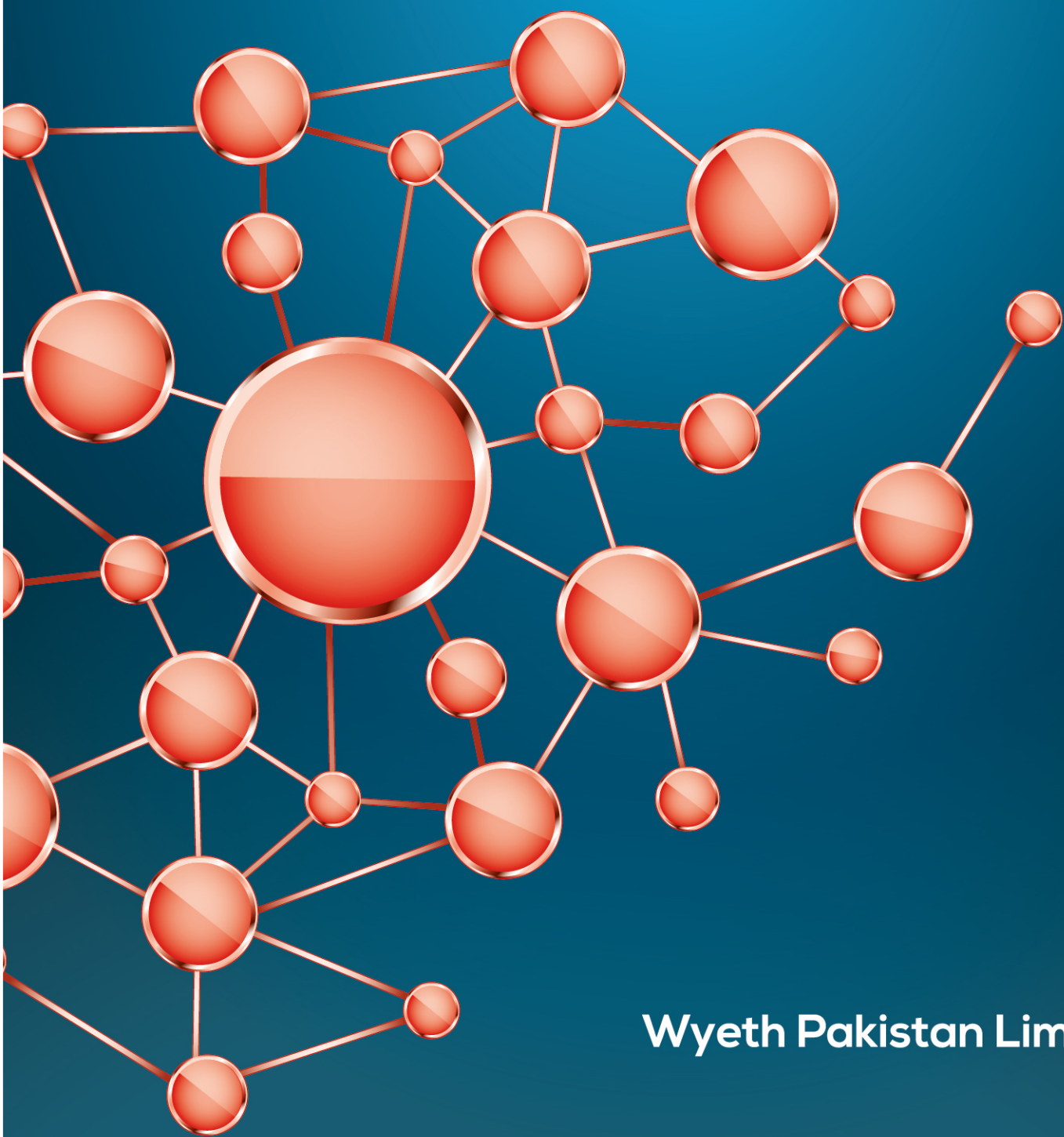


Wyeth[®]



Wyeth Pakistan Limited

Annual Report 2019

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.

CONTENTS

Company Information	1
Key Operating and Financial Data of Six Years	2
Performance at a Glance	3
Notice of Annual General Meeting	4-11
Directors' Report to Shareholders	12-21
Chairman's Report on Board's Overall Performance ...	22-23
Statement of Compliance with the Code of Corporate Governance	24-25
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	26
Auditors' Report to the Members	27-32
Statement of Financial Position	33
Statement of Profit or Loss	34
Statement of Comprehensive Income	35
Statement of Cash Flows	36
Statement of Changes in Equity	37
Notes to and forming part of the Financial Statements ...	38-79
Six Years at a Glance	80
Pattern of Shareholding	81
Categories of Shareholders	82
Form of Proxy - 71 st Annual General Meeting	

COMPANY INFORMATION

BOARD OF DIRECTORS

Iftikhar Soomro	Chairman
S. M. Wajeehuddin	Chief Executive
M. Z. Moin Mohajir	
Badaruddin F. Vellani	
Iqbal Bengali	
Shoaib Mir	
Rashid Muhammad Khan	

COMPANY SECRETARY

Tafazzul Khan

CHIEF FINANCIAL OFFICER

Kashif Shafi

AUDIT COMMITTEE

M.Z. Moin Mohajir	Chairman
Iftikhar Soomro	
Badaruddin F. Vellani	

HUMAN RESOURCES AND REMUNERATION COMMITTEE

M.Z. Moin Mohajir	Chairman
Badaruddin F. Vellani	
Iftikhar Soomro	
S. M. Wajeehuddin	

SHARE TRANSFER COMMITTEE

S. M. Wajeehuddin	Chairman
M.Z. Moin Mohajir	

BANKERS

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

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISORS

Vellani & Vellani
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

Room No. 002 & 003, PGS Admin Block, First Floor, B-2, S.I.T.E., Karachi.
Ph. # 92-21-32570621-5 Fax # 92-21-32331045-32577023
Website: www.wyethpakistan.com

Note: These accounts are also available on our website.

KEY OPERATING AND FINANCIAL DATA OF SIX YEARS

KEY INDICATORS	2014	2015	2016	2017	2018	2019
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Operating results (Rs. in millions)						
Net sales	3,055	2,675	2,771	1,829	1,192	948
Gross profit	459	342	507	372	207	105
Operating profit / (loss)	(13)	82	196	1,357	52	95
Profit / (loss) before tax	(14)	81	195	1,355	24	68
Profit / (loss) after tax	(85)	32	113	980	(11)	23

Financial position (Rs. in millions)						
Shareholder's equity	1,093	1,141	1,225	1,712	1,268	1,238
Property, plant & equipment	264	382	17	7	13	15
Net current assets	800	738	1,178	1,699	1,242	1,214

Profitability							
Gross profit	%	15.02	12.79	18.28	20.34	17.32	11.08
Operating profit / (loss)	%	(0.42)	3.08	7.08	74.20	4.40	10.00
Profit / (loss) before tax	%	(0.45)	3.04	7.03	74.08	2.03	7.18
Profit / (loss) after tax	%	(2.77)	1.20	4.07	53.58	(0.93)	2.44

Performance							
Fixed assets turnover	Times	11.56	7.00	7.81	275.09	88.42	62.70
Avg. inventory holding period	Days	120	114	125	192	163	178
Average collection period	Days	8	5	4	7	8	4
Return on equity	%	(7.73)	2.81	9.21	57.25	(0.88)	1.87

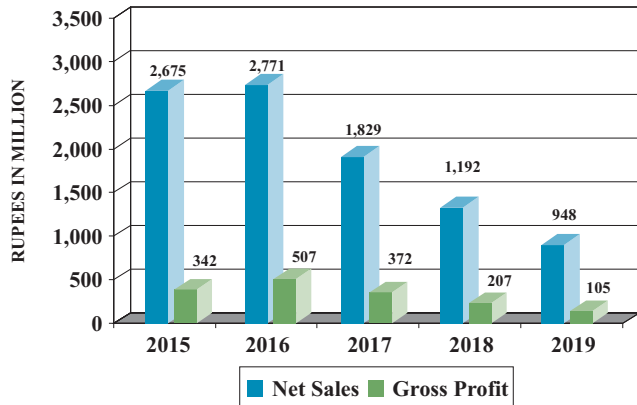
Liquidity							
Current	Times	2.47	2.34	2.58	2.97	3.94	2.60
Quick	Times	0.94	1.10	1.36	2.24	3.32	1.85

Valuation							
Earnings / (loss) per share	Rs.	(59.48)	22.52	79.36	689.36	(7.82)	16.30
Book value per share	Rs.	769.05	802.44	861.37	1,204.03	891.96	870.65
Dividend per share	Rs.	-	20.00	35.00	600.00	50.00	100.00
Price earning ratio	Times	-	103.01	53.47	2.34	(141.17)	54.29

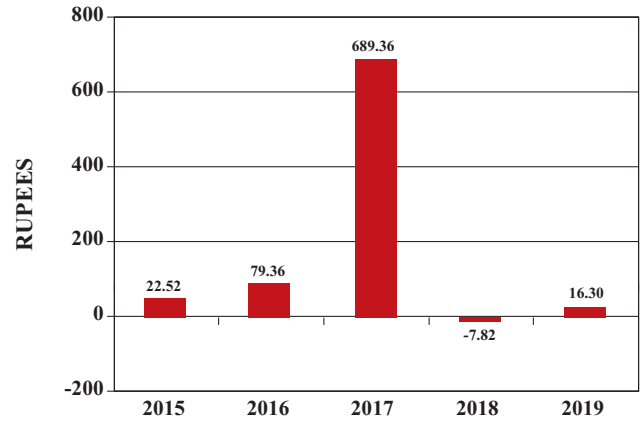
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PERFORMANCE AT A GLANCE

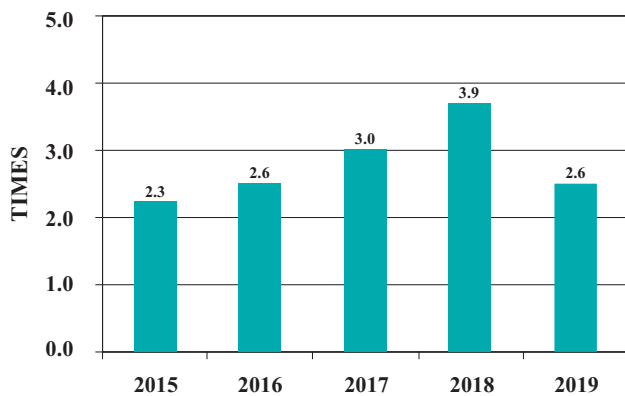
NET SALES & GROSS PROFIT ANALYSIS



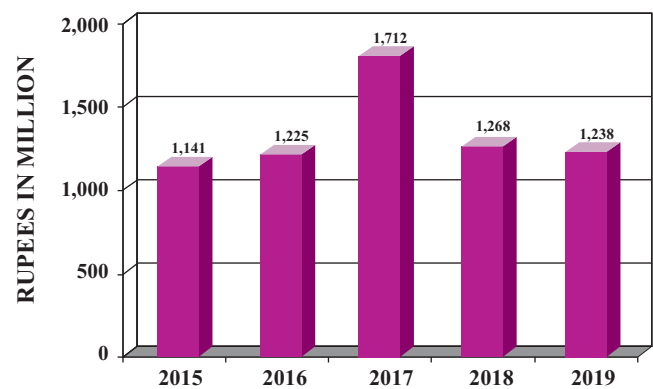
EARNINGS / (LOSS) PER SHARE



CURRENT RATIO



SHAREHOLDERS' EQUITY



Wyeth

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 71st Annual General Meeting of Wyeth Pakistan Limited ("Company") will be held at the Council Hall, Overseas Investors Chamber of Commerce & Industry (OICCI), Chamber of Commerce Building, Talpur Road, Karachi, at 11:00 a.m. on Friday March 27, 2020 to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended November 30, 2019 together with the Directors' and Auditors' Reports thereon.
 - To consider, approve and authorize the payment of final dividend for the year ended November 30, 2019. The Directors have recommended the payment of a final dividend of 100%, that is, Rs.100 per share of Rs.100 each, for the year ended November 30, 2019 payable to those Members whose names appear on the Register of Members as at the close of business on March 19, 2020.
- To appoint Auditors for the year ending November 30, 2020 and to authorize the Board to fix their remuneration. The present Auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for appointment.

By Order of the Board



Tafazzul Khan
Company Secretary

Karachi: March 04, 2020.

Notes:

- The Share Transfer Books of the Company will remain closed from Friday, March 20, 2020 to Friday, March 27, 2020 (both days inclusive). The Members whose names appear on the Register of Members as on March 19, 2020 shall be entitled to attend and vote at the AGM.
- A member entitled to attend, speak and vote at the above meeting shall be entitled to appoint another member, 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.
- In case of a corporate entity which is a member of the Company, the Board of Directors' resolution/power of attorney with specimen signature shall be required to be submitted along with proxy form to the Company.

