are recognized immediately in other comprehensive income and all expenses related to defined benefit plans are recognized in profit and loss account.

#### **3.7.2 Defined contribution plan**

The Company also operates following defined contribution plans:

- An approved funded contributory provident fund for all eligible employees. Equal monthly contributions are made both by the Company and the employee.

- An approved funded defined contribution pension scheme (DC Pension Scheme) for:
- All employees joining on or after April 1, 2013;
- All employees who opted for DC Pension Scheme in place of DB Pension Scheme on July 1, 2014. The benefits of such employees were transferred from DB Pension Scheme to DC Pension Scheme based on actuarial recommendations.

### **3.7.3 Employees' compensated absences**

The Company accounts for liability against employees' compensated absences in the period in which these are earned up to the balance sheet date.

### **3.8 Share-based payments**

The Company participates in a time-vested share based rewards plan operated by Pfizer Inc., (the ultimate parent company) whereby, Pfizer Inc. grants rights of its shares to the eligible employees of the Company. The primary share-based awards and their general terms and conditions are as follows:

- Stock options / total shareholders return unit (TSRUs), which, when vested, entitle the holder to purchase a specified number of shares of Pfizer common stock at a price per share equal to the market price of Pfizer Inc., share on the date of grant.
- Restricted stock units (RSUs), which, when vested, entitle the holder to receive a specified number of shares of Pfizer Inc., including shares resulting from dividend equivalents paid on such RSUs.

The cost of award is charged to profit and loss account over the vesting period and credited to equity as a contribution from the parent.

### **3.9 Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

#### *Current*

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

#### *Deferred*

Deferred tax is recognized using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

Deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3.10 Borrowing cost**

Borrowing costs are recognized as an expense in the period in which these are incurred using effective interest rate method except where such cost are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

### **3.11 Foreign currency transactions**

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

### **3.12 Financial instruments**

The Company recognizes financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognized initially at cost, which is the fair value of the consideration given or received respectively. These are subsequently measured at fair value or amortized cost, as the case may be.

Financial assets are derecognized when the contractual right to cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the financial asset are transferred. Financial liability is derecognized when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset.

### **3.13 Dividends and appropriation of profit**

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

### 3.14 Impairment

The carrying amounts of the Company's non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount.

### 3.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

### 3.16 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

### 3.17 Discontinued Operation

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which:

- represents a separate major line of business or geographic area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-stated as if the operation had been discontinued from the start of the comparative year.

## 4. PROPERTY, PLANT AND EQUIPMENT

	Note	November 30, 2016	November 30, 2015
(Rupees in '000)			
Operating property, plant and equipment	4.1	16,760	239,961
Capital work in progress	4.2	140	142,278
		<u>16,900</u>	<u>382,239</u>

### 4.1 Operating property, plant and equipment

	Leasehold land	Factory building on leasehold land	Improvements to warehouse	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Total
Rupees in '000								
<b>At November 30, 2014</b>								
Cost	258	35,547	8,885	346,078	23,274	44,306	103,811	562,159
Accumulated depreciation	99	20,913	7,538	193,304	21,092	25,031	47,607	315,584
Net book value	159	14,634	1,347	152,774	2,182	19,275	56,204	246,575
<b>Year ended November 30, 2015</b>								
Opening net book value	159	14,634	1,347	152,774	2,182	19,275	56,204	246,575
Additions	-	-	-	14,341	9,758	1,628	7,239	32,966
<b>Disposals</b>								
Cost	-	-	-	-	-	10,256	-	10,256
Accumulated depreciation	-	-	-	-	-	8,913	-	8,913
	-	-	-	-	-	1,343	-	1,343
<b>Write-off of Assets</b>								
Cost	-	-	-	550	-	-	1,150	1,700
Accumulated depreciation	-	-	-	550	-	-	1,150	1,700
	-	-	-	-	-	-	-	-
Depreciation	3	1,019	337	17,730	590	7,822	10,736	38,237
Closing net book value	156	13,615	1,010	149,385	11,350	11,738	52,707	239,961
<b>At November 30, 2015</b>								
Cost	258	35,547	8,885	359,869	33,032	35,678	109,900	583,169
Accumulated depreciation	102	21,932	7,875	210,484	21,682	23,940	57,193	343,208
Net book value	156	13,615	1,010	149,385	11,350	11,738	52,707	239,961
<b>Year ended November 30, 2016</b>								
Opening net book value	156	13,615	1,010	149,385	11,350	11,738	52,707	239,961
Additions	-	-	-	-	-	7,626	-	7,626
<b>Disposals</b>								
Cost	-	-	-	-	-	6,372	-	6,372
Accumulated depreciation	-	-	-	-	-	4,519	-	4,519
	-	-	-	-	-	1,853	-	1,853
Depreciation	3	946	318	17,038	1,166	6,497	11,557	37,525
Impairment loss	-	-	-	288	-	-	-	288
<b>Write-off of Assets</b>								
Cost	-	-	-	-	-	-	1,893	1,893
Accumulated depreciation	-	-	-	-	-	-	1,893	1,893
	-	-	-	-	-	-	-	-
<b>Reclassification to assets held for sale</b>								
Cost	258	35,547	8,885	359,869	33,032	3,524	85,481	526,596
Accumulated depreciation	105	22,878	8,193	227,522	22,848	3,524	50,077	335,147
Accumulated impairment losses	-	-	-	288	-	-	-	288
	153	12,669	692	132,059	10,184	-	35,404	191,161
Closing net book value	-	-	-	-	-	11,014	5,746	16,760
<b>At November 30, 2016</b>								
Cost	-	-	-	-	-	33,408	22,526	55,934
Accumulated depreciation	-	-	-	-	-	22,394	16,780	39,174
Net book value	-	-	-	-	-	11,014	5,746	16,760

## 4.2 Capital work in progress

	Cost				As at 30 November 2016
	As at 1 December 2015	Additions / adjustment	Write-off	Reclassification to assets held for sale	
----- (Rupees in '000) -----					
Factory building	100	-	100	-	-
Plant and machinery	141,918	4,707	-	146,625	-
Office equipment	260	-	-	120	140
	<b>142,278</b>	<b>4,707</b>	<b>100</b>	<b>146,745</b>	<b>140</b>

	Cost				As at 30 November 2015
	As at 1 December 2014	Additions / adjustment	Write-off	Reclassification to assets held for sale	
----- (Rupees in '000) -----					
Factory building	100	-	-	-	100
Plant and machinery	17,520	148,497	-	24,099	141,918
Office equipment	-	7,499	-	7,239	260
	<b>17,620</b>	<b>155,996</b>	<b>-</b>	<b>31,338</b>	<b>142,278</b>

## 4.3 Depreciation on operating property, plant and equipment is charged at the following rates:

	Annual rate of depreciation (%)
Leasehold land	1
Factory building on leasehold land	3
Improvements to warehouse	8
Plant and machinery	8
Furniture and fittings	8
Vehicles	25
Office equipment	8 to 33.33

# Wyeth

4.4 The depreciation charge for the year has been allocated as under:

	Note	November 30, 2016	November 30, 2015
(Rupees in '000)			
Cost of sales	18.1	9,831	10,327
Selling, marketing and distribution expenses	19	6,395	6,178
Administrative expenses	20	3,181	3,023
		<u>19,407</u>	<u>19,528</u>

4.5 Above depreciation excludes Rs. 18.118 million relating to disposal group presented as discontinued operations.

4.6 The operating property, plant and equipment disclosed in note 4.1 include items costing Rs. 16.409 million (2015: Rs. 190.173 million) which are fully depreciated as of November 30, 2016 but are still in active use.