4. Members (Non-CDC) are requested to promptly communicate (and in any event before the first day of book closure) any change in their addresses and submit, if applicable to them, the non-deduction of Zakat Form CZ-50 with the Company's Share Registrar, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 or update their address and Zakat status with their Participant/CDC Investor Account Services which maintains their CDC account in case of electronic shares.
5. 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.
6. 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.
7. A copy of the accounts of the Company for the year ended November 30, 2019 are also available on the Company's website: www.wyethpakistan.com

8. Payment of Cash Dividend Electronically

The Securities and Exchange Commission of Pakistan (SECP) had earlier initiated e-dividend mechanism through its letter No: 8(4)SM/CDC/2008 dated April 05, 2013. The Companies Act 2017 also now provides in section 242 that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. As such, the Company will only be able to make payment of cash dividend to its shareholder through electronic mode. Therefore shareholders are advised that in order for them to receive their dividends through electronic mode, the details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address be provided as soon as possible, to the Share Registrar of the Company, THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400.

9. As regards deduction of withholding tax on the amount of dividend:

- i) The Government of Pakistan through Finance Act 2017, effective 1 July 2017 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 15%
 - (b) For non-filers of income tax returns 30%

To enable the Company to make a tax deduction on the amount of dividend @15% instead of 30%, 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 01, 2020 otherwise tax on their cash dividend will be deducted @30% instead @15%.

- (ii) As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT)/2008-Vol. II-66417-R dated 12 May 2015, a valid exemption certificate is mandatory to claim exemption of withholding tax under section 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part-IV of Second Schedule is available. Shareholders who fall in the aforementioned category and wish to avail exemption under section 150 of the Income Tax Ordinance 2001, must provide valid Tax Exemption Certificate to our Share Registrar THK Associates (Pvt) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 before the first day of book closure otherwise tax will be deducted on dividend as per applicable rates.
- (iii) Further, the Federal Board of Revenue (FBR) has clarified that withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder (s) based on their shareholding proportions, in case of joint accounts.

Accordingly, shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them **(only if not already provided)** to the Company's Share Registrar, THK Associates (Pvt) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 in writing within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

- iv) 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 (021) 111-000-322, (021) 34168266-68-70 or email address: secretariat@thk.com.pk.

- v) 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.

10. 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, 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.

11. Video Conferencing facility:

In terms of SECP Circular No. 10 of 2014 dated 21 May 2014 read together with the provisions contained in Section 134(1)(b) of the Companies Act 2017, members of the Company may also attend and participate in the AGM through video conference facility in a city other than Karachi, if members residing outside Karachi, collectively holding 10% or more shareholding and residing at a geographical location, request in writing, to participate in the AGM through video conference at least 10 (ten) days prior to the date of the AGM.

After receiving the members request as above, the Company shall arrange video conference facility and will intimate members regarding the venue of the video conference facility at least 5 (five) days prior to the date of the AGM.

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سالانہ اجلاس عام کی اطلاع

اطلاع دی جاتی ہے کہ وائٹھ پاکستان لمیٹڈ کا 71 واں سالانہ اجلاس عام 27 مارچ 2020 بروز جمعہ، صبح 11 بجے کاؤنسل ہال، اودور سیز انور بیٹرز چیمبر آف کامرس اینڈ انڈسٹری (OICCI)، چیمبر آف کامرس بلڈنگ، تالپور روڈ، کراچی میں منعقد کیا جا رہا ہے جس میں مندرجہ ذیل امور پر کارروائی ہوگی:

عمومی کارروائی:

- 1- (الف)۔ 30 نومبر 2019 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹ اور ڈائریکٹرز اور آڈیٹرز رپورٹس کی وصولی، ان پر غور اور منظوری۔
- (ب)۔ 30 نومبر 2019 کو ختم ہونے والے سال کیلئے حتمی منافع منقسمہ پر غور، اس کی منظوری اور اعلان۔ ڈائریکٹرز نے 30 نومبر 2019 کو ختم ہونے والے سال کے حتمی منافع منقسمہ کی ادائیگی کی تجویز دی ہے جو کہ 100 روپے کے شیئرز پر 100 روپے بنتا ہے، جو ان ممبران کو ادا کیا جائے گا جن کے نام 19 مارچ 2020 کو کاروباری اختتام پر ممبران کے رجسٹر میں موجود ہوں۔
- 2- 30 نومبر 2020 کو اختتام پذیر سال کیلئے آڈیٹرز کا تقرر اور ان کے مشاہرے کے تعین کیلئے بورڈ کو اختیار دینا۔ موجودہ آڈیٹرز کے پی ایم جی، تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی حیثیت سے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔

بتکم بورڈ

T. J. Khan

تفصیل خان

کمپنی سیکریٹری

کراچی: 04 مارچ 2020

نوٹس:

- 1- کمپنی کی شیئرز ٹرانسفر بکس بروز جمعہ 20 مارچ 2020 سے 27 مارچ 2020 تک (بشمول دونوں دن) بند رہیں گی وہ ممبران جن کے نام ممبرز کے رجسٹر میں 19 مارچ 2020 کو درج ہوں گے سالانہ اجلاس عام میں شرکت اور ووٹ دینے کے اہل ہوں گے۔
- 2- اجلاس میں شرکت 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 کا 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 شدہ پراکسی فارم اجلاس سے 48 گھنٹے پہلے کمپنی کے رجسٹری آفس میں جمع کرانا لازمی ہے۔
- 3- کارپوریٹ ممبر ہونے کی صورت میں، پراکسی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اتارنی مع دستخط کے نمونے کمپنی کے پاس جمع کرائے جائیں۔
- 4- ممبران (CDC کے علاوہ) سے درخواست ہے کہ وہ (بک کلوزر کے پہلے دن سے قبل کسی بھی صورت میں) اپنے پتے میں تبدیلی سے متعلق فوری آگاہ کریں گے اور اگر اطلاق ہو تو کمپنی کے رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ پہلی منزل، C-40 بلاک-6، PECHS، کراچی۔ 75400 کوڑکوة کی غیر کٹوتی کے لئے فارم CZ-50 جمع کرائیں گے یا اپنے پتے اور کوڈ آسٹریٹس کو اپنے پارٹنیشن/سی ڈی سی انویسٹرا کاؤنٹ سروسز کے ساتھ اپ ڈیٹ کریں گے جو الیکٹرانک شیئرز کی صورت میں ان کے اکاؤنٹس کو فعال رکھتے ہیں۔
- 5- CDC کے اکاؤنٹ ہولڈرز کو دی گئی شرائط کے علاوہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکولر 1 بتاریخ 26 جنوری 2000 میں دی گئی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا:

اجلاس میں شرکت کیلئے:

- i- انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار یا / اور وہ افراد جن کے حصص گروپ اکاؤنٹ میں ہیں اور جن 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 اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور نمائندے کے دستخط کے نمونے (اگر یہ سب پہلے فراہم نہ کئے گئے ہوں) اجلاس میں حاضری کے وقت پیش کرنے ہوں گے۔

پراکسی کے تقرر کیلئے:

- i- انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار یا / اور وہ افراد جن کے حصص گروپ اکاؤنٹ میں ہیں، اور جس کی رجسٹریشن کی تفصیلات ریگولیشنز کے مطابق اپ لوڈ کر لی گئی ہوں، اوپر درج شدہ طریقے کے مطابق پراکسی فارم جمع کرائیں گے۔
- ii- پراکسی فارم کی تصدیق دو افراد کریں گے جن کے نام، پتے اور قومی شناختی کارڈ نمبرز فارم پر درج ہوں گے۔
- iii- پراکسی فارم کے ساتھ اجتماعی مالکان اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں لگانا لازمی ہے۔
- iv- اجلاس کے موقع پر پراکسی اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کریں گے۔
- v- کارپوریٹ ممبر ہونے کی صورت میں، پراکسی فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور دستخط کے نمونے (اگر یہ سب پہلے فراہم نہ کئے گئے ہوں) پیش کرنا ہوں گے۔
- 6- فزیکل شیئرز کے مالکان کو اپنا اصلی کمپیوٹرائزڈ قومی شناختی کارڈ اور پراکسی کو شیئرز ہولڈرز کے قومی شناختی کارڈ اور اپنے قومی شناختی کارڈ کی تصدیق شدہ کاپی ہمراہ لانا لازمی ہے جس کے بغیر انہیں سالانہ اجلاس عام میں شرکت کرنے اور / یا ممبران / شیئرز ہولڈرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں ہوگی۔
- 7- 30 نومبر 2019 کو اختتام پذیر سال کیلئے کمپنی کے اکاؤنٹس کمپنی کی ویب سائٹ www.wyethpakistan.com پر بھی فراہم کر دیئے ہیں۔

8- الیکٹرانک طریقے سے منافع منقسمہ کی ادائیگی

SECP نے سرکولر نمبر SM/CDC 2008 (4) 8 بتاريخ 15 اپریل 2013 کے تحت بذریعہ الیکٹرانک ادائیگی کا آغاز کیا تھا کمپنیز ایکٹ، 2017 کے سیکشن 242 کے تحت کسی بھی قابل ادا نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرانک طریقے سے براہ راست شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں کی جائے گی۔ اس لئے کمپنی شیئرز ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف الیکٹرانک طریقے کے تحت ادا کر سکے گی۔ لہذا شیئرز ہولڈرز کو مطلع کیا جاتا ہے کہ الیکٹرانک طریقے کے تحت منافع منقسمہ کی وصولی کے لئے اپنے بینک مینڈیٹ کی تفصیلات جن میں: (i) ٹائٹل آف اکاؤنٹ (ii) اکاؤنٹ نمبر، (iii) بینک کا نام، (iv) برانچ کا نام، کوڈ اور پتہ شامل ہیں، جلد از جلد کمپنی کے شیئرز رجسٹرار مینسٹرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک-6، PECHS، کراچی-75400 کو فراہم کریں۔

9- منافع منقسمہ پر وہ ہولڈنگ ٹیکس کی کٹوتی کے حوالے سے:

- i- حکومت پاکستان کی جانب سے اگست 2001 کے سیکشن 150 میں فنانس ایکٹ 2017 جو کہ یکم جولائی 2017 سے نافذ العمل ہے، کے تحت کی جانے والی ترمیم کے مطابق کمپنی کی طرف سے ادا کی جانے والی منافع منقسمہ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی کے لئے مختلف نرخ تجویز کئے گئے ہیں۔ یہ نرخ مندرجہ ذیل ہیں:

(الف) ریٹرن فائل کرنے والوں کے لئے 15.0 فیصد

(ب) ریٹرن نہ فائل کرنے والوں کے لئے 30.0 فیصد

کمپنی کو 30 فیصد کے بجائے 15 فیصد ٹیکس کی کٹوتی کا مجاز بنانے کیلئے تمام شیئر ہولڈرز جن کے نام FBR کی ویب سائٹ پر فراہم کردہ ایکٹیو ٹیکس پیپرز لسٹ (ATL) میں موجود نہیں باوجود فائل کرنے کے، ان کو متنبہ کیا جاتا ہے کہ وہ 01 اپریل 2020 سے قبل ATL میں اپنے نام کا اندراج یقینی بنائیں۔ بصورت دیگر ان کے کیش ڈیویڈنڈ پر ٹیکس کی کٹوتی 15% کے بجائے 30% کی جائے گی۔

(ii) FBR کے سرکلر C. No.1 (29) WHT/2006 مورخہ 30 جون 2010 اور C. No.1 (43) DG (WHT)/2008-Vol 11-66417-R مورخہ 12 مئی 2015 کے مطابق اکٹم ٹیکس آرڈیننس 2001 (منافع منقسمہ پر ٹیکس) کے تحت وہ ہولڈنگ سے استثناء کے لئے درست ٹیکس استثنائی سرٹیفکیٹ پیش کرنا لازمی ہے جس کی اجازت آئینی استثناء سیکنڈ شیڈول کے حصہ IV کی شق 47B میں دستیاب ہے۔ حصص یافتگان جو کہ مذکورہ بالا زمرے میں آتے ہوں اور اکٹم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت استثناء حاصل کرنا چاہتے ہوں ان کے لئے لازمی ہے کہ اپنا درست ٹیکس استثنائی سرٹیفکیٹ ہمارے شیئر رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-40، بلاک 6، P.E.C.H.S.، کراچی-75400 کو کتابتیں بند ہونے کی تاریخ سے قبل فراہم کر دیں بصورت دیگر منافع منقسمہ میں سے لاگوزخوں کے مطابق ٹیکس کی کٹوتی کر لی جائے گی۔

(iii) مزید برآں، فیڈرل بورڈ آف ریونیو (FBR) نے وضاحت کی ہے کہ مشترکہ کھاتے داروں کی صورت میں بنیادی حصص یافتہ کے ساتھ ساتھ مشترکہ کھاتے داروں کی حصص داری کے تناسب سے فائلر/نان فائلر کی حیثیت کی بنیاد پر علیحدہ علیحدہ ہولڈنگ ٹیکس کٹوتی کی جائے گی۔

لہذا وہ حصص یافتگان جن کے حصص مشترکہ ہوں ان سے درخواست کی جاتی ہے کہ بنیادی حصص یافتہ اور مشترکہ کھاتے داروں کے ساتھ ان کی حصص داری کے تناسب سے کمپنی کے شیئر رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-40، بلاک 6، P.E.C.H.S.، کراچی-75400 کو اس نوٹس کی اشاعت کے 10 دن کے اندر مطلع کر دیں، بصورت دیگر بنیادی حصص یافتہ اور مشترکہ کھاتے داروں کے حصص مساوی تصور کئے جائیں گے۔

(iv) خرید استفسار/سائل/معلومات کے لئے سرمایہ کار کمپنی کے شیئر رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-40، بلاک 6، P.E.C.H.S.، کراچی-75400 سے مندرجہ ذیل فون نمبرز 021) 34168266-68-70، 021) 111-000-322، پر یا ای میل ایڈریس secretariat@thk.com.pk پر رابطہ کریں۔

(v) ادارتی حصص یافتگان جن کے CDC کا ڈنٹ ہیں ان کے لئے ضروری ہے کہ اپنا حالیہ INTN اپنے متعلقہ شریک کار کو بتادیں جبکہ طبعی ادارتی حصص یافتگان اپنے INTN سرٹیفکیٹ کی ایک نقل کمپنی کے شیئر رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-40، بلاک 6، P.E.C.H.S.، کراچی-75400 کو فراہم کر دیں۔ حصص یافتگان اپنا INTN یا INTN سرٹیفکیٹ، جو بھی موجود ہے، اسے صحیح وقت اس پر کمپنی کا نام اور اپنے متعلقہ فون نمبرز ضرور لکھیں۔

10- سالانہ آڈٹ شدہ مالیاتی گوشواروں اور AGM کے نوٹس کی بذریعہ ای میل، CD یا DVD یا USB فراہمی

ہم اپنے حصص یافتگان کو مسرت کے ساتھ یہ بتاتے ہیں کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے SRO No. 787(I)/2014 مورخہ 8 ستمبر 2014 اور SRO 470(I) dated 31 May 2016 مورخہ 31 مئی 2016 کے تحت کمپنیز کو سالانہ میزانیہ اور منافع و خسارہ کا کھاتہ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ اکاؤنٹس) جمع نوٹس برائے سالانہ اجلاس عام (نوٹس برائے AGM)، اپنے حصص یافتگان کو بذریعہ ای میل، CD یا DVD یا USB بھیجنے کے لئے گزارش کی جاتی ہے کہ وہ فارم جو کمپنی کی ویب سائٹ www.wyethpakistan.com پر بھی دستیاب ہے، بھر کر کمپنی کے شیئر رجسٹرار، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے کمپنی سیکریٹری کو بھیج دیں۔

ممبران کے لئے ضروری ہے کہ ان کے رجسٹرڈ ای میل ایڈریس میں کوئی تبدیلی ہوئی تو بروقت مطلع کر دیں تاکہ کمپنی کے ساتھ موثر انداز میں مراسلت کو یقینی بنایا جاسکے۔

11- وڈیو کانفرنس کی سہولت

SECP کے سرکلر نمبر 10 of 2014 مورخہ 21 مئی 2014 جو کہ کمپنیز ایکٹ 2017 کی دفعہ (b)(1) 134 کی شقوں کے ساتھ پڑھا جائے گا، کے تحت کمپنی کے وہ ممبران جو کہ کراچی کے علاوہ کسی دوسرے شہر میں رہائش پذیر ہوں، وہ AGM میں بذریعہ وڈیو کانفرنس حاضر اور شرکت کر سکتے ہیں، لہذا جن حصص یافتگان کی مجموعی حصص داری 10 فیصد یا اس سے زیادہ ہو اور وہ جغرافیائی محل وقوع پر رہائش پذیر ہوں تو AGM میں بذریعہ وڈیو کانفرنس شرکت کرنے کے لئے AGM سے دس (10) دن قبل تحریری درخواست پیش کر کے شرکت کر سکتے ہیں۔

مذکورہ بالا درخواست کی وصولی کے بعد کمپنی وڈیو کانفرنس کی سہولت کا اہتمام کرے گی اور ممبران کو وڈیو کانفرنس کی سہولت کے مقام سے AGM سے 5 دن قبل مطلع کرے گی۔

Wyeth

DIRECTORS' REPORT TO SHAREHOLDERS

We are pleased to present your Company's Annual Report for 2019 together with the audited financial statements for the year ended November 30, 2019.

The Company is primarily engaged in import, marketing, distribution and sale of research based pharmaceutical products.

Review of Operations and Future outlook

The summarized operating results of your Company for the year ended November 30, 2019 are as follows:

	Rupees in '000
Net Sales	948,237
Gross Profit	105,094
Profit before tax	68,068
Profit after tax	23,176

The earning / (loss) per share of your Company for the year ended November 30, 2019 is Rupees 16.30 [2018: (7.82)].

The year under review had been a challenging year for the economy in general due to various factors including IMF Program, tightening of fiscal deficit and low Government spending together-with increase in prices of gas, fuel and other utilities and significant devaluation of the currency. In addition, the measure of documentation of economy specially at retail level also impacted the business. This was further compounded by the fact that price adjustments for certain hardship cases were also not approved by Government. In view of the above factors, we have lower sales by 20% due to lower institutional and trade sales. The gross margin has decreased by 6% mainly due to devaluation of the Rupee against US Dollar.

We have been responsive to these challenges and have mitigated the impact through restructuring in 2018 and stringent controls over operating expenses, which have reduced by 29% compared to last year. Increased interest rates on surplus funds contributed to higher other income. As a result, the company reported a profit of Rs. 23.2 million as compared to a Rs. 11.1 million loss last year.

We now have a reasonable pricing policy in place and its implementation in true spirit will reduce to some extent the negative impact of the above economic conditions. At the same time Company's brands are research based, innovative and have strong market penetration. With right external environment, performance is likely to improve. Besides, focus on rationalization of expenses promises further improvement in the performance of the company.

Dividend and Transfer to General Reserve

The Directors have proposed dividend @ 100% (i.e. Rs. 100 per share) as final dividend for the year 2019.

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, 2019 including the pattern of shareholding of the Company is given at pages 81 and 82 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 the 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 material departure from best practices of corporate governance, as detailed in the listing regulations.
- h) Key operating and financial data for the last six years (including current period) is given on page 2 of the Annual Report.
- i) There are certain disputed demands for Income Tax, which have not been accrued or paid. These have been explained in Note 15 to the Financial Statements under the head of Contingencies and Commitments.
- j) The value of investments by the pension, gratuity and provident funds as at 30 November 2019 were as follows:

Name of Fund	Unaudited 2019
DB Pension Fund	Rs. 56 million
DC Pension Fund	Rs. 76 million
Gratuity Fund	Rs. 18 million
Provident Fund	Rs. 91 million

The value of investments includes accrued interest. Audit of these funds for 2019 is in progress.

- k) During the year six (6) Board of Directors meetings were held and the attendance of Directors at those meetings were as follows:

Name	No. of Meetings Attended
Mr. Iftikhar Soomro	6
Mr. S. M. Wajeehuddin	6
Mr. Badaruddin F. Vellani	6
Mr. M. Z. Moin Mohajir	6
Syed Zakwan Ahmed*	6
Mr. Shoaib Mir	6
Mr. Iqbal Bengali	5

*Syed Zakwan Ahmed resigned as the director of the company with effect from December 23, 2019.

- l) 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.

Performance Evaluation

A mechanism is in place for annual evaluation of the Board's own performance in accordance with requirements of the Code of Corporate Governance.

Risk Management

Risk management process, undertaken by the Board of Directors, management and other colleagues, is conducted at strategic and at multiple levels across the Company. This is designed to identify potential events that may affect the Company, and manage risk to be within the risk appetite, to provide reasonable assurance regarding the achievement of Company's objectives.

The key areas that can impact the operations of the Company continue to be pricing and currency devaluation. Cost of production is sensitive and is significantly impacted by devaluation of Pakistan Rupee whereas pricing of medicines continue to be highly regulated and may not increase in line with increase in cost, consequently the profits of the Company are subject to risks and uncertainties.

The Company is closely monitoring the impact of these risks and will endeavor to take measures to mitigate these risks.

Directors trading in company's shares

No trade in the shares of the Company was carried out during the year by any Director, Chief Executive Officer, Chief Financial Officer or Company Secretary, or their respective spouses and minor children.

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. 10.45 million was made during the year under review.

Defaults in payments

There were no defaults in payment of any debts falling due during the current year.

Environment, Health and Safety

The company is committed to protecting health and safety of everyone including visitors at our facilities and the environment of the communities in which we live and work.

As a responsible corporate citizen, the Company is also committed to maintaining occupational health, safety and environmental performance in line with corporate standards.

Corporate Social Responsibility (CSR)

The Company did not carry out any CSR activity during the year.

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

There has been no change in the composition of board of directors during the year. A casual vacancy was created by the resignation of Mr. Syed Zakwan Ahmed on December 23, 2019 and is filled by the Board of Directors on February 25, 2020, through the appointment of Mr. Rashid Muhammad Khan as a Director of the Company for the remainder of the term.

The composition of the Board is as follows:

Mr. Iftikhar Soomro	Chairman/Non-Executive Director
Mr. S. M. Wajeehuddin	Chief Executive/Executive Director
Mr. M. Z. Moin Mohajir	Independent Director
Mr. Shoaib Mir	Non-Executive Director
Mr. Badaruddin F. Vellani	Non-Executive Director
Mr. Iqbal Bengali	Non-Executive Director
Mr. Rashid Muhammad Khan	Executive Director

The current term of the Board of Directors ends on April 26, 2020, and accordingly an election of directors will be held on or before that date.

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. M.Z. Moin Mohajir (Chairman), Mr. Iftikhar Soomro and Mr. Badaruddin F. Vellani. The Committee held four (4) meetings during the year. Attendance of members in those meetings is as follows:

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

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee held three (3) meetings during the year. The members and the attendance of the meeting is as follows:

Name	No. of Meetings Attended
Mr. M. Z. Moin Mohajir (Chairman)	3
Mr. Iftikhar Soomro	3
Mr. Badaruddin F. Vellani	3
Mr. S. M. Wajeehuddin	3

Share Transfer Committee

The Share Transfer Committee is composed of Mr. S.M. Wajeehuddin and Mr. M.Z. Moin Mohajir.

Auditors

The present Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible for reappointment, 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, 2020 till the conclusion of the AGM to be held in 2021 at 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



S. M. Wajeehuddin
Chief Executive



Iftikhar Soomro
Chairman

Karachi: February 25, 2020.