4.7 The following operating property, plant and equipment were disposed / written off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain	Mode of disposal	Particulars
------(Rupees in '000)-----							
Suzuki Cultus	950	891	59	394	335	Policy	Syed Tausifullah
Suzuki Cultus	945	847	98	408	310	Policy	Yasmin Jalil
Suzuki Cultus	1,019	573	446	614	168	Policy	Shaista Ahsan
Suzuki Cultus	1,019	573	446	614	168	Policy	Aman Muzaffar
Toyota Corolla	1,543	739	804	1,001	197	Policy	Asim Sarfaraz
Suzuki Cultus	896	896	-	224	224	Policy	Sami Ahmad
HP Proliant server PKKR06	445	445	-	-	-	Write off	
HP Proliant server KRN003A	458	458	-	-	-	Write off	
HP Proliant server KRN002M	458	458	-	-	-	Write off	
HP Proliant server KRN004M	532	532	-	-	-	Write off	
<b>2016</b>	<b>8,265</b>	<b>6,412</b>	<b>1,853</b>	<b>3,255</b>	<b>1,402</b>		
<b>2015</b>	<b>11,956</b>	<b>10,613</b>	<b>1,343</b>	<b>6,678</b>	<b>5,335</b>		

## 5. LONG-TERM LOANS TO EMPLOYEES - considered good

	Note	November 30, 2016 (Rupees in '000)	November 30, 2015
Loans to Employees	5.1 & 5.2	9,514	6,061
Less: Receivable within one year	9	4,962	3,092
		<u>4,552</u>	<u>2,969</u>

### 5.1 This includes loans to executives, the details of which are as follows:

Opening balance	3,899	5,557
Loans disbursed during the year	6,393	2,461
Loans recovered during the year	(4,005)	(4,119)
Closing balance	<u>6,287</u>	<u>3,899</u>

### 5.2 These represent interest free loans to executives and other employees for purchase of motor cars, motor cycles, home appliances and for house building in accordance with the Company's policy and are recoverable in two to six years in monthly instalments. Vehicles purchased under this scheme are registered in the name of the Company.

### 5.3 Outstanding for period:

	November 30, 2016 (Rupees in '000)	November 30, 2015
--	--	----------------------

- less than three years but over one year	3,856	2,496
- more than three years	696	473
	<u>4,552</u>	<u>2,969</u>

### 5.4 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 8.154 million (2015: Rs. 7.166 million).

## 6. DEFERRED TAXATION

### 6.1 Deferred (credits) / debits arising in respect of:

	November 30, 2016 (Rupees in '000)	November 30, 2015
--	--	----------------------

Accelerated tax depreciation	(14,893)	(16,963)
Provision for gratuity and pension	9,028	8,081
Provision for slow moving and obsolete stocks	14,611	10,137
Provision for doubtful debts / others	7,809	2,464
Provision for sales return	-	381
Provision for voluntary separation scheme	-	2,948
Provision for sales tax on toll manufacturing	2,804	-
	<u>19,359</u>	<u>7,048</u>



## Movement in deferred taxation

	Net balance at December 1, 2014	Recognised in profit or loss	Recognised in OCI	Net balance at November 30, 2015	Recognised in profit or loss	Recognised in OCI	Net balance at November 30, 2016
----- (Rupees in '000) -----							
Accelerated tax depreciation	(20,116)	3,153	-	(16,963)	2,070	-	(14,893)
Provision for gratuity and pension	14,581	(3,108)	(3,392)	8,081	422	525	9,028
Provision for slow moving and obsolete stocks	9,046	1,091	-	10,137	4,474	-	14,611
Provision for doubtful debts/others	3,210	(746)	-	2,464	5,345	-	7,809
Provision for sales return	497	(116)	-	381	(381)	-	-
Provision for voluntary separation scheme	5,683	(2,735)	-	2,948	(2,948)	-	-
Provision for sales tax on toll manufacturing	-	-	-	-	2,804	-	2,804
	<u>12,901</u>	<u>(2,461)</u>	<u>(3,392)</u>	<u>7,048</u>	<u>11,786</u>	<u>525</u>	<u>19,359</u>

	Note	November 30, 2016	November 30, 2015
(Rupees in '000)			
<b>7. STOCK-IN-TRADE</b>			
Raw and packing materials	7.1 & 7.2	239,764	273,094
Work-in-process	7.1	74,796	79,017
Finished goods	7.1 & 7.3	574,221	278,762
Stock-in-transit		61,172	70,918
		<u>949,953</u>	<u>701,791</u>
Less: Provision for slow moving and obsolete stock-in trade	7.4	38,881	52,082
Less: Provision for Net Realizable Value	7.3	4,455	2,742
		<u>906,617</u>	<u>646,967</u>

7.1 Details of stock-in-trade held with the third parties is as follow:

### For use in third party manufacturing

Macter International Private limited	-	34,859
Reko Pharmacal Private Limited	-	13,395

7.2 Raw and packing materials amounting to Rs. 0.024 million (2015: Rs. 2.977 million) are held with Pfizer Pakistan Limited given as a loan.

7.3 Finished goods include items costing Rs. 73.176 million (2015: Rs. 83.605 million) which are valued at net realizable value of Rs. 68.721 million (2015: Rs. 80.862 million).

7.4 During the year, provision of Rs. 29.711 million (2015: Rs. 55.949 million) has been recognized and stocks valued at Rs. 19.207 million (2015: Rs. 39.556 million) have been written off from provision.

	Note	November 30, 2016	November 30, 2015
<b>8. TRADE DEBTS - unsecured</b>		<b>(Rupees in '000)</b>	
-Related party	8.1	34,470	19,127
-Others		-	6
		<u>34,470</u>	<u>19,133</u>
Considered doubtful	8.2	30,861	12,662
		<u>65,331</u>	<u>31,795</u>
Less: Provision for doubtful debts		30,861	12,662
		<u>34,470</u>	<u>19,133</u>

**8.1** This represents amount due from Pfizer Inc. Philippines which was not past due as at November 30, 2016.

		November 30, 2016	November 30, 2015
<b>8.2 Provision for doubtful debts</b>		<b>(Rupees in '000)</b>	
Balance as at 1 December		12,662	12,662
Charge for the year		18,199	-
Balance as at 30 November		<u>30,861</u>	<u>12,662</u>

## 9. LOANS AND ADVANCES - considered good

Current portion of long-term loans to employees	5	4,962	3,092
Advances			
- Suppliers		29,379	41,066
- Employees	9.1 & 9.2	2,665	2,418
		<u>32,044</u>	<u>43,484</u>
		<u>37,006</u>	<u>46,576</u>

**9.1** This includes amounts due from executives amounting to Rs. 1.9 million (2015: Rs 1.824 million).

**9.2** The maximum aggregate amount of advances due from executives at the end of any month during the year was Rs. 2.758 million (2015: Rs. 2.029 million).

	Note	November 30, 2016	November 30, 2015
<b>10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		<b>(Rupees in '000)</b>	
Trade deposits	10.1	13,536	25,048
Prepayments		742	5,461
Margin deposits for guarantees and letters of credit		6,116	10,211
Balances with statutory authorities for customs and excise duty		-	999
Sales tax refundable	10.2	-	4,301
Receivable from related parties		8,987	4,780
Receivable from pension fund	29.2	40,777	36,401
Export rebate claim		3,733	2,349
		<u>73,891</u>	<u>89,550</u>
<b>10.1 Trade deposits</b>		<b>16,564</b>	<b>25,048</b>
Less: Provision for trade deposits		3,028	-
		<u>13,536</u>	<u>25,048</u>
<b>10.2 Sales tax refundable</b>		<b>4,301</b>	<b>4,301</b>
Less: Provision for Sales Tax Refundable		4,301	-
		<u>-</u>	<u>4,301</u>
<b>11. CASH AND BANK BALANCES</b>			
Cash in hand		367	197
With banks			
- Term deposit receipts		-	150,000
- In savings accounts	11.1	10,182	79,927
		<u>10,549</u>	<u>230,124</u>

**11.1** These carry mark-up at the rate of 3.75% to 4% (2015: 4%) per annum.

## **12. ASSETS HELD FOR SALE**

**12.1** During the year, the Company initiated the process of selling the manufacturing facility located at Hawkesbay Road, S.I.T.E., Karachi along with transfer of certain non-core products ("the Asset Sale Transaction"). In this regard subsequent to year end, the Board of Directors further authorized the management to finalize the consideration and other terms of the Asset Sale Transaction, including the definitive transaction agreement(s) with ICI Pakistan Limited, who has shown interest in pursuing the Asset Sale Transaction with the Company.