حصص یافتگان کے لئے ڈائریکٹرز رپورٹ

ہم آپ کی کمپنی کی سالانہ رپورٹ 2019 کے ساتھ آڈٹ شدہ مالیاتی گوشوارے برائے سال ختمہ 30 نومبر 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔ کمپنی بنیادی طور پر تحقیقی دواساز مصنوعات کی فروخت، درآمد، مارکیٹنگ اور تقسیم میں مصروف عمل ہے۔

کارکردگی کا جائزہ اور مستقبل پر نظر

آپ کی کمپنی کے مختصراً کاروباری نتائج برائے سال ختمہ 30 نومبر 2019 درج ذیل ہیں:

روپے "000' میں

خالص فروخت	948,237
خام منافع	105,094
منافع قبل از ٹیکس	68,068
منافع بعد از ٹیکس	23,176

آپ کی کمپنی کی سال ختمہ 30 نومبر 2019 میں فی حصص آمدن/ (خسارہ) 16.30 روپے [2018 میں (7.82 روپے)] رہی۔

زیر جائزہ سال عمومی طور پر معیشت کے لئے دشوار گزار رہا جس کے عوامل میں IMF پروگرام، مالیاتی خسارہ میں کمی کے لئے سخت اقدامات اور سرکاری اخراجات میں کمی کے ساتھ ساتھ گیس، ایندھن اور دیگر بنیادی سہولیات کی قیمتوں میں اضافہ اور پاکستانی روپے کی قدر میں قابل ذکر کمی شامل ہے۔ علاوہ ازیں ریٹیل دکان داروں کو ٹیکس کے زمرے میں لانے کی کوششوں نے حالات کو مزید خراب کیا۔ یہ صورتحال مزید ابتر ہوگئی جب حکومت نے کچھ مخصوص ادویات کی قیمتوں کی درجگی کو منظور نہیں کیا۔ مندرجہ بالا عوامل کی وجہ سے ادارتی اور تجارتی فروخت میں 20% کمی ہوئی۔ خام منافع میں 6 فیصد کمی ہوئی جس کی بنیادی وجہ یو ایس ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی تھی۔

ہم نے ان تمام چیلنجز کا مقابلہ کیا اور ان اثرات کو کم کرنے کے لئے 2018 میں از سر نو ڈھانچہ بندی کی اور کاروباری اخراجات کو سختی سے قابو میں رکھا جس کی وجہ سے یہ گزشتہ سال کی بنسبت 29 فیصد کم ہو گئے۔ جس کے نتیجے میں کمپنی کو 23.2 ملین روپے کا منافع ہوا جبکہ گزشتہ سال 11.1 ملین روپے کا خسارہ ہوا تھا۔

اب ہمارے پاس قیمتوں کے تعین کی ایک موزوں پالیسی ہے اور اس کی صحیح روح کے مطابق نفاذ سے مندرجہ بالا معاشی صورتحال کے منفی اثرات میں کسی حد تک کمی آئے گی۔ اس کے ساتھ ساتھ کمپنی کے برانڈز کی بنیاد تحقیق و جدت پر ہے اور مارکیٹ میں اس کے قدم مضبوطی سے جمے ہوئے ہیں۔ سازگار بیرونی ماحول کے نتیجے میں توقع ہے کہ کارکردگی میں بہتری آئے گی۔ اس کے علاوہ غیر معاشی اخراجات میں کٹوتی سے کمپنی کی کارکردگی میں مزید بہتری آئے گی۔

منافع منقسمہ اور عمومی ذخائر میں منتقلی

ڈائریکٹران نے سال 2019 کے لئے 100 فیصد (یعنی 100 روپے فی حصص) کے حساب سے حتمی منافع منقسمہ کی تجویز دی ہے۔

ہولڈنگ کمپنی

وائیٹھ ایل ایل سی کی ملکیت میں وائیٹھ پاکستان لمیٹڈ کے 576,470 (40.55 فیصد) حصص ہیں اور وائیٹھ ہولڈنگز کارپوریشن یو ایس اے (جو کہ وائیٹھ ایل ایل سی کی 100 فیصد ملکیت کمپنی ہے) کی ملکیت میں 448,560 (31.55 فیصد) حصص ہیں، اس طرح وائیٹھ کی ملکیت میں وائیٹھ پاکستان لمیٹڈ کے کل 72.10 فیصد حصص ہیں۔ مزید یہ کہ 15 اکتوبر 2009 کو وائیٹھ کے فائزر انکارپوریشن کے ساتھ عالمی سطح پر الحاق کی وجہ سے فائزر انکارپوریشن وائیٹھ پاکستان لمیٹڈ کی سب سے بڑی شیئر ہولڈر بن گئی ہے۔

حصص داری کی ساخت

30 نومبر 2019 کی حصص داری کی معلومات بشمول کمپنی کی حصص داری کی ساخت سالانہ رپورٹ کے صفحات 81 اور 82 پر موجود ہے۔

ادارتی اور مالیاتی رپورٹنگ کا ضابطہ

- ادارتی نظم و نسق کے ضابطے کی پاسداری کرتے ہوئے ہم ادارتی اور مالیاتی رپورٹنگ ضابطہ سے متعلق مندرجہ ذیل بیانات دے رہے ہیں:
- (a) کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشوارے کمپنی کا حالت کار، اس کی سرگرمیوں، امور کے نتائج، جامع آمدن، حصص میں تبدیلی اور نقد بہاؤ کو منصفانہ طور پر پیش کرتے ہیں۔
- (b) کمپنی کے کھاتوں کی کتابیں مناسب انداز میں برقرار رکھی گئی ہیں۔
- (c) کمپنی کے مالی گوشواروں میں تسلسل کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں اور حساباتی کھاتوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔
- (d) رپورٹنگ کے عالمی مالیاتی معیارات (IFRS) جو پاکستان میں نافذ ہیں ان کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے۔ IRFS سے کوئی بھی انحراف نہیں ہوا۔
- (e) اندرونی گرفت کے نظام کو مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طور پر نفاذ کیا گیا ہے اور مسلسل نگرانی کی جاتی ہے۔
- (f) کمپنی کے مسلسل چلتے ہوئے ادارے کی حیثیت میں کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- (g) لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم و نسق کے بہترین طور پر بقوں سے کوئی انحراف نہیں کیا گیا۔
- (h) گزشتہ چھ سالوں (بشمول موجودہ مدت) کے اہم کاروباری اور مالیاتی اعداد و شمار سالانہ رپورٹ کے صفحہ..... پر دیئے گئے ہیں۔
- (i) انکم ٹیکس سے متعلق کچھ متنازعہ مطالبات ہیں، جنہیں جمع یا ادا نہیں کیا گیا۔ ان کی وضاحت مالیاتی گوشواروں کے نوٹ نمبر 15 کے ہیڈ ”امکانی واجبات اور وعدوں“ کے حصے میں کی گئی ہے۔
- (j) 30 نومبر 2019 کو پنشن، گریجویٹ اور پروویڈنٹ فنڈ سے کی گئی سرمایہ کاری کی مالیت درج ذیل ہے:

فونڈ کا نام	غیر آڈٹ شدہ 2019
ڈی بی پنشن فنڈ	56 ملین روپے
ڈی سی پنشن فنڈ	76 ملین روپے
گریجویٹ فنڈ	18 ملین روپے
پروویڈنٹ فنڈ	91 ملین روپے

سرمایہ کاریوں کی مالیت میں جمع شدہ قابل وصول سود شامل ہے۔ ان فنڈز کا آڈٹ براے 2019 جاری ہے۔

(k) سال کے دوران بورڈ آف ڈائریکٹرز کے 16 اجلاس ہوئے اور ان اجلاسوں میں ڈائریکٹران کی حاضری کی تعداد درج ذیل رہی:

نام	حاضر اجلاسوں کی تعداد
جناب افتخار سومرو	6
جناب ایس ایم وجیہ الدین	6
جناب بدرالدین ایف ویلانی	6
جناب ایم زید معین مہاجر	6
سید زکوان احمد*	6
جناب شعیب میر	6
جناب اقبال بنگالی	5

* سید زکوان احمد نے 23 دسمبر 2019 سے کمپنی کے ڈائریکٹر کے عہدہ سے استعفیٰ دے دیا تھا۔

(1) بورڈ کے تمام ممبران لازمی تعلیمی قابلیت اور تجربے کے حامل ہیں اور ادارتی نظم و نسق کے تحت مکمل طور پر اپنی ذمہ داریوں اور فرائض سے آگاہ ہیں۔ بورڈ ترقیاتی ضروریات کی پاسداری کرتا ہے اور ادارتی نظم و نسق کی وضاحت کردہ معیار اہلیت پر پورا اترتا ہے۔

کارکردگی کی تشخیص

ادارتی نظم و نسق کی ضروریات کے تحت بورڈ کی اپنی کارکردگی کی سالانہ تشخیص کے لئے ایک نظام موجود ہے۔

خطرات سے نمٹنے کا نظام

خطرات سے نمٹنے کا عمل بورڈ آف ڈائریکٹرز، انتظامیہ اور دیگر ساتھیوں کی کاوشوں سے کمپنی بھر میں کلیدی اور کثیرالجہتی سطح پر انجام دیا جاتا ہے۔ اسے اس طرح تشکیل دیا گیا ہے کہ یہ کمپنی کے اہم امکانی خطرات کی تشخیص کر سکے اور خطرات کے ظہور پذیر ہونے سے قبل ہی خطرات سے نمٹنا جاسکے جس سے کمپنی کے مقاصد کا حصول یقینی ہو جاتا ہے۔ بنیادی اجزاء جو کہ کمپنی کے کاروبار پر اثر انداز ہو سکتے ہیں ان میں دو اساسی مصنوعات کی قیمت کا تعین اور کرنسی کی قدر میں کمی شامل ہیں۔ پیداواری لاگت حساس ہوتی ہے اور پاکستانی کرنسی کی قدر میں کمی سے اس پر قابل ذکر اثرات مرتب ہوتے ہیں جبکہ دوسری جانب دو اٹیو کی قیمتیں بہت زیادہ ضابطوں کے ماتحت طے ہوتی ہیں، جس کی وجہ سے لاگت میں اضافہ کے باوجود ان قیمتوں میں اضافہ نہیں ہو پاتا، جس کے نتیجے میں کمپنی کے منافع پر خطرات اور غیر یقینی صورتحال منڈلاتی رہتی ہے۔ کمپنی ان خطرات کے اثرات کا باریک بینی سے جائزہ لے رہی ہے اور ایسے اقدامات کر رہی ہے جن سے ان خطرات کو کم کیا جاسکے۔

کمپنی کے حصص میں ڈائریکٹران کی خرید و فروخت

کسی ڈائریکٹر، چیف ایگزیکٹو، چیف فنانشل آفیسر یا کمپنی سیکریٹری یا ان کے شریک حیات اور چھوٹے بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

مالحقہ پارٹی کے سودے

سال کے دوران مالحقہ پارٹی کے تمام سودوں کی منظوری بورڈ نے دی اور ایسے تمام سودوں کی تفصیلات آڈٹ کمیٹی کے سامنے پیش کی گئیں۔ کمپنی کے پاس ان تمام سودوں کے مکمل ریکارڈ کے ساتھ ان سودوں کی شرائط و ضوابط بھی موجود ہیں۔

سرمایہ جاتی اخراجات

جائزہ سال کے دوران 10.45 ملین روپے کے سرمایہ جاتی اخراجات ہوئے۔

ادائیگیوں میں نادہنگی

موجودہ سال کے دوران کسی بھی واجب الادا قرضے کی عدم ادائیگی نہیں ہوئی۔

ماحولیات، صحت و تحفظ

کمپنی ہر فرد بشمول ہماری سہولیات پر آنے والے ملاقاتیوں کے لئے صحت و تحفظ کی حفاظت اور جن برادریوں کے درمیان ہم رہتے ہیں اور کاروبار کرتے ہیں ان کے ماحول کے تحفظ کے لئے کوشاں ہے۔ ایک ذمہ دار شہری ادارے کے، کمپنی پیشہ ورانہ صحت، حفاظت اور ماحولیاتی کارکردگی کو ادارتی سطح پر بہتر بنانے کیلئے کوشاں ہے۔

ادارتی سماجی ذمہ داری (CSR)

سال کے دوران کمپنی نے کوئی CSR سرگرمی منعقد نہیں کی۔

بعد ازاں واقعات

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیانی عرصے میں ایسی کوئی قابل ذکر تبدیلی یا وعدے نہیں ہوئے جو کمپنی کی مالی پوزیشن کو متاثر کرتے ہوں۔

ڈائریکٹران

سال کے دوران بورڈ کی تشکیل بندی میں کوئی تبدیلی نہیں ہوئی۔ ایک عارضی آسامی سید زکوان احمد کے استعفیٰ کی وجہ سے 23 ستمبر 2019ء کو خالی ہو گئی تھی اور 25 فروری 2020ء کو بقیہ مدت کے لئے جناب راشد محمد خان کی تقرری کرتے ہوئے بورڈ آف ڈائریکٹرز نے اس آسامی کو پُر کر دیا۔

بورڈ کی موجودہ تشکیل بندی درج ذیل ہے:

جناب افتخار سومرو	چیئر مین / نان ایگزیکٹو ڈائریکٹر
جناب ایس ایم وجیہ الدین	چیف ایگزیکٹو / ایگزیکٹو ڈائریکٹر
جناب ایم زید معین مہاجر	آزاد ڈائریکٹر
جناب شعیب میر	نان ایگزیکٹو ڈائریکٹر
جناب بدر الدین ایف ویلانی	نان ایگزیکٹو ڈائریکٹر
جناب اقبال بنگالی	نان ایگزیکٹو ڈائریکٹر
جناب راشد محمد خان	ایگزیکٹو ڈائریکٹر

کمپنی کے موجودہ بورڈ آف ڈائریکٹرز کی مدت معیاد 26 اپریل 2020ء کو ختم ہو جائے گی اور لہذا ڈائریکٹران کے انتخابات اس تاریخ پر یا اس سے قبل منعقد ہونگے۔

آڈٹ کمیٹی

آڈٹ کمیٹی کی ذمہ داریوں کا تعین بورڈ آف ڈائریکٹرز ادارتی ضابطوں کے فراہم کردہ رہنما اصولوں کے مطابق کرتے ہیں۔ موجودہ آڈٹ کمیٹی تین ممبران پر مشتمل ہے جس میں جناب ایم زید معین مہاجر (چیئر مین)، جناب افتخار سومرو اور جناب بدر الدین ایف ویلانی شامل ہیں۔ سال کے دوران کمیٹی کے چار (4) اجلاس ہوئے۔ ممبران کی اجلاسوں میں حاضری کی تعداد درج ذیل ہے:

نام	حاضر اجلاسوں کی تعداد
جناب ایم زید معین مہاجر	4
جناب افتخار سومرو	4
جناب بدر الدین ایف ویلانی	4

انسانی وسائل اور معاوضہ کمیٹی

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کے تین (3) اجلاس ہوئے۔ ممبران کے نام اور حاضر اجلاسوں کی تعداد درج ذیل ہے:

نام	حاضر اجلاسوں کی تعداد
جناب ایم زیڈ معین مہاجر (چیئرمین)	3
جناب بدرالدین ایف ویلانی	3
جناب افتخار سومرو	3
جناب ایس ایم وجیہ الدین	3

حصص منتقلی کمیٹی

حصص منتقلی کمیٹی جناب ایس ایم وجیہ الدین اور جناب ایم زیڈ معین مہاجر پر مشتمل ہے۔


آڈیٹرز

موجودہ آڈیٹرز، کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور اہلیت کے باعث، انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ نے آڈٹ کمیٹی نے کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی کمیٹی کے مالیاتی سال ختمہ 30 نومبر 2020 کے لئے 2021 کے اجلاس عام کے اختتام تک دوبارہ تقرری کی سفارش کی توثیق کی ہے جن کے معاوضہ کا تعین بورڈ آف ڈائریکٹرز کرے گا۔

ادارتی نظم و ضبط

ادارتی نظم و ضبط کی پاسداری سے متعلق بیان اس رپورٹ میں منسلک کیا گیا ہے۔

حسب الحکم بورڈ



افتخار سومرو

چیئرمین اینڈ ڈائریکٹر



ایس ایم وجیہ الدین

چیف ایگزیکٹو

کراچی: 25 فروری 2020

Chairman's Report on Board's Overall Performance

The Chairman is responsible for leadership of the Board, ensuring that the Board plays an effective role in fulfilling its responsibilities and reviewing the overall performance of the Board and effectiveness in achieving the Company's objectives.

The Board comprises of an appropriate mix of directors in terms of relevant experience. The Directors have performed their duties diligently and effectively in the best interest of the shareholders. The primary objectives of the Board include:

- 1- Providing strategic direction to the Company and supervising the management;
- 2- Acting in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
- 3- Approval of significant policies and procedures;
- 4- Establishing a sound system of internal controls; and
- 5- Approval of budgets and financial results.

The Pakistan Institute of Corporate Governance (PICG) has been engaged to carry out the Board evaluation.

As per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has formulated following committees:

1- AUDIT COMMITTEE:

The Audit Committee played a key role in maintaining the overall control environment of the Company. It was primarily engaged in review of financial statements and internal audit reports which enabled it to implement identified respective control improvements.

2- HUMAN RESOURCE AND REMUNERATION COMMITTEE (HR&R):

The committee has developed a policy framework for determining remuneration of directors (both executive and non-executive directors).

3- SHARE TRANSFER COMMITTEE:

The committee is primarily engaged in the approval of registration, transfer and transmission of shares held by members in physical form.

I would like to thank our shareholders, customers, bankers and employees for their continued trust. I would also like to appreciate the Board members, CEO and the Executive team for their dedication and hard-work.



Iftikhar Soomro
Chairman
February 25, 2020

بورڈ کی مجموعی کارکردگی پر چیئر مین کی رپورٹ

چیئر مین بورڈ کی قیادت کرتا ہے تاکہ بورڈ اپنی ذمہ داریوں کی ادائیگی میں موثر کردار ادا کر سکے اور بورڈ کی مجموعی کارکردگی کا جائزہ لیتا ہے اور کمپنی کے مقاصد کے حصول میں بورڈ کی اثر پذیری کو یقینی بناتا ہے۔

بورڈ متعلقہ تجربہ کے حامل ڈائریکٹران کے مرکب پر مشتمل ہوتا ہے۔ ڈائریکٹران نے اپنی ذمہ داریاں شائستگی اور موثر انداز میں حصص یافتگان کے مفاد میں انجام دیں۔ بورڈ کے بنیادی مقاصد میں درج ذیل شامل ہیں:

- 1- کمپنی کو کلیدی سمت کی فراہمی اور انتظامیہ کی نگرانی،
- 2- نیک نیٹی کے ساتھ عمل کرتے ہوئے کمپنی کے مقاصد کو پروان چڑھانا تاکہ مجموعی طور پر ممبران کو بہترین فائدہ ہو اور جو کہ کمپنی، اس کے ملازمین، اس کے حصص یافتگان، معاشرے کے بہترین مفاد میں ہو اور جس سے ماحول کو تحفظ حاصل ہو،
- 3- اہم پالیسیوں اور طریقہ کار کی منظوری،
- 4- اندرونی گرفت کے لئے مضبوط نظام کا قیام اور
- 5- بجٹ اور مالیاتی نتائج کی منظوری

بورڈ آف ڈائریکٹرز کی کارکردگی کی تشخیص کے لئے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کی گئیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضروریات کے مطابق بورڈ نے مندرجہ ذیل کمپنیاں تشکیل دیں۔

1- آڈٹ کمیٹی

آڈٹ کمیٹی نے کمپنی کے مجموعی گرفت کے نظام کو برقرار رکھنے میں کلیدی کردار ادا کیا۔ یہ بنیادی طور پر مالیاتی گوشواروں اور اندرونی گرفت کی رپورٹوں کے جائزے میں مصروف رہی جس کی وجہ سے متعلقہ گرفت کے نظام میں بہتریوں کو نافذ کرنے میں مدد ملی۔

2- انسانی وسائل اور معاوضہ کمیٹی (HR&R)

کمیٹی نے ڈائریکٹران (نان ایگزیکٹو اور ایگزیکٹو دونوں) کے معاوضہ کے تعین کے لئے ایک پالیسی فریم ورک ترویج کیا۔

3- حصص منتقلی کمیٹی

یہ کمیٹی بنیادی طور پر حصص کی رجسٹریشن کی منظوری، منتقلی اور طبعی شکل میں حصص کی ممبران کو ترسیل میں مصروف عمل رہی۔

اس موقع پر میں اپنے تمام حصص یافتگان، گاہکوں، بینکاروں اور ملازمین کے مسلسل اعتماد پر ان کا مشکور ہوں۔ بورڈ کے ممبران، سی ای او اور ان کی ایگزیکٹو ٹیم کے خلوص اور انتھک محنت پر میں انہیں ستائش پیش کرتا ہوں۔


افتخار سومرو

چیئر مین

25 فروری 2020

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Wyeth Pakistan Limited For the year ended November 30, 2019

The Company has complied with the requirements of the Regulations in the following manner:


1. The total number of directors are seven (7) as per the following:
 - a. Male: 7
 - b. Female: Nil

2. The composition of the Board is as follows:

Category	Name
Independent Director	Mr. M. Z. Moin Mohajir
Non-Executive Directors	Mr. Iftikhar Soomro
	Mr. Shoaib Mir
	Mr. Badaruddin F. Vellani
	Mr. Iqbal Bengali
Executive Directors	Syed Zakwan Ahmed
	Mr. S. M. Wajeehuddin
Female Director	-

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. 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.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. The Board is compliant with the training requirement and the criteria prescribed in the CCG.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:
- a) Audit Committee
- Mr. M.Z. Moin Mohajir (Chairman)
Mr. Iftikhar Soomro
Mr. Badaruddin F. Vellani
- b) Human Resources and Remuneration Committee
- Mr. M. Z. Moin Mohajir (Chairman)
Mr. Badaruddin F. Vellani
Mr. Iftikhar Soomro
Mr. S. M. Wajeehuiddin
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a) Audit Committee - 4 meetings during the year ended November 30, 2019
b) HR and Remuneration Committee - 3 meetings during the year ended November 30, 2019
15. The Board has outsourced the internal audit function to EY Ford Rhodes, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. 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) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 27, 32, 33 and 36 of the Regulations have been complied with.
19. The requirements of Regulations 6, 7 and 8 are applicable on the Company after the expiry of the term of the current board of directors of the Company (which expires in April 2020).


S.M. WAJEEHUDDIN
Chief Executive


IFTIKHAR SOOMRO
Chairman & Director

Karachi: February 25, 2020



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INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Wyeth Pakistan Limited
Review report on the Statement of Compliance contained in Listed
Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of **Wyeth Pakistan Limited** ("the Company") for the year ended 30 November 2019 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of 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 Directors' 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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 November 2019.

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi
Date: 26 February 2020

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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INDEPENDENT AUDITOR'S REPORT
To the members of Wyeth Pakistan Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Wyeth Pakistan Limited (the Company), which comprise the statement of financial position as at 30 November 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 November 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Following are the Key audit matters:

S. No.	Key audit matter	How the matters were addressed in our audit
1.	<p>Revenue Recognition</p> <p>Refer notes 3.1, 3.7 and 16 to the Company's financial statements.</p> <p>Revenue is recognized from sale of goods in accordance with applicable accounting standards and measured net of discounts and commissions.</p> <p>We identified revenue recognition as key audit matter because revenue is one of the key performance indicators and there is a potential risk that revenue transactions may not be recognized in the appropriate period and risk of misapplication of new accounting standard IFRS 15 "Revenue from Contracts with Customers" in revenue recognition.</p>	<p>Our audit procedures in relation to recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> ● assessed the design, implementation and operating effectiveness of the relevant key internal controls over the Company's system which governs revenue recognition; ● assessed the appropriateness of the Company's accounting policies for revenue recognition including those related to discounts and commissions including its compliance with applicable accounting standards; ● reviewed management's assessment of applicable accounting standard to verify the reasonableness, accuracy and completeness of the impact on the financial statements including adequacy of disclosures; ● obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales contracts to understand and assess appropriateness of management's application of applicable accounting standard's requirements; ● obtained invoices and related documents, on a sample basis for selected revenue transactions recorded during the current year to assess whether the related revenue was recognized in accordance with the requirements of applicable accounting standard; and ● tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue have been recognized in the appropriate accounting period.



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S. No.	Key audit matter	How the matters were addressed in our audit
2.	Valuation of stock-in-trade	
	<p>Refer notes 3.3 and 7 to the Company's financial statements.</p> <p>Stock in trade forms a significant part of the Company's total assets. Stock in trade comprise of packing material, work in process and finished goods which are stated at lower of cost and net realizable value.</p> <p>We identified the valuation of stock-in-trade as a key audit matter as it directly affects the profitability of the Company and involves significant management judgment and estimation.</p>	<p>Our audit procedures in relation to valuation of stock in trade, amongst others, included the following:</p> <ul style="list-style-type: none"> ● obtained an understanding of controls over valuation of stock in trade including creation of provision for expired, slow moving and obsolete items. Further we tested, on a sample basis, their design, implementation and operating effectiveness; ● obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work-in-process and costs necessary to make the sales and their basis; ● tested, on a sample basis, management's assessment of the NRV of stock in trade by comparing to its recent sales prices and executed purchase orders for future sales, if any; ● assessed the compliance of management's policies with regard to provisioning of slow moving and / or obsolete stock-in-trade including: <ul style="list-style-type: none"> ● assessed, on sample basis provisions made for expired and near-expiry stock-in-trade ● assessed, on sample basis provisions made for stock-in-trade in excess of forecasted sales. ● compared on a sample basis specific provision for expired and slow-moving stock in trade with underlying documentation.



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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Mahmood Hussain.

Date: 26 February 2020

Karachi


A handwritten signature in black ink, appearing to read 'KPMG Taseer Hadi & Co.' followed by a long horizontal line.


KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT NOVEMBER 30, 2019

	Note	2019	2018
(Rupees in '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,123	13,485
Long term loans to employees	5	8,127	11,794
Long term deposits		145	1,095
Deferred taxation	6	-	-
		<u>23,395</u>	<u>26,374</u>
Current assets			
Stock-in-trade	7	567,552	254,484
Trade debts	8	2,545	17,405
Loans and advances	9	51,483	85,498
Deposits, prepayments and other receivables	10	40,876	299,544
Interest accrued		16,902	7,598
Taxation - net		142,787	92,272
Cash and bank balances	11	1,149,185	907,654
		<u>1,971,330</u>	<u>1,664,455</u>
TOTAL ASSETS		<u><u>1,994,725</u></u>	<u><u>1,690,829</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	12	142,161	142,161
Reserves		1,095,558	1,125,858
		<u>1,237,719</u>	<u>1,268,019</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	745,821	412,051
Unclaimed dividend		11,185	10,759
		<u>757,006</u>	<u>422,810</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,994,725</u></u>	<u><u>1,690,829</u></u>
Contingencies and commitments	15		

The annexed notes 1 to 38 form an integral part of these financial statements.


S. M. Wajeehuddin
Chief Executive



M. Z. Moin Mohajir
Director


Kashif Shafi
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED NOVEMBER 30, 2019

	Note	2019	2018
(Rupees in '000)			
Net sales	16	948,237	1,192,352
Cost of sales	17	(843,143)	(985,842)
Gross profit		105,094	206,510
Selling, marketing and distribution expenses	18	(113,783)	(174,756)
Administrative expenses	19	(44,839)	(47,758)
		(158,622)	(222,514)
		(53,528)	(16,004)
Other income	21	148,331	70,530
Other expenses	22	-	(2,098)
		148,331	68,432
		94,803	52,428
Finance costs	23	(26,735)	(28,232)
Profit before taxation		68,068	24,196
Taxation	24	(44,892)	(35,314)
Profit / (loss) for the year		23,176	(11,118)
Earning / (Loss) per share (basic and diluted)	25	16.30	(7.82)

The annexed notes 1 to 38 form an integral part of these financial statements.


S. M. Wajeehuddin
Chief Executive

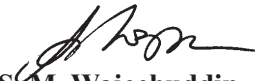

M. Z. Moin Mohajir
Director


Kashif Shafi
Chief Financial Officer


STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED NOVEMBER 30, 2019

	2019	2018
	(Rupees in '000)	
Profit / (loss) for the year	23,176	(11,118)
Other comprehensive income / (loss)		
Items that will never be reclassified to statement of profit or loss		
Recognition of remeasurement gain / (loss) on defined benefit plans (Note 27.5)	15,524	(7,686)
Impact of deferred tax	-	-
	15,524	(7,686)
Total comprehensive income / (loss) for the year	38,700	(18,804)

The annexed notes 1 to 38 form an integral part of these financial statements.


S. M. Wajeehuddin
Chief Executive


M. Z. Moin Mohajir
Director


Kashif Shafi
Chief Financial Officer

Wyeth

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED NOVEMBER 30, 2019

	Note	2019	2018
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	30	298,833	67,130
Taxes paid		(95,407)	(145,090)
Long term loans to employees		3,667	(10,428)
Long term deposits		950	3,822
Net cash generated / (used in) from operating activities		208,043	(84,566)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(10,450)	(12,138)
Profit received on bank deposits		110,748	54,281
Proceeds from disposal of operating fixed assets		3,844	2,583
Net cash generated from investing activities		104,142	44,726
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(70,654)	(419,671)
Net increase / (decrease) in cash and cash equivalents		241,531	(459,511)
Cash and cash equivalents at beginning of the year		907,654	1,367,165
Cash and cash equivalents at end of the year	32	1,149,185	907,654

The annexed notes 1 to 38 form an integral part of these financial statements.


S. M. Wajeehuddin
Chief Executive


M. Z. Moin Mohajir
Director



Kashif Shafi
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED NOVEMBER 30, 2019

	Issued, subscribed and paid-up capital	Reserves			Sub total	Total
		Revenue Reserve		Capital Reserve		
		General reserve	Unappro- priated profit	Others*		
----- (Rupees in '000) -----						
Balance as at November 30, 2017	142,161	931,753	615,656	22,089	1,569,498	1,711,659
Total comprehensive loss for the year						
Loss for the year	-	-	(11,118)	-	(11,118)	(11,118)
Other comprehensive loss	-	-	(7,686)	-	(7,686)	(7,686)
	-	-	(18,804)	-	(18,804)	(18,804)
Transactions with owners recognised directly in equity						
Final dividend for the year ended November 30, 2017 at Rs. 300 per share	-	(426,483)	-	-	(426,483)	(426,483)
Share-based payments (note 28.4)	-	-	-	1,647	1,647	1,647
	-	(426,483)	-	1,647	(424,836)	(424,836)
Balance as at November 30, 2018	142,161	505,270	596,852	23,736	1,125,858	1,268,019
Total comprehensive income for the period						
Profit for the year	-	-	23,176	-	23,176	23,176
Other comprehensive income	-	-	15,524	-	15,524	15,524
	-	-	38,700	-	38,700	38,700
Transactions with owners recognised directly in equity						
Final dividend for the year ended November 30, 2018 at Rs. 50 per share	-	-	(71,080)	-	(71,080)	(71,080)
Share-based payments (note 28.4)	-	-	-	2,080	2,080	2,080
	-	-	(71,080)	2,080	(69,000)	(69,000)
Transfer to general reserve		400,000	(400,000)	-	-	
Balance as at November 30, 2019	142,161	905,270	164,472	25,816	1,095,558	1,237,719

* Others represent reserve for share based payment plan.

The annexed notes 1 to 38 form an integral part of these financial statements.


S. M. Wajeehuddin
Chief Executive


M. Z. Moin Mohajir
Director


Kashif Shafi
Chief Financial Officer

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2019

1. STATUS AND NATURE OF BUSINESS

Wyeth Pakistan Limited ("the Company") is a public limited company incorporated in 1949 in Pakistan. The Company is listed on the Pakistan Stock Exchange and is engaged in import, marketing, distribution and sale of research based pharmaceutical products.

The Company's registered office is situated at Room No. 002 & 003, PGS Admin Block, First Floor, B-2, S.I.T.E., Karachi.

Pfizer Incorporation is the ultimate parent of the Company. Wyeth LLC, USA and Wyeth Holding LLC USA, which are subsidiaries of Pfizer Incorporation, 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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

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 and reporting 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 and reporting 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 3.2)
- (b) Stock-in-trade (note 3.3)
- (c) Trade debts (note 3.4)
- (d) Taxation (note 3.10)
- (e) Staff retirement benefits (note 3.8)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published accounting standards that are not yet effective

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

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right of use assets and liabilities on adoption of the standard.

- Amendment to IAS 28 ‘Investments in Associates and Joint Ventures’ - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or ‘LTI’). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company’s financial statements.
- Amendments to IAS 19 ‘Employee Benefits’- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company’s financial statements.
- Amendment to IFRS 3 ‘Business Combinations’ – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.

The amendments are not likely to affect the financial statements of the Company.

- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on Company's financial statements.
- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 01, 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'.

Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

The application of amendment is not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale. The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

3.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from December 01, 2018 which are effective for annual periods beginning on or after July 01, 2018 and for reporting period / year ending on or after June 30, 2019 respectively.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

3.1.1 IFRS 15 'Revenue from contracts with customers'

IFRS 15 - Revenue from contracts with customers (IFRS 15) became applicable to the Company from December 01, 2018. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of goods or services.

The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Accordingly, the information presented for comparative period in these financial statements have not been restated i.e. it is presented, as previously reported under IAS 18 and relate interpretations.

Management has concluded that revenue from sale of goods be recognized at point in time when control of the asset is transferred to the customer, which is when the goods are delivered and invoiced to the customer.

The above is generally consistent with the timing and amounts of revenue that the Company recognised in accordance with the previous standard, IAS 18. Therefore, management has concluded that the adoption of IFRS 15 did not have material impact on the timing and amounts of revenue recognition of the Company.

3.1.2 IFRS 9 'Financial Instruments'

IFRS 9 - Financial Instruments became applicable to the Company for the reporting period beginning from December 01, 2018. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The management has concluded that the adoption of IFRS 9 did not have material impact on the financial statements. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

i. Classification and Measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

ii. Impairment

From December 01, 2018 the Company has implemented an expected credit loss impairment model for financial assets. For trade receivables, the calculation methodology has been updated to consider expected losses based on ageing profile. The adoption of the expected loss approach has not resulted in any impairment provision for trade receivables. The comprehensive policy is disclosed in note 3.13.1

3.1.2.1 Classification and measurement of financial instruments

The measurement category and the carrying amount of financial assets and liabilities in accordance with IAS 39 and IFRS 9 at December 01, 2018 are as follows:

Financial Assets	IAS 39		IFRS 9	
	Measurement category	Carrying Amount	Measurement category	Carrying Amount
----- (Rupees in '000) -----				
Loans to employees	Loans and receivables	16,901	Amortised cost	16,901
Long term deposits	Loans and receivables	1,095	Amortised cost	1,095
Trade debts	Loans and receivables	17,405	Amortised cost	17,405
Loans and advances	Loans and receivables	62,149	Amortised cost	62,149
Deposits, prepayments and other receivables	Loans and receivables	294,544	Amortised cost	294,544
Cash and bank balances	Loans and receivables	907,654	Amortised cost	907,654
Interest accrued	Loans and receivables	7,598	Amortised cost	7,598
Total financial assets		<u>1,307,346</u>		<u>1,307,346</u>

Financial Liabilities	IAS 39		IFRS 9	
	Measurement category	Carrying Amount	Measurement category	Carrying Amount
----- (Rupees in '000) -----				
Trade and other payables	Amortized cost	273,178	Amortised cost	273,178
Unclaimed dividend	Amortised cost	10,759	Amortised cost	10,759
Total financial liabilities		<u>283,937</u>		<u>283,937</u>

3.2 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 recognised 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 capitalised and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

Depreciation

Depreciation is charged to income applying the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values, depreciation rates and method are reviewed at each reporting 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 derecognised upon disposal or where no future economic benefits are expected to be realised from its use or disposal. Gains or losses on disposal of an item of operating fixed asset is recognised in the statement of profit or loss.

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.

3.3 Stock in trade

Stock in trade are valued at the lower of cost and net realisable 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 recognised in statement of profit or loss.

3.4 Trade debts

Trade and other receivables are recognized initially at their transaction price and subsequently measured at amortised cost less loss allowances. These assets are written off when there is no reasonable expectation of recovery. The Company applies the IFRS 9 simplified approach for measuring expected credit loss (ECL) on trade receivables at an amount equal to lifetime credit loss. The ECL on trade receivables are calculated based on actual credit loss experience over the last year on the total balance of non-credit impaired trade receivables.

3.5 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.

3.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.7 Revenue recognition

Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are invoiced and delivered to the customer.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of returns, discounts and other allowances.

Return on bank deposits, investments and interest on loans is accounted for on a time proportionate basis using the applicable rate of return / interest. Miscellaneous income is recognized on receipt basis.

3.8 Staff retirement benefits

3.8.1 Defined benefit plan

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 statement of profit or loss.

3.8.2 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.

3.8.3 Employees' compensated absences

The Company accounts for liability against employees' compensated absences in the period in which these are earned upto the reporting date.

3.9 Share-based payments

The Company participates in a time-vested share based rewards plan operated by Pfizer Incorporation, (the ultimate parent company) whereby, Pfizer Incorporation. 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 Incorporation, 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 Incorporation, including shares resulting from dividend equivalents paid on such RSUs.

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

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in statement of profit or loss except to the extent that it relates to items recognised 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 recognised using financial position 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 realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

Deferred tax asset is recognised 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 utilised.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.11 Borrowings cost

Borrowing costs are recognised 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 cost are capitalised as part of the cost of that asset.

3.12 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 reporting date. Exchange differences are taken to the statement of profit or loss.

3.13 Financial instruments

3.13.1 Financial assets

3.13.1.1 Classification

The Company classifies financial assets on the basis of the business model within which they are held and their contractual cash flow characteristics. The financial assets of the Company are categorized as follows:

a) Financial assets at amortised cost

- these are the financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

- these are the financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVPL)

- these are the financial assets measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income (FVOCI).

3.13.1.2 Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss and other comprehensive income account.

3.13.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income.

On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

b) Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

c) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in profit or loss.

d) Financial assets measured at amortized cost

These assets are subsequently measured at amortised cost using the effective interest rate method.

The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

3.13.1.4 Impairment

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company’s experience of collection history and no historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the Company.

3.13.1.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counterparties.

3.13.2 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.13.3 Derecognition

Financial assets are derecognised at the time when the Company's contractual right to the cash flows from the asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control the transferred asset. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of profit or loss and other comprehensive income.

3.13.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value

Level 1 : Quoted prices (unadjusted) in active markets for identical asset

Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurs.

3.14 Dividends and appropriation of profit

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

3.15 Impairment

The carrying amounts of the Company's non-current assets are reviewed at each reporting 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 recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

3.16 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.