As a result of above, the assets related to above transactions have been classified as assets held for sale. The comparative profit and loss account has been restated to show the discontinued operation separately from continuing operations.

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

	Note	November 30, 2016	November 30, 2015
(Rupees in '000)			
Property, plant and equipment	4.1	191,161	-
Capital work in progress	4.2	146,745	-
Long term deposits		5,717	-
Stores and spares		35,006	-
Stock-in-trade	12.3 & 12.4	240,345	-
		<u>618,974</u>	<u>-</u>

**12.3** Details of stock-in-trade held with the third parties is as follow:

**For use in third party manufacturing**

Macter International Private limited	29,317	-
Reko Pharmacal Private Limited	14,663	-
	<u>43,980</u>	<u>-</u>

**12.4** Finished goods include items costing Rs. 20.955 million (2015: Rs. Nil) which are valued at net realizable value of Rs. 18.842 million (2015: Nil).

**12.5** There are no cumulative income or expenses included in OCI relating to the disposal group.

**13. SHARE CAPITAL**

**Authorized capital**

	November 30, 2016	November 30, 2015
5,000,000 ordinary shares of Rs. 100 each	<u>500,000</u>	<u>500,000</u>

**Issued, subscribed and paid-up capital**

November 30, 2016	November 30, 2015		November 30, 2016	November 30, 2015
(Number of shares)			(Rupees in '000)	
386,711	386,711	Ordinary shares of Rs. 100 each	38,671	38,671
477,493	477,493	Shares fully paid in cash	47,749	47,749
		Shares issued as fully paid for consideration other than cash - note 13.2		
557,405	557,405	Shares issued as fully paid bonus shares	55,741	55,741
<u>1,421,609</u>	<u>1,421,609</u>		<u>142,161</u>	<u>142,161</u>

**13.1** Wyeth LLC, USA and Wyeth Holdings Corporation, USA held 576,470 (2015: 576,470) and 448,560 (2015: 448,560) shares of Rs. 100 each respectively as on November 30, 2016. On October 15, 2009 Pfizer Inc. acquired Wyeth LLC, USA and became the ultimate parent of the Company.

**13.2** These shares include 473,529 shares issued under the scheme of arrangement for amalgamation of Wyeth Laboratories (Pakistan) Limited and Cyanamid (Pakistan) Limited in the year 1996.

## 14. TRADE AND OTHER PAYABLES

		November 30, 2016	November 30, 2015
		(Rupees in '000)	
Creditors	14.1	446,388	238,196
Accrued liabilities		143,676	163,881
Advances from customers		24,807	36,767
Accumulated compensated absences		21,264	20,347
Payable to provident fund		-	26
Payable to gratuity fund	29.2	84,938	77,919
Workers' Welfare Fund	14.2	6,231	1,783
Central Research Fund		2,354	973
Workers' Profit Participation Fund	14.3	11,587	4,375
Sales tax payable		692	1,287
Unclaimed dividend		3,457	3,496
Provision for sales return		-	1,963
		<u>745,394</u>	<u>551,013</u>

**14.1** Creditors include Rs. 312.292 million (2015: Rs. 113.927 million) to associated undertakings.

## 14.2 Workers' Welfare Fund

		November 30, 2016	November 30, 2015
		(Rupees in '000)	
Opening balance		1,783	-
Allocation for the year		4,448	1,783
		<u>6,231</u>	<u>1,783</u>

## 14.3 Workers' Profit Participation Fund

Opening balance payable		4,375	-
Allocation for the year		11,587	4,375
		<u>15,962</u>	<u>4,375</u>
Paid during the year		(4,375)	-
Closing balance payable		<u>11,587</u>	<u>4,375</u>

## 15. SHORT-TERM FINANCE FACILITY

The facilities for opening letters of credit and guarantees as at November 30, 2016 amounted to Rs. 630.8 million (2015: Rs. 630.4 million) and Rs. 331.7 million (2015: Rs. 331.7 million) of which unutilised balances at the year end amounted to Rs. 575.6 million and Rs. 326.3 million respectively.

## 16. CONTINGENCIES AND COMMITMENTS

**16.1** Certain ex-employees of the Company have filed claims aggregating to Rs. 253.683 million (2015: Rs. 253.683 million) against the Company. The Company is contesting the claims in the courts and the management is confident that the ultimate decision on the subject claims will be in favour of the Company. Accordingly, no provision has been made in these financial statements in respect of these claims.

**16.2** One ex-distributor has filed claims against the Company aggregating to Rs. 75.1 million (2015: Rs. 75.1 million) for recovery of damages. The management is confident that the case will be decided in the Company's favour and therefore no provision has been made in this respect.

**16.3** The Company has filed income tax returns under section 120 of the Income Tax Ordinance up to and including the tax year 2016. However, the income tax authorities have made arbitrary additions and disallowances to taxable income in assessment years 1997-98 to 2002-03 and for tax years 2003 to 2005 and 2013 which have resulted in an aggregate tax liability of Rs. 244.015 million (2015: Rs. 244.015 million). The tax liability has arisen mainly due to the following reasons:

- The assessing officer has made additions to the income based on the contention that the Company has allegedly paid excessive amount on import of raw materials.
- The assessing officer charged tax on purchases related to agriculture business of the Company under presumptive tax regime by treating all purchases as commercial imports.
- The assessing officer also charged tax on gain on sale of the Company's agriculture business and has also arbitrarily disallowed certain expenses attributed to that segment of the business.
- The assessing officer has disallowed the credit for adjustment of tax refunds and adjustment of compensation on delayed refunds.

Although the Company has filed appeals with various appellate authorities in respect of the above, however, a provision of Rs. 137.614 million (2015: Rs. 137.614 million) is being carried against the above demands on grounds of prudence. In consultation with their tax advisors, the management is confident that the ultimate decision of the appeals will be in the Company's favour.

Further the tax department has carried out the monitoring of withholding tax audit for 4 years (viz Tax Years 2010, 2012, 2013 and 2015), the aggregate demand of Rs. 8.276 million (2015: Nil) has been raised. The company has filed appeal against these orders. The management is of the opinion that the ultimate decision of the appeals will be in Company's favour.

- 16.4** The Assistant Collector, Sales Tax and Federal Excise has issued an order requiring the Company to pay Federal Excise Duty (FED) along with penalty and default surcharge amounting to approximately Rs. 1 million in respect of technical services availed by the Company.

The Company filed an appeal against this order. The Commissioner Inland Revenue Appeals (CIRA) passed an order in favour of the Company. However, the Tax Department filed an appeal before the Tribunal, and the case has been remanded back to the department for denovo consideration. The matter is pending since then.

- 16.5** In May 2016, the company has filed a suit and permanent injunction before the Sindh High Court for resolution of applications which Company had filed with the Drugs Regulatory Authority of Pakistan (DRAP) since 2012 seeking price increase for products which had extremely low margins and should have been resolved by DRAP by December 5, 2015 as per the Drugs Pricing Policy (DPP).

The matter was disposed off subsequent to the year end. A High Court appeal had been filed whereby the aforementioned Judgement was challenged before the Division Bench of the Honourable High Court of Sindh. The learned Division Bench has restrained the Ministry of Health and the Drug Regulatory Authority of Pakistan from taking any coercive action(s) against Company. The matter is pending adjudication.