4. PROPERTY PLANT AND EQUIPMENT

	Note	November 30, 2019 (Rupees in '000)	November 30, 2018
Operating fixed assets	4.1	<u>15,123</u>	<u>13,485</u>

4.1 Operating fixed assets

	Vehicles	Office equipments	Total
------(Rupees in '000)-----			
At November 30, 2017			
Cost	27,981	12,443	40,424
Accumulated depreciation	(22,064)	(11,710)	(33,774)
Net book value	<u>5,917</u>	<u>733</u>	<u>6,650</u>
Year ended November 30, 2018			
Opening net book value	5,917	733	6,650
Additions	12,138	-	12,138
Disposals			
Cost	8,413	-	8,413
Accumulated depreciation	(7,749)	-	(7,749)
	664	-	664
Depreciation	(3,906)	(733)	(4,638)
Closing net book value	<u>13,485</u>	<u>-</u>	<u>13,485</u>
At November 30, 2018			
Cost	31,706	12,443	44,149
Accumulated depreciation	(18,221)	(12,443)	(30,663)
Net book value	<u>13,485</u>	<u>-</u>	<u>13,485</u>
Year ended November 30, 2019			
Opening net book value	13,485	-	13,485
Additions	10,450	-	10,450
Disposals			
Cost	10,754	-	10,754
Accumulated depreciation	(9,306)	-	(9,306)
	1,448	-	1,448
Depreciation	(7,364)	-	(7,364)
Closing net book value	<u>15,123</u>	<u>-</u>	<u>15,123</u>
At November 30, 2019			
Cost	31,402	12,443	43,845
Accumulated depreciation	(16,279)	(12,443)	(28,722)
Net book value	<u>15,123</u>	<u>-</u>	<u>15,123</u>

4.2 Capital work in progress

	Cost			
	As at December 1, 2018	Additions	Transfer to operating fixed assets	As at November 30, 2019
	----- (Rupees in '000) -----			
Vehicles	-	10,450	(10,450)	-
	-	10,450	(10,450)	-

	Cost			
	As at December 1, 2017	Additions	Transfer to operating fixed assets	As at November 30, 2018
	----- (Rupees in '000) -----			
Vehicles	-	12,138	(12,138)	-
	-	12,138	(12,138)	-

4.3 Depreciation on operating fixed assets is charged at the following rates:

	Annual rate of depreciation (%)
Vehicles	25
Office equipments	8 to 33.33

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

	Note	November 30, 2019	November 30, 2018
		(Rupees in '000)	
Selling, marketing and distribution expenses	18	4,952	3,456
Administrative expenses	19	2,412	1,182
		<u>7,364</u>	<u>4,638</u>

4.5 The operating fixed assets (note 4.1) include items costing Rs. 11.375 million (2018: Rs. 20.258 million) which are fully depreciated as of November 30, 2019 but are still in active use.

5. LONG TERM LOANS TO EMPLOYEES - considered good

	Note	November 30, 2019 (Rupees in '000)	November 30, 2018
Loans to Employees	5.1,5.2 & 5.3	13,201	16,901
Less: Receivable within one year	9	5,074	5,107
		<u>8,127</u>	<u>11,794</u>

5.1 This includes loan amounting to Rs. 0.17 million (2018: Rs. 1.931 million) provided to Tafazzul Khan (Company Secretary) repayable with monthly installments of Rs. 0.085 million.

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

	November 30, 2019 (Rupees in '000)	November 30, 2018
Opening balance	2,796	2,956
Loans disbursed during the year	2,036	4,222
Loans repaid during the year	(3,219)	(4,382)
Closing balance	<u>1,613</u>	<u>2,796</u>

5.3 These represent interest free loans to executives and other employees for purchase of motor cars and motor cycles in accordance with the Company's policy and are recoverable in one to six years in monthly instalments. These loans are secured against provident fund balances of the employees

5.4 Receivable in:

	November 30, 2019 (Rupees in '000)	November 30, 2018
- less than three years but over one year	6,461	5,636
- more than three years	1,666	6,158
	<u>8,127</u>	<u>11,794</u>

5.5 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 3.929 million (2018: Rs. 3.735 million).

6. DEFERRED TAXATION

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

	November 30, 2019	November 30, 2018
	(Rupees in '000)	
Accelerated tax depreciation	1,343	585
Provision for gratuity and pension	26,268	10,724
Provision for slow moving and obsolete stocks	3,761	15,063
Allowance for sales returns	1,111	-
Provision for voluntary separation scheme	-	2,512
Provision for sales tax on toll manufacturing	4,326	1,644
	<u>36,809</u>	<u>30,528</u>
Deferred tax asset not recognized	(36,809)	(30,528)
	<u>-</u>	<u>-</u>

6.2 No deferred tax asset has been recognised at year end as taxable profit under normal tax regime may not be sufficient.

7. STOCK-IN-TRADE

	Note	November 30, 2019	November 30, 2018
		(Rupees in '000)	
Raw and packing materials		4,755	6,099
Work-in-process		73,204	-
Finished goods	7.1	502,724	361,440
Stock-in-transit		-	22,528
		<u>580,683</u>	<u>390,067</u>
Less: Provision for slow moving and obsolete stocks	7.2	<u>13,131</u>	<u>135,583</u>
		<u>567,552</u>	<u>254,484</u>

7.1 Finished goods include items costing Rs. 0.311 million (2018: Rs. 2.11 million) which have been recognized at a net realizable value of Rs. Nil (2018: Rs. 1.89 million).

7.2 During the year, provision of Rs. 9.093 million (2018: Rs. 78.885 million) has been recognized and stock-in-trade valued at Rs. 131.545 million (2018: Rs. 0.886 million) has been written off from provision, while stock-in-trade valued at Rs. 1.836 million (2018: Rs. Nil) has been written off directly.

7.3 As at November 30, 2019, raw materials, packing materials and work in progress of Rs. nil (2018: Rs. 6.099 million) are held at S -33 Hawkes Bay SITE by ICI Pakistan Limited.

	Note	November 30, 2019	November 30, 2018
(Rupees in '000)			
8. TRADE DEBTS - unsecured			
Trade debts - unsecured		2,545	17,405
9. LOANS AND ADVANCES			
Secured			
Current portion of long-term loans to employees	5	5,074	5,107
Receivable from gratuity fund		40,000	60,000
Advances - unsecured			
- Suppliers		4,498	18,242
- Employees	9.1 & 9.2	1,911	2,149
		6,409	20,391
		51,483	85,498

9.1 This includes amounts due from executives amounting to Rs. 0.33 million (2018: Rs. 0.7 million).

9.2 The maximum aggregate amount of advances due from executives at the end of any month during the year was Rs. 1.67 million (2018: Rs. 0.7 million).

10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		November 30, 2019	November 30, 2018
(Rupees in '000)			
Trade deposits		14,286	22,458
Prepayments		1,112	4,663
Margin deposits for guarantees and letters of credit		-	23
Receivable from Pfizer Pakistan Limited		17,987	18,733
Receivable from ICI Pakistan Limited	10.1	-	253,330
Receivable from pension fund	27.2	7,491	337
		40,876	299,544

10.1 Receivables from ICI Pakistan Limited as explained in Note 11, 11.2 and 11.3 of Annual Accounts of 2018 have been settled during the year.

	Note	November 30, 2019 (Rupees in '000)	November 30, 2018
11. CASH AND BANK BALANCES			
With banks:			
- Term deposit receipts	11.1	1,100,000	850,000
- In savings accounts	11.2	49,185	57,654
		<u>1,149,185</u>	<u>907,654</u>

11.1 These carry mark-up ranging from 12.3% to 12.6% (2018: 7.10% to 7.95%) and will mature by January 2020.

11.2 These carry mark-up at the rate of 11.25% (2018: 6.5%) per annum.

	November 30, 2019 (Rupees in '000)	November 30, 2018
12. SHARE CAPITAL		
Authorized capital		
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, 2019 (Number of shares)	November 30, 2018		November 30, 2019 (Rupees in '000)	November 30, 2018
386,711	386,711	Ordinary shares of Rs. 100 each		
		Shares fully paid in cash	38,671	38,671
477,493	477,493	Shares issued as fully paid for consideration other than cash		
		- note 12.2	47,749	47,749
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>

12.1 As on November 30, 2019, Wyeth LLC, USA and Wyeth Holdings LLC, USA held 576,470 (2018: 576,470) and 448,560 (2018: 448,560) shares of Rs. 100 each respectively. On October 15, 2009 Pfizer Incorporation acquired Wyeth LLC, USA and has become the ultimate parent of the Company.

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

13. TRADE AND OTHER PAYABLES	Note	November 30, 2019	November 30, 2018
(Rupees in '000)			
Creditors	13.1	507,067	94,957
Accrued liabilities		113,312	155,526
Advances from customers		19,522	41,223
Accumulated compensated absences		7,320	6,884
Payable to gratuity fund	27.2	98,070	97,650
Workers' Welfare Fund	13.2	417	14,725
Central Research Fund		-	974
Sales tax payable		113	112
		<u>745,821</u>	<u>412,051</u>

13.1 Creditors include Rs. 478.047 million (2018: Rs. 66.707 million) payable to associated undertakings.

	November 30, 2019	November 30, 2018
(Rupees in '000)		
13.2 Workers' Welfare Fund		
Opening balance	14,725	18,671
Less: adjustment / payments made during the year	(14,308)	(3,946)
Closing balance	<u>417</u>	<u>14,725</u>

14. SHORT TERM FINANCE FACILITY

The facilities for opening letters of credit and guarantees, as at 30 November 2019 amounted to Rs. 50 million (2018: Rs. 50 million) which remained unutilized at the year end.

The facilities for overdraft available from bank amounts to Rs. 100 million at interest rate of 3 months KIBOR+1% (2018: Rs. 100 million at interest rate of 3 months KIBOR+1%) which remained unutilized at year end.

15. CONTINGENCIES AND COMMITMENTS

15.1. Contingencies

15.1.1 During the year 2003, certain ex-employees of the Company filed claims in High Court of Sindh, Karachi, aggregating to Rs. 247.572 million against the Company for recovery of damages.

Management, in consultation with its inhouse legal counsel / legal advisor, expects that the decision will be in the Company's favor. Accordingly, no provision has been recognized in these financial statements.

- 15.1.2** During the year 2005, an ex-distributor has filed claims in High Court of Sindh, Karachi against the Company aggregating to Rs. 75.1 million for recovery of damages. The management, in consultation with its inhouse legal counsel / legal advisor, is confident that the case will be decided in the Company's favour and hence no provision has been made in this respect.
- 15.1.3** During course of the year, a partner of an ex-distributor (which partnership has now dissolved) of the Company has filed a civil suit claiming Rs. 211 million from the Company (the breakup whereof is as follows : Rs. 10 million (rendition of accounts and recovery); Rs. 100 million (for mental torture, libel, insult and defamation); Rs.100 million (specific performance of agreement) and Rs. 1 million (cost of litigation). The Company is contesting the claims in court and the management, in consultation with its inhouse legal counsel / legal advisor, is confident that the ultimate decision on the said claims will be favorable. Accordingly, no provision has been made in these financial statements.
- 15.1.4** During the year 1994 the Company has filed appeal before the Supreme Court of Pakistan against the order of the then Income Tax Appellate Tribunal (ITAT) confirming the addition on account of Transfer Pricing under section 79 of the Income Tax Ordinance 1979 (repealed) relating to assessment year 1984-85. The aggregate liability is approximately Rs. 3.0 million (2018 Rs. 3.0 million).

Management, in consultation with its inhouse legal counsel / tax advisor, is confident that the ultimate decision of the appeal will be in the Company's favour. Accordingly no provision has been recognised in these financial statements.

- 15.1.5** During the income year 2002-2003, the Company has filed appeals against Federal Board of Revenue before Income Tax Appellate Tribunal (ITAT) in respect adverse appellate orders of the then Commissioner of Income Tax (appeals) in respect of arbitrary additions and disallowances made in assessment orders for the assessment years from 1997-98 to 2002-03 and for tax years 2003 to 2005 which have resulted in an aggregate tax liability of Rs. 181.162 million (2018: Rs.181.162 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 (2018: 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.

During the year 2017, the Company has filed appeal for the Tax Year 2011 against Federal Board of Revenue before Appellate Tribunal Inland revenue (ATIR) in respect of certain issues either set-aside or confirmed by the Commissioner of Appeals. Since, the appeal is pending adjudication, no provision has been recognised in these financial statements.

- 15.1.6** During the year 2013, the Company has filed an appeal against Federal Board of Revenue in Appellate Tribunal Inland Revenue (ATIR), against tax demand aggregating to Rs. 7.4 million (2018: Rs. 7.4 million).

The tax liability has arisen on account of transfer pricing and fixed assets written off for the assessment year 2004. Management, in consultation with its inhouse legal counsel / tax advisor is confident that the appeal will be decided in the Company's favour and therefore no provision has been made in these financial statements.

- 15.1.7** Further during the year 2013, the Company has filed various rectification applications before the Deputy Commissioner Inland Revenue for various disallowances and additions made for the tax years from 1998 to 2005 which have resulted in an aggregate tax liability of Rs. 52.440 million (2018: Rs. 52.440 million). The claims are mainly for the following reasons:

- The assessing officer charged on the bases of applying tax rate on raw materials, as of imported finished goods.
- The assessing officer disallowed provision of obsolete stock.
- The assessing officer added on account of reclaiming bad debts written off, during the year and that were disallowed in prior year.