## 16.6 Commitments

	November 30, 2016	November 30, 2015
	(Rupees in '000)	
<b>16.6.1</b> Commitments for capital expenditure	360	4,515
<b>16.6.2</b> Guarantees and indemnity bonds for imported raw materials and other guarantees	5,403	7,452
<b>16.6.3</b> Outstanding letter of credit	55,288	8,033

## 17 NET SALES

	November 30, 2016	November 30, 2015 Restated
	(Rupees in '000)	
Sales - Domestic	1,257,954	1,331,754
- Export	115,097	177,455
	1,373,051	1,509,209
Less: Discounts and commission	118,646	124,491
Returns	2,166	5,313
	120,812	129,804
	1,252,239	1,379,405

18. COST OF SALES	Note	November 30, 2016	November 30, 2015 Restated
(Rupees in '000)			
Opening stock of finished goods		201,882	247,652
Cost of goods manufactured	18.1	756,909	749,405
Purchases of finished goods		690,590	394,004
Closing stock of finished goods		(569,765)	(201,882)
Physician samples charged to advertising and sales promotion		(1,529)	(757)
		<u>1,078,087</u>	<u>1,188,422</u>
<b>18.1 Cost of goods manufactured</b>			
Opening stock of raw and packing materials		165,424	246,135
Purchase of raw and packing materials		616,491	437,557
Closing stock of raw and packing materials		(239,764)	(165,424)
Raw and packing materials consumed		<u>542,151</u>	<u>518,268</u>
Salaries, wages and other benefits	18.2	101,891	93,411
Depreciation	4.4	9,831	10,327
Fuel and power		27,817	33,696
Rent, rates and taxes		3,132	5,051
Repairs and maintenance		27,936	32,245
Production and other supplies		8,002	9,004
Spare parts consumed		3,530	2,754
Travelling and vehicles running expenses		4,440	4,834
Provision for slow moving and obsolete stock-in-trade	7.4	29,711	26,719
Security Charges		5,242	5,957
Postage, communication and stationery		276	262
Insurance		1,053	1,099
Others		278	1,589
		<u>223,139</u>	<u>226,948</u>
		<u>765,290</u>	<u>745,216</u>
Opening work-in-process		66,415	70,604
Closing work-in-process		(74,796)	(66,415)
Cost of goods manufactured		<u>756,909</u>	<u>749,405</u>

**18.2** Salaries, wages and other benefits include a charge of Rs. 6.242 million (2015: Rs. 4.476 million) in respect of staff retirement benefits.



19. SELLING, MARKETING AND DISTRIBUTION EXPENSES	Note	November 30, 2016	November 30, 2015 Restated
(Rupees in '000)			
Salaries, wages and other benefits	19.1	75,860	67,541
Fuel and power		3,332	5,586
Rent, rates and taxes		2,419	3,129
Insurance		406	649
Repairs and maintenance		527	1,471
Transportation		23,109	26,024
Travelling and entertainment		7,482	9,107
Postage, communication and stationery		2,318	2,383
Depreciation	4.4	6,395	6,178
Advertising and sales promotion		47,879	48,368
Others		192	403
		<u>169,919</u>	<u>170,839</u>

**19.1** Salaries, wages and other benefits include a charge of Rs. 14.181 million (2015: Rs. 17.693 million) in respect of staff retirement benefits.

20. ADMINISTRATIVE EXPENSES	Note	November 30, 2016	November 30, 2015 Restated
(Rupees in '000)			
Salaries, wages and other benefits	20.1 & 21	31,367	31,907
Fuel and power		1,313	1,113
Rent, rates and taxes		180	215
Insurance		435	389
Travelling and entertainment		1,295	1,283
Postage, communication and stationery		858	1,042
Legal and professional charges		8,881	10,480
Auditors' remuneration	20.2	1,279	1,254
Depreciation	4.4	3,181	3,023
Others		1,334	1,747
		<u>50,123</u>	<u>52,453</u>

**20.1** Salaries, wages and other benefits include a charge of Rs. 2.469 million (2015: Rs. 3.682 million) in respect of staff retirement benefits.

**20.2 Auditors' remuneration**

	November 30, 2016	November 30, 2015
(Rupees in '000)		
Audit fee - annual	850	750
Fee for half yearly review	300	270
Other certifications	129	130
Out of pocket expenses	-	104
	<u>1,279</u>	<u>1,254</u>

## 21. VOLUNTARY SEPARATION SCHEME (VSS)

VSS programme is in place for the past few years to achieve rationalisation and corporate restructuring of the Company. The following amounts have been included in 'salaries, wages and other benefits' in this respect:

	Note	November 30, 2016	November 30, 2015 Restated
(Rupees in '000)			
Administrative expenses		6,463	-
<b>22. OTHER INCOME</b>			
<i>Income from financial assets</i>			
Profit on saving accounts and term deposits		4,258	6,522
<i>Income from non-financial assets</i>			
Gain on disposal of property, plant and equipment	4.7	1,402	5,335
Exchange gain		-	5,560
Liabilities no longer payable written back		5,544	3,669
Export rebate claims & recovery of export freight		1,805	809
		<b>13,009</b>	<b>21,895</b>
<b>23. OTHER EXPENSES</b>			
Provision of Trade deposits		3,028	-
Write off of custom and excise duty		999	-
Provision of Sales Tax Refundable		4,301	-
Exchange loss		2,977	-
		<b>11,305</b>	<b>-</b>
<b>24. FINANCE COST</b>			
Bank charges		593	573
<b>25. TAXATION</b>			
Current		19,487	11,846
Prior years		-	3,624
Deferred tax		(11,786)	4,304
Tax expense on continuing operations		<b>7,701</b>	<b>19,774</b>
<b>25.1 Reconciliation of effective tax rate</b>			
Loss before taxation from continuing operations		(44,779)	(10,987)
Tax at the applicable rate of 31% (2015: 32%)		(13,881)	(3,516)
Effect of income taxable under presumptive tax regime		19,487	3,778
Minimum turnover tax charge		-	13,017
Tax credit of Section 65 (B) of the Income Tax Ordinance, 2001 recognised		-	(1,434)
Prior years' charge		-	3,624
Effect of change in tax rates		-	1,843
Tax effect of other items		2,095	2,462
		<b>7,701</b>	<b>19,774</b>

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

The Company's undistributed reserves are in excess of its paid up capital. However, no provision has been made for tax on undistributed reserves as the Company intends to distribute sufficient cash dividend for the year ended 30 November, 2016, so that such tax is not required to be paid.

## 26. DISCONTINUED OPERATION

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

### 26.1 RESULTS OF DISCONTINUED OPERATIONS

	November 30, 2016	November 30, 2015 Restated
	(Rupees in '000)	
Net Sales	1,518,541	1,295,304
Expenses	1,278,981	1,202,984
<b>Results from operating activities</b>	<b>239,560</b>	<b>92,320</b>
Taxation	74,264	29,542
Profit from discontinued operations - net of tax	<u>165,296</u>	<u>62,778</u>
Earnings per share - basic and diluted	<u>116.27</u>	<u>44.16</u>

### 26.2 CASH FLOWS FROM DISCONTINUED OPERATIONS

Net cash used in operating activities	<u>8,350</u>	<u>140,260</u>
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## 27. EARNINGS PER SHARE - Basic and Diluted

	November 30, 2016			November 30, 2015		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	(Rupees in '000)					
Profit for the year	(52,480)	165,296	112,816	(30,761)	62,778	32,017
Weighted average number of shares	1,421,609	1,421,609	1,421,609	1,421,609	1,421,609	1,421,609
Earnings per share	(36.92)	116.27	79.36	(21.64)	44.16	22.52

## 28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration including certain benefits to the chief executive, directors and executives of the Company are as follows:

	November 30, 2016			November 30, 2015		
	*Chief Executive	*Directors	Executives	*Chief Executive	*Directors	Executives
	(Rupees in '000)					
Managerial remuneration	-	-	163,886	-	-	146,200
Bonus	-	-	26,512	-	-	24,682
Medical expenses	-	-	7,709	-	-	5,931
Retirement benefits	-	-	32,486	-	-	31,802
Directors meeting fees	-	1,640	-	-	1,520	-
	<u>-</u>	<u>1,640</u>	<u>230,593</u>	<u>-</u>	<u>1,520</u>	<u>208,615</u>
Number of persons	<u>1</u>	<u>6</u>	<u>143</u>	<u>1</u>	<u>6</u>	<u>128</u>

\* Rs. 10.724 million (2015: Rs. 10.469 million) and Rs. 10.221 million (2015: Rs. 9.873 million) have been charged in 'salaries, wages and other benefits' on account of allocation of cost of services provided by Chief Executive and a Director respectively of associated company.