The management, in consultation with its inhouse legal counsel / tax advisor, is confident that the application will be decided in the Company's favour and therefore no provision has been made in this respect.

- 15.1.8** The tax department has carried out the monitoring of withholding tax audit for 6 years (viz Tax Years 2010, 2012, 2013, 2015, 2016 and 2017), for which the aggregate demand of Rs. 44.319 million has been raised. The Company has filed appeals against these orders in 2016 and 2017, the management, in consultation with its inhouse legal counsel / tax advisor, is confident that the ultimate decision of the appeals will be in the Company's favour.

- 15.1.9** The Assistant Collector, Sales Tax and Federal Excise has issued an order in 2008 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 has filed an appeal against this order. The Commissioner Inland Revenue Appeals (CIRA) passed an order in favour of the Company. However, the Tax Department has filed an appeal before the Tribunal, and the case has been remanded back by tribunal during the year 2012 to the department for de novo consideration. The matter is pending since then.

- 15.1.10** During the year 2017, the Commissioner Inland Revenue (CIR) selected the case of the Company for audit of its income tax affair for tax year 2015 in pursuance of which an Information Document Request (IDR) was issued by the (Additional Commissioner Inland Revenue (ACIR). The ACIR passed an amended assessment order in 2018 thereby creating tax demand of Rs. 52.379 million.

The order was subsequently challenged before CIRA which was decided by an order in 2019 partly in Company's favor. Both the tax department and Company have filed an appeal before ATIR against the order issued in 2019 and the matter is pending for hearing.

	November 30, 2019	November 30, 2018
	(Rupees in '000)	
15.2 Commitments		
15.2.1 Commitments for capital expenditure	-	4,796
15.2.2 Guarantees and indemnity bonds for imported raw materials	-	4,855
16. NET SALES		
Sales - Domestic	1,096,195	1,308,075
- Export	-	23,243
	<u>1,096,195</u>	<u>1,331,318</u>
Less: Discounts and commission	139,320	134,824
Returns	8,638	4,142
	<u>147,958</u>	<u>138,966</u>
	<u>948,237</u>	<u>1,192,352</u>
16.1 Contract Balances		
Contract Liabilities	<u>19,522</u>	<u>41,223</u>

16.1.1 The contract liabilities primarily relate to the advance consideration received from distributors for future sales as per the Company's policy, for which revenue is recognised at a point in time.

The amount of Rs. 41.223 million outstanding in contract liabilities at the beginning of the year has been recognised as revenue for the year ended 30 November 2019, while new advances amounting to Rs. 19.522 million were further received during the year which will be recognized as revenue in the next year.

	November 30, 2019	November 30, 2018
	(Rupees in '000)	
17. COST OF SALES		
Opening stock	367,539	582,154
Provision for slow moving and obsolete stock in trade	9,093	78,885
Re-packing charges	4,119	65,465
Purchases	1,174,620	626,877
Stock written off during the year	(131,545)	-
Closing stock	<u>(580,683)</u>	<u>(367,539)</u>
	<u>843,143</u>	<u>985,842</u>

18. SELLING, MARKETING AND DISTRIBUTION EXPENSES

	Note	November 30, 2019	November 30, 2018
(Rupees in '000)			
Salaries, wages and other benefits	18.1 & 20	60,806	82,519
Fuel and power		149	392
Rent, rates and taxes		607	648
Insurance		1,231	1,338
Repairs and maintenance		256	874
Transportation		5,009	5,246
Travelling and entertainment		5,408	14,130
Postage, communication and stationery		1,081	5,054
Depreciation	4.4	4,952	3,456
Advertising and sales promotion		32,711	59,478
Others		1,573	1,621
		<u>113,783</u>	<u>174,756</u>

18.1 Salaries, wages and other benefits include a net charge of Rs. 19.529 million (2018: Rs. 16.641 million) in respect of staff retirement benefits. Out of this amount Rs.1.9 million (2018: 1.6 million) have been charged to associated company on account of allocation of services provided by colleagues.

19. ADMINISTRATIVE EXPENSES

	Note	November 30, 2019	November 30, 2018
(Rupees in '000)			
Salaries, wages and other benefits	19.1 & 20	27,372	30,011
Fuel and power		8	22
Rent, rates and taxes		238	83
Insurance		180	233
Travelling and entertainment		2,509	2,030
Postage, communication and stationery		421	1,098
Legal and professional charges		6,611	6,585
Auditors' remuneration	19.2	1,855	1,836
Depreciation	4.4	2,412	1,182
Others	19.3	3,233	4,678
		<u>44,839</u>	<u>47,758</u>

19.1 Salaries, wages and other benefits include a net charge of Rs. 5.145 million (2018: Rs. 4.622 million) in respect of staff retirement benefits.

	November 30, 2019	November 30, 2018
19.2 Auditors' remuneration	(Rupees in '000)	
Audit fee - annual	895	895
Fee for half yearly review	340	324
Other certifications	620	617
	<u>1,855</u>	<u>1,836</u>

19.3 This includes Rs. 0.037 million paid to stock exchange as penalty as required under clause 5.20.1 of PSX regulations for late submission of free float statements.

20. VOLUNTARY SEPARATION SCHEME (VSS)

VSS programme is in place for the last few years to achieve rationalisation and corporate restructuring of the Company. Aggregate cost is a reversal of Rs. 4.827 million (2018: Rs. 22.798 million).

	November 30, 2019	November 30, 2018
	(Rupees in '000)	
Selling, marketing and distribution expenses	(5,076)	19,298
Administrative expenses	249	3,500
	<u>(4,827)</u>	<u>22,798</u>

21. OTHER INCOME

	November 30, 2019	November 30, 2018
	(Rupees in '000)	
<i>Income from financial assets</i>		
Profit on saving accounts and term deposits	120,053	58,998
<i>Income from non-financial assets</i>		
Gain on disposal of property, plant and equipment - net	2,395	1,919
Liabilities no longer payable written back	825	9,613
Miscellaneous Income	20,220	-
Recovery of margin deposits	4,838	-
	<u>148,331</u>	<u>70,530</u>

22. OTHER EXPENSES

Central research fund	-	243
Deposits written off	-	1,855
	<u>-</u>	<u>2,098</u>

	November 30, 2019	November 30, 2018
23. FINANCE COSTS	(Rupees in '000)	
Net exchange loss	21,516	27,161
Bank charges	792	1,071
Amortization expense on employee loans	4,427	-
	<u>26,735</u>	<u>28,232</u>
24. TAXATION		
Current	44,892	35,314
	<u>44,892</u>	<u>35,314</u>
24.1 Reconciliation of effective tax rate		
Profit / (loss) before taxation	68,068	24,196
Tax at the applicable rate of 29% (2018: 29%)	19,740	7,017
Effect of income taxable under Minimum tax regime / presumptive tax regime	25,152	20,103
Minimum turnover tax	-	6,934
Tax effect of others items	-	1,260
	<u>44,892</u>	<u>35,314</u>
25. EARNINGS PER SHARE - Basic and Diluted		
Profit / (loss) for the year after tax	23,176	(11,118)
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	1,421,609	1,421,609
	(Rupees)	
Profit / (loss) per share - basic and diluted	16.30	(7.82)
Total earnings / (loss) per share - basic and diluted	<u>16.30</u>	<u>(7.82)</u>

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26. 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:

	2019			2018		
	*Chief Executive	*Directors	Executives	*Chief Executive	*Directors	Executives
	----- (Rupees in '000) -----					
Managerial remuneration	-	-	42,780	-	-	46,058
Bonus	-	-	5,659	-	-	3,706
Medical expenses	-	-	1,946	-	-	2,529
Retirement benefits	-	-	6,660	-	-	13,019
Directors meeting fees	-	3,107	-	-	1,680	-
	<u>-</u>	<u>3,107</u>	<u>57,045</u>	<u>-</u>	<u>1,680</u>	<u>65,312</u>
Number of person	<u>1</u>	<u>5</u>	<u>18</u>	<u>1</u>	<u>5</u>	<u>18</u>

* Rs. 3.183 million (2018: Rs. 2.955 million) have been charged in these financial statements on account of allocation of cost of services provided by Chief Executive of associated company.

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

26.2 Further, the impact of benefits available to executives recognised by the Company in the expenses during the year on account of share-based payment plan aggregate to Rs. 2.08 million (2018: Rs. 1.646 million).

26.3 Number of Employees	November 30, 2019	November 30, 2018
Total number of employees as of the reporting date	<u>75</u>	<u>82</u>
Average number of employees during the year	<u>78</u>	<u>82</u>

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27. STAFF RETIREMENT BENEFITS

As mentioned in note 3.8 the Company operates approved funded pension and gratuity schemes. The latest actuarial valuations of the schemes were carried out as at November 30, 2019. Projected Unit Credit Method using the following significant assumptions was used for these valuations:

	November 30, 2019	November 30, 2018
Discount rate	12.25% per annum	12.25% per annum
Expected rate of increase in salary	11.75% per annum	11.75% per annum
Pension increase	4.5% per annum	4.5% per annum
Minimum wage increase	7.5% per annum	7.5% per annum

27.1 The disclosures made in notes 27.2 to 27.6 and 27.9 are based on the information included in the actuarial valuation as of actuarial valuation as of November 30, 2019 and November 30, 2018.

27.2 Balance sheet reconciliation

	2019			2018		
	Gratuity	Pension	Total	Gratuity	Pension	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Present value of defined benefit obligation	78,363	50,577	128,940	86,235	58,419	144,654
Fair value of plan assets	19,707	(58,068)	(38,361)	11,415	(58,756)	(47,341)
Funded status	<u>98,070</u>	<u>(7,491)</u>	<u>90,579</u>	<u>97,650</u>	<u>(337)</u>	<u>97,313</u>

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	2019			2018		
	Gratuity	Pension	Total	Gratuity	Pension	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
27.3 Movement in present value of defined benefit obligation						
Present value of defined benefit obligation at beginning of the year	86,235	58,419	144,654	78,438	53,726	132,164
Current service cost	4,625	77	4,702	4,232	76	4,308
Interest cost	10,451	6,719	17,170	6,598	4,298	10,896
Past service cost	-	-	-	-	-	-
Remeasurement of change in financial assumptions						
Remeasurement of obligation	(7,204)	(8,509)	(15,713)	(1,043)	5,531	4,488
Benefits paid	(15,744)	(6,129)	(21,873)	(1,990)	(5,212)	(7,202)
Present value of defined benefit obligation at end of the year	78,363	50,577	128,940	86,235	58,419	144,654
27.4 Movement in the fair value of plan assets						
Fair value of plan assets at beginning of the year	(11,415)	58,756	47,341	(50,294)	97,555	47,261
Expected return on plan assets	(480)	6,727	6,247	(4,046)	8,024	3,978
Remeasurement of plan assets	1,132	(1,321)	(189)	4,391	(7,589)	(3,198)
Inter fund transfer	-	34,023	(34,023)	-	-	-
Actual contributions by employer	6,800	35	6,835	6,501	-	6,501
Benefits paid	(15,744)	(6,129)	(21,873)	(1,990)	(5,211)	(7,201)
Fair value of plan assets at end of the year at end of the year	(19,707)	58,068	38,361	(11,415)	58,756	47,341
27.5 Components of defined benefit cost						
Charge for the year to be recognised in profit and loss						
Current service cost	4,625	77	4,702	4,232	76	4,308
Interest cost	10,451	6,719	17,170	6,598	4,298	10,896
Expected return on plan assets	480	(6,727)	(6,247)	4,046	(8,024)	(3,978)
Past service cost - vested	-	-	-	-	-	-
	15,556	69	15,625	14,876	(3,650)	11,226
Defined benefit cost recognised in Other Comprehensive Income (OCI)						
Loss / (gain) on obligation	(7,204)	(8,509)	(15,713)	(1,043)	5,531	4,488
Gain on plan asset	(1,132)	1,321	189	(4,391)	7,589	3,198
Net loss / (gain)	(8,336)	(7,188)	(15,524)	(5,434)	13,120	7,686

	2019			2018		
	Gratuity	Pension	Total	Gratuity	Pension	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
27.6 Movement in amounts (receivable from) / payable to defined benefit plan						
Balance at beginning of the year	97,650	(337)	97,313	128,732	(43,830)	84,902
Charge / (reversal) for the year	15,556	69	15,625	14,876	(3,650)	11,226
Contributions during the year	(6,800)	(35)	(6,835)	(6,501)	-	(6,501)
Inter-Fund Transfer	-	(34,023)	34,023	-		
Total remeasurements recognised in OCI	(8,336)	(7,188)	(15,524)	(5,434)	13,120	7,686
Balance at end of the year	98,070	(7,491)	90,579	97,650	(337)	97,313
27.7 Remeasurements during the year						
<i>Actuarial (gain) / loss on obligation</i>						
(Gain