\* Rs. 1.640 million (2015: Rs. 1.520 million) have been paid on account of meeting fees to the Non Executive Directors.

**28.1** In addition to the above, some of the executives are provided with Company owned and maintained cars.

**28.2** Further, benefits available to executives recognised by the Company in the expenses during the year on account of share-based payment plan aggregate to Rs. 1.422 million (2015: Rs. 1.412 million).

## 28.3 Number of Employees

	November 30, 2016	November 30, 2015
Total number of employees as of the balance sheet date	173	187
Average number of employees during the year	177	190

## 29. DEFINED BENEFIT PLANS

As mentioned in note 3.7, the Company operates approved funded pension and gratuity schemes. The latest actuarial valuations of the schemes were carried out as at November 30, 2016. Projected Unit Credit Method using the following significant assumptions was used for these valuations:

Significant actuarial assumptions	November 30, 2016	November 30, 2015
<i>Financial assumptions</i>		
Discount rate	<b>8.25% per annum</b>	9.5% per annum
Expected rate of increase in salary	<b>7.75% per annum</b>	9.0% per annum
Pension increase	<b>0.75% per annum</b>	2.0% per annum
Minimum wage increase	<b>3.75% per annum</b>	5% per annum
<i>Demographic assumptions</i>		
Mortality rates (for death in service)	<b>EFU(61-66)</b>	EFU(61-66)

29.1 The disclosures made in notes 29.2 to 29.6 and 29.9 are based on the information included in the actuarial valuation as of November 30, 2016 and November 30, 2015.

## 29.2 Balance sheet reconciliation

	November 30, 2016			November 30, 2015		
	Gratuity	Pension	Total	Gratuity	Pension	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Present value of defined benefit obligation	185,968	55,488	241,456	179,388	57,865	237,253
Fair value of plan assets	(101,030)	(96,265)	(197,295)	(101,469)	(94,266)	(195,735)
Funded status	<u>84,938</u>	<u>(40,777)</u>	<u>44,161</u>	<u>77,919</u>	<u>(36,401)</u>	<u>41,518</u>

	November 30, 2016			November 30, 2015		
	Gratuity	Pension	Total	Gratuity	Pension	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
<b>29.3 Movement in present value of defined benefit obligation</b>						
Present value of defined benefit obligation at beginning of the year	179,388	57,865	237,253	166,921	59,250	226,171
Current service cost	6,899	107	7,006	6,748	94	6,842
Interest cost	16,674	5,191	21,865	18,868	6,582	25,450
Remeasurement of obligation	3,141	(1,279)	1,862	(465)	(1,605)	(2,070)
Benefits paid	(20,134)	(6,396)	(26,530)	(12,684)	(6,456)	(19,140)
Present value of defined benefit obligation at end of the year	<u>185,968</u>	<u>55,488</u>	<u>241,456</u>	<u>179,388</u>	<u>57,865</u>	<u>237,253</u>
<b>29.4 Movement in the fair value of plan assets</b>						
Fair value of plan assets at beginning of the year	101,469	94,266	195,735	87,573	81,075	168,648
Expected return on plan assets	9,197	7,598	16,795	10,220	9,147	19,367
Remeasurement of plan assets	(1,502)	797	(705)	4,860	10,500	15,360
Actual contributions by employer	12,000	-	12,000	11,500	-	11,500
Benefits paid	(20,134)	(6,396)	(26,530)	(12,684)	(6,456)	(19,140)
Fair value of plan assets at end of the year	<u>101,030</u>	<u>96,265</u>	<u>197,295</u>	<u>101,469</u>	<u>94,266</u>	<u>195,735</u>
<b>29.5 Components of defined benefit cost</b>						
<b>Charge for the year to be recognised in profit and loss</b>						
Current service cost	6,899	107	7,006	6,748	94	6,842
Interest cost	16,674	5,191	21,865	18,868	6,582	25,450
Expected return on plan assets	(9,197)	(7,598)	(16,795)	(10,220)	(9,147)	(19,367)
	<u>14,376</u>	<u>(2,300)</u>	<u>12,076</u>	<u>15,396</u>	<u>(2,471)</u>	<u>12,925</u>
<b>Defined benefit cost recognised in Other Comprehensive Income (OCI)</b>						
Loss / (gain) on obligation	4,643	(2,076)	2,567	(465)	(1,605)	(2,070)
Gain on plan asset	-	-	-	(4,860)	(10,500)	(15,360)
Net loss / (gain)	<u>4,643</u>	<u>(2,076)</u>	<u>2,567</u>	<u>(5,325)</u>	<u>(12,105)</u>	<u>(17,430)</u>

	November 30, 2016			November 30, 2015		
	Gratuity	Pension	Total	Gratuity	Pension	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
<b>29.6 Movement in amounts (receivable from) / payable to defined benefit plan</b>						
Balance at beginning of the year	77,919	(36,401)	41,518	79,348	(21,825)	57,523
Charge / (reversal) for the year	14,376	(2,300)	12,076	15,396	(2,471)	12,925
Contributions during the year	(12,000)	-	(12,000)	(11,500)	-	(11,500)
Total remeasurements recognised in OCI	4,643	(2,076)	2,567	(5,325)	(12,105)	(17,430)
Balance at end of the year	84,938	(40,777)	44,161	77,919	(36,401)	41,518
<b>29.7 Remeasurements during the year</b>						
<i>Actuarial (gain) / loss on obligation</i>						
Loss due to change in financial assumptions	-	-	-	3,799	464	4,263
Loss / (gain) due to investment return	1,502	(797)	705	-	-	-
Loss / (gain) due to change in experience adjustments	3,141	(1,279)	1,862	(4,264)	(2,069)	(6,333)
Total actuarial loss / (gain) on obligation	4,643	(2,076)	2,567	(465)	(1,605)	(2,070)
<i>Actuarial gain on plan assets</i>						
Gain on plan assets	-	-	-	(4,860)	(10,500)	(15,360)
Total re-measurement loss / (gain) for the year	4,643	(2,076)	2,567	(5,325)	(12,105)	(17,430)
<b>29.8 Major categories / composition of plan assets are as follows:</b>						
Government bonds	77,388	90,999	168,387	91,054	88,643	179,697
Bank deposits	23,642	5,266	28,908	10,415	5,623	16,038
	101,030	96,265	197,295	101,469	94,266	195,735

**29.9** Amounts for the current year and previous four annual periods of the fair value of plan assets, present value of defined benefit obligation and surplus arising thereon is as follows:

As at 30 November	2016	2015	2014	2013	2012
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	241,456	237,253	226,171	340,267	258,804
Fair value of plan assets	(197,295)	(195,735)	(168,648)	(261,053)	(261,097)
Deficit / (surplus)	44,161	41,518	57,523	79,214	(2,293)

## 29.10 Components of defined benefit cost for the next year

	Gratuity	Pension	Total
	----- (Rupees in '000) -----		
Current service cost	6,899	102	7,001
Net interest cost / (income)	6,612	(1,983)	4,629
	<u>13,511</u>	<u>(1,881)</u>	<u>11,630</u>

## 29.11 Maturity profile of the defined benefit obligation

2017	9,833	6,341	16,174
2018	9,363	6,259	15,622
2019	17,118	6,160	23,278
2020	16,435	6,043	22,478
2021	19,060	5,910	24,970
2022 - 2026	115,516	27,234	142,750

## 29.12 Sensitivity analysis on significant actuarial assumptions: Actuarial Liability

Discount rate +1%	(18,689)
Discount rate -1%	21,524
Long term salary increases +1%	17,626
Long term salary increases -1%	(15,557)
Pension increase +1%	4,113
Pension increase -1%	(3,674)
Minimum wage increase +1%	(105)
Minimum wage increase -1%	95

**29.13** The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

**29.14** The Company expects to contribute Rs. 45.758 million in next year towards gratuity fund.

**29.15** During the year Company contributed Rs. 11.239 million (2015: Rs. 11.317 million) to the provident fund.

## 29.16 Provident fund

	November 30, 2016 (Unaudited)	December 31, 2015 (Audited)
	(Rupees in '000)	
Net assets of the fund	284,635	284,551
Cost of investments made (actual investment made)	248,949	245,326
Cost of investment / net assets of the fund	87%	86%
Fair value of investments	249,122	277,235

### Break-up of investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:



	November 30, 2016 (Unaudited)		December 31, 2015 (Audited)	
	Investments (Rupees in '000)	% of investment as size of the fund	Investments (Rupees in '000)	% of investment as size of the fund
<b>Fair value</b>				
Defence Saving Certificates	25,073	9%	22,560	8%
Pakistan Investment Bonds	204,922	72%	221,434	78%
Term Deposit Receipts	-	0%	7,000	2%
Balances with banks in savings accounts	19,127	7%	26,241	9%
	<u>249,122</u>	<u>88%</u>	<u>277,235</u>	<u>97%</u>

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

### 30. SHARE-BASED REWARD PLANS

#### 30.1 Details of the share-based reward plans are as follows:

	November 30, 2016			November 30, 2015		
	TSRU's	Stock Options	RSU's	TSRU's	Stock Options	RSU's
----- (Number of shares) -----						
Outstanding as at December 1,	-	3,979	613	-	4,591	741
Granted during the year	1,253	-	254	-	988	198
Forfeited during the year	-	-	-	-	-	(81)
Dividend Equivalent Units	-	-	24	-	-	19
Exercised during the year	-	(725)	(206)	-	(1,600)	(264)
Outstanding as at November 30,	<u>1,253</u>	<u>3,254</u>	<u>685</u>	<u>-</u>	<u>3,979</u>	<u>613</u>

#### 30.2 The weighted average exercise price of stock options are as follows:

	November 30, 2016			November 30, 2015		
	TSRU's	Stock Options	RSU's	TSRU's	Stock Options	RSU's
----- (in US\$) -----						
Outstanding as at December 1,	-	27.05	31.81	-	24.34	27.27
Granted during the year	30.59	-	30.59	-	34.59	34.59
Outstanding as at November 30,	<u>30.59</u>	<u>27.50</u>	<u>32.33</u>	<u>-</u>	<u>27.05</u>	<u>31.81</u>

- 30.3** The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black Scholes model, with the following inputs:

<b>Fair value of share options and assumptions</b>	<b>November 30, 2016</b>	November 30, 2015
Share price	<b>\$30.59</b>	\$34.59
Expected volatility (weighted average volatility)	<b>21.64%</b>	18.34%
Option life (expected weighted average life)	<b>6.7 years</b>	6.7 years
Expected dividends	<b>\$1.20</b>	\$1.10

The fair value of services received in return for total shareholders' return units (TSRU's) granted is based on the fair value of share options granted, measured using a Black scholes model, with the following inputs:

<b>Fair value of share options and assumptions</b>	<b>November 30, 2016</b>	November 30, 2015
Share price	<b>\$30.59</b>	-
Expected volatility (weighted average volatility)	<b>21.64%</b>	-
Option life (expected weighted average life)	<b>5 years</b>	-
Expected dividends	<b>\$1.20</b>	-

- 30.4** The total expense recognised for the year arising from share-based payment transactions is Rs. 1,422,115 (2015: Rs. 1,411,907).

## **31. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise the ultimate parent company (Pfizer Inc., USA), related group companies, staff retirement benefits, directors, key management personnel and close members of the family of all the aforementioned related parties. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere are as follows:

	<b>November 30, 2016</b>	November 30, 2015
	<b>(Rupees in '000)</b>	
<b>Transactions for the year</b>		
Sale of goods to associated undertaking	<b>115,097</b>	177,455
Transfer of inventory to associated undertaking	<b>437</b>	4,034
Goods purchased from associated companies	<b>661,207</b>	445,880
Transfer of inventory from associated companies	<b>413</b>	1,057
Services to associated companies	<b>22,512</b>	9,790
Promotional expenses / other expenses	<b>-</b>	2,254
Dividend to parent company	<b>20,500</b>	-
Contribution to the retirement benefit scheme	<b>29,689</b>	26,144
Legal and professional charges	<b>682</b>	1,071

	Note	November 30, 2016	November 30, 2015
<b>(Rupees in '000)</b>			
<b>32. CASH (USED IN) / GENERATED FROM OPERATIONS</b>			
Profit for the year		112,816	32,017
Adjustments for non-cash charges and other items:			
Net increase in reserve for share-based payment plans		1,422	1,412
Charge / (reversal) for defined benefit plans		12,076	12,925
Depreciation		37,525	38,237
Write-off of CWIP		100	-
Impairment Loss		288	-
Provision for slow moving and obsolete stock		40,269	55,949
Gain on disposal of property, plant and equipment		(1,402)	(5,335)
Profit on bank deposits		(4,258)	(6,522)
Tax expense		81,965	49,316
Working capital changes	32.1	(355,045)	169,149
		<u>(74,244)</u>	<u>347,148</u>

### 32.1 Working capital changes

Changes in:			
Spares		(2,620)	(10,255)
Stock-in-trade		(540,264)	102,343
Trade debts		(15,337)	37,793
Loans and advances		9,570	(20,757)
Deposits, prepayments and other receivables		15,659	48,090
Long term loan to employees		(1,583)	2,890
Long term deposits		(246)	(864)
Retirement benefit plans		(14,643)	4,505
Trade and other payables		194,419	5,404
		<u>(355,045)</u>	<u>169,149</u>

### 33. OPERATING SEGMENTS

The financial information has been prepared on the basis of a single reportable segment.

#### 33.1 The sales percentage by geographic region is as follows:

	November 30, 2016	November 30, 2015
	<b>(Percentage)</b>	
Pakistan	94.7%	92.4%
Other Asian countries	5.3%	7.6%
	<u>100%</u>	<u>100%</u>

33.2 All non-current assets of the Company as at November 30, 2016 are located in Pakistan.

33.3 Sales to four major customers of the Company is around 54.65% during the year ended November 30, 2016 (2015: 54.27%).

## 34. FINANCIAL ASSETS AND LIABILITIES

November 30, 2016			
Carrying Amount			
Loans and receivables	Other financial assets	financial liabilities	Total

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

### Financial assets not measured at fair value

Long term loans	4,552	-	-	4,552
Trade debts	34,470	-	-	34,470
Loans and advances	37,006	-	-	37,006
Other receivables	53,497	-	-	53,497
Interest accrued	399	-	-	399
Cash and bank balances	-	10,549	-	10,549

### Financial liabilities not measured at fair value

Trade and other payables	-	-	719,895	719,895
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November 30, 2015			
Carrying Amount			
Loans and receivables	Other financial assets	financial liabilities	Total

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

### Financial assets not measured at fair value

Long term loans	2,969	-	-	2,969
Trade debts	19,133	-	-	19,133
Loans and advances	46,576	-	-	46,576
Other receivables	43,530	-	-	43,530
Interest accrued	1,075	-	-	1,075
Cash and bank balances	-	230,124	-	230,124

### Financial liabilities not measured at fair value

Trade and other payables	-	-	510,970	510,970
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These financial assets and liabilities are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair value.

## 35. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

Risk management systems are reviewed regularly by the Board to reflect changes in market conditions and the Company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### 35.1 Credit risk

#### Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and other receivables. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers. Outstanding customer balances are regularly reviewed. Some customers are also secured, where possible by way of inland letters of credit, security deposit and bank guarantees.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is given below:

	November 30, 2016	November 30, 2015
	(Rupees in '000)	
Long-term loans to employees	4,552	2,969
Long-term deposits	5,412	10,883
Trade debts	65,331	31,795
Loans and advances	37,006	46,576
Interest accrued	399	1,075
Trade deposits and other receivables	73,149	84,089
Bank balances	10,182	229,927
	<u>196,031</u>	<u>407,314</u>

**35.1.1** Credit risk is mitigated as the Company have an advance cash receipt model for all its domestic distributors. Accordingly, the Company believes that it is not exposed to any major concentration of credit risk in respect of trade debtors.

**35.1.2** The bank balances represents low credit risk as they are placed with reputed banks with strong credit ratings.

**35.1.3** The aging of trade debtors at the balance sheet date is as follows:

	November 30, 2016	November 30, 2015
	(Rupees in '000)	
Not past due	34,470	19,133
Past due and impaired	30,861	12,662
	<u>65,331</u>	<u>31,795</u>

## 35.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities based on the remaining period at the balance sheet date to maturity date.

	November 30, 2016				
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
	----- (Rupees in '000) -----				
<b>Financial liabilities</b>					
Creditors	446,388	446,388	(446,388)	-	-
Accrued liabilities	143,676	143,676	(143,676)	-	-
Accumulated compensated absences	21,264	21,264	(21,264)	-	-
Payable to provident fund	-	-	-	-	-
Payable to gratuity fund	84,938	84,938	(84,938)	-	-
Unclaimed dividend	3,457	3,457	(3,457)	-	-
	<u>699,723</u>	<u>699,723</u>	<u>(699,723)</u>	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

	November 30, 2015				
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
<b>Financial liabilities</b>	----- (Rupees in '000) -----				
Creditors	238,196	238,196	(238,196)	-	-
Accrued liabilities	163,881	163,881	(163,881)	-	-
Accumulated compensated absences	20,347	20,347	(20,347)	-	-
Payable to provident fund	26	26	(26)	-	-
Payable to gratuity fund	77,919	77,919	(77,919)	-	-
Unclaimed dividend	3,496	3,496	(3,496)	-	-
	<u>503,865</u>	<u>503,865</u>	<u>(503,865)</u>	-	-

### 35.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of foreign currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

#### 35.3.1 Foreign Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies.

Following is the gross balance sheet exposure classified into foreign currency:

	<b>November 30, 2016</b>	November 30, 2015
	<b>Amount in USD</b>	
Trade debts	<b>326,400</b>	181,251
Other receivables	<b>45,292</b>	45,292
Bank balances	-	158,943
Creditors	<u><b>(3,616,399)</b></u>	<u>(1,596,623)</u>
Gross balance sheet exposure	<u><b>(3,244,707)</b></u>	<u>(1,211,137)</u>

The average rate for US Dollars during the year was USD 1 = Rs. 104.84 (2015: USD 1 = Rs. 102.58) and the rate at year end was USD 1 = Rs.105.61(2015: USD 1 = Rs. 105.53).

#### 35.3.2 Sensitivity analysis

At reporting date, if the Pak Rupee had strengthened / weakened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher / lower by Rs. 34.27 million (2015: Rs. 12.78 million).

### 35.3.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in the market interest rate. As at November 30, 2016, Rs. 10.18 million (2015: Rs. 229.93 million) interest bearing financial assets are on fixed interest rates, hence management believes that the Company is not materially exposed to interest rate changes.

### 35.3.4 Fair value of financial assets and liabilities

The major portion of the Company's financial instruments are short term in nature and would be settled in the near future. The fair values of these instruments are not materially different from their carrying values.

## 36. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to support the sustained development of its business.

The current capital structure of the Company is equity based with minimal or no financing through borrowings.

## 37. PLANT CAPACITY AND ANNUAL PRODUCTION

The capacity and production of the Company's plants are indeterminable as these are multi-product and involve varying processes of manufacture.

## 38. GENERAL

Figures have been rounded off to the nearest thousand rupees except as stated otherwise.

## 39. EVENTS AFTER BALANCE SHEET DATE


The Board of Directors have proposed a final cash dividend for the year ended November 30, 2016 of Rs. 35 (2015: Rs. 20) per share, amounting to Rs. 49.756 million (2015: Rs. 28.432 million) at their meeting held on February 28, 2017 subject to the approval of members at the annual general meeting to be held on March 28, 2017.

These financial statements do not reflect the final cash dividend as this has been proposed subsequent to the balance sheet date.

## 40. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Company on February 28, 2017.

Since the Chief Executive is for the time being not in Pakistan due to official visit, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

  
**Moin M. Fudda**  
Director

  
**Badaruddin F. Vellani**  
Director



## SIX YEARS AT A GLANCE from 2011 to 2016

(Rupees in '000)

	2011	2012 (Restated)	2013 (Restated)	2014	2015	2016
Sales	2,899,363	3,145,950	3,115,717	3,054,725	2,674,709	2,770,780
Cost of sales	2,157,447	2,414,714	2,530,654	2,595,819	2,332,608	2,264,245
Gross profit	741,916	731,236	585,063	458,906	342,101	506,535
Selling, marketing, distribution and administrative expenses	474,763	477,186	539,644	514,489	286,536	284,163
Other operating income / (expenses) - net	6,562	(8,941)	11,233	42,030	26,880	(26,278)
Operating profit / (loss)	273,715	245,109	56,652	(13,553)	82,445	196,094
Finance cost	870	877	208	339	1,112	1,315
Profit/ (loss) before taxation	272,845	244,232	56,444	(13,892)	81,333	194,779
Taxation	122,453	111,951	39,643	70,660	49,316	81,963
Profit/ (loss) after taxation	150,392	132,281	16,801	(84,552)	32,017	112,816
Shareholders' equity	1,170,384	1,314,516	1,207,231	1,093,295	1,140,762	1,224,526
Property, plant and equipment	134,964	149,789	207,974	264,195	382,239	16,900
Current assets	1,569,362	1,523,495	1,453,802	1,345,947	1,288,636	1,923,697
Current liabilities	553,830	370,608	499,878	545,626	551,013	745,394
Current ratio	2.83	4.11	2.91	2.47	2.34	2.58
Dividend	40%	80%	20%	-	20%	35%
Number of employees as at November 30	279	249	231	195	187	173

# Wyeth

## PATTERN OF SHAREHOLDING AS AT NOVEMBER 30, 2016

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
687	1	100	18,370	1.29
118	101	500	28,666	2.02
22	501	1000	16,893	1.19
19	1001	5000	32,613	2.29
2	5001	10000	11,520	0.81
1	10001	15000	10,201	0.72
1	15001	20000	16,000	1.13
2	25001	25000	40,580	2.85
1	50001	55000	52,374	3.68
1	55001	60000	57,788	4.06
1	110001	115000	111,574	7.85
1	445001	450000	448,560	31.55
1	575001	580000	576,470	40.55
<b>857</b>			<b>1,421,609</b>	<b>100.00</b>

## CATEGORIES OF SHAREHOLDERS AS AT NOVEMBER 30, 2016

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
Associated companies	2	1,025,030	72.10
NIT	2	114,574	8.06
Directors, Chief Executive and their spouses and minor children	7	179	0.01
Banks, DFI & NBFIs	1	59,477	4.18
Insurance companies	2	68,374	4.81
Modarbas and Mutual Funds	2	40,580	2.85
Residents Individuals	806	93,087	6.55
Non - resident Individuals	23	3,501	0.25
Others	12	16,807	1.18
<b>COMPANY TOTAL</b>	<b>857</b>	<b>1,421,609</b>	<b>100.00</b>

## CATEGORIES OF SHAREHOLDERS AS AT NOVEMBER 30, 2016

Information under clause xvi (j) of the Code of Corporate Governance

Category No.	Categories of Shareholders	Number of shares held	Percentage
1	<b>Associated companies, undertakings and related parties</b>		
	Wyeth LLC, U.S.A	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
2	<b>NIT</b>		
	National Bank of Pakistan (Trustee Department)	114,574	8.0595
3	<b>Directors, Chief Executive and their spouses and minor children</b>		
	Badaruddin F. Vellani	100	0.0070
	Ifthikhar Soomro	2	0.0001
	Moin M. Fudda	52	0.0037
	Farid Khan	1	0.0001
	S. M. Wajeehuddin	2	0.0001
	Syed Zakwan Ahmed	1	0.0001
	Husain Lawai	21	0.0015
4	<b>Public Sectors Companies and corporations</b>	Nil	Nil
5	<b>Banks, Developments Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds</b>		
	National Bank of Pakistan	59,477	4.1838
	State Life Insurance Corporation of Pakistan	52,374	3.6841
	EFU General Insurance Co. Ltd.	16,000	1.1255
	Trustee National Bank of Pakistan Employees Pension Fund	10,201	0.7176
	Trustee National Bank of Pakistan Employees Benevolent Fund Trust	358	0.0252
	Trustees Muhammad Amin Wakf Estate	1,950	0.1372
	CDC - Trustee PICIC Investment Fund	20,140	1.4167
	CDC - Trustee PICIC Growth Fund	20,440	1.4378
	Time Securities Private Limited	200	0.0141
	Pearl Securities Limited	540	0.0380
6	<b>Shareholders holding five percent or more voting interest in the Listed Company</b>		
	Wyeth LLC, U.S.A	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
	National Bank of Pakistan (Trustee Department)	114,574	8.0595

wyeth

## FORM OF PROXY Sixty Eighth Annual General Meeting

I, We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_(full address) being a member of **Wyeth Pakistan Limited**  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ (full address) or failing him  
\_\_\_\_\_ of \_\_\_\_\_ (full  
address) as my / our Proxy to attend and vote for me / us and on my / our behalf at the Sixty Eighth  
Annual General Meeting of the Company to be held on Tuesday, March 28, 2017 at 11:00 a.m. and  
any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2017 signed  
by \_\_\_\_\_ in presence of \_\_\_\_\_

Please affix  
Revenue  
Stamp of  
Rs 5.00

Signature and address of Witness

Signature of Member

Folio No. / CDC Account and  
Participant's CNIC Number

Number of Shares held

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member of the Company.
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation its common seal should be affixed to the instrument.
3. The instrument appointing a proxy, together with the Power of Attorney if any under which it is signed or a notarilly certified copy thereof, should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
4. In case of Proxy for any individual beneficial owner of CDC, entitled to attend and vote at this meeting, it is necessary to deposit the attested copies of beneficial owner's Computerized National Identity Card (CNIC), Account and Participant's CNIC numbers. The Proxy shall produce his original CNIC at the time of the meeting. Representative of corporate members should bring the usual documents for such purpose.

وائیٹھ پاکستان لمیٹڈ

پراکسی فارم

۶۸ واں سالانہ اجلاس عام

میں مسمیٰ/مسماة \_\_\_\_\_ ساکن \_\_\_\_\_

ضلع \_\_\_\_\_ بحیثیت ممبر وائیتھ پاکستان لمیٹڈ، مسمیٰ/مسماة \_\_\_\_\_

ساکن \_\_\_\_\_ کو بطور مختار (پراکسی) مقرر کرتا/کرتی ہوں تاکہ وہ میری/ہماری طرف سے

کمپنی کے ۶۸ ویں سالانہ اجلاس عام جو بتاریخ ۲۸ مارچ ۲۰۱۷ء بروز منگل ۱۱:۰۰ صبح

منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

گواہ میرے/ہمارے ..... دن ..... دستخط ۲۰۱۷ء

برائے ..... ان کی موجودگی میں .....

ریوینوئلٹ

۵ روپے

چسپاں کریں

دستخط ممبر

دستخط/پتہ گواہ

فولیو نمبر - CDC اکاؤنٹ نمبر اور شراکت دار کے

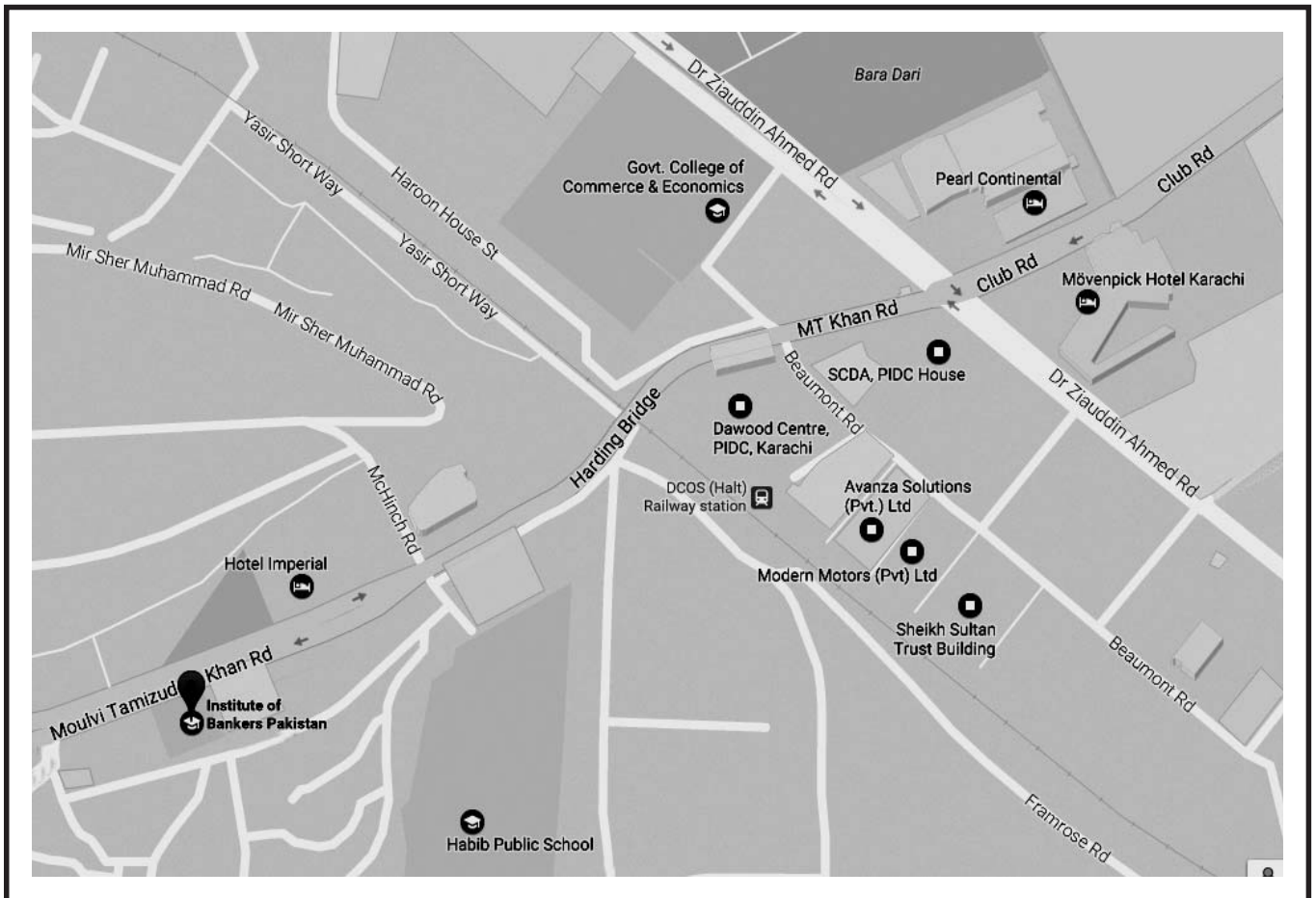
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر \_\_\_\_\_

شیرز کی تعداد

Wyeth

**TRANSPORT ARRANGEMENT TO ATTEND THE 68TH ANNUAL GENERAL MEETING  
OF WYETH PAKISTAN LIMITED  
ON TUESDAY, MARCH 28, 2017  
AT 11:00 A.M. AT INSTITUTE OF BANKERS OF PAKISTAN,  
MOLVI TAMIZUDDIN KHAN ROAD, KARACHI.**

**LOCATION PLAN**



**FOR THE CONVENIENCE OF THOSE MEMBERS WHO ARE DESIROUS OF ATTENDING THE ANNUAL GENERAL MEETING, THE COMPANY HAS ARRANGED TRANSPORT WHICH WILL LEAVE PAKISTAN STOCK EXCHANGE FOR THE VENUE OF THE MEETING AT 10:15 A.M. ON TUESDAY, MARCH 28, 2017 AND AFTER THE MEETING WILL DROP THEM AT PAKISTAN STOCK EXCHANGE.**

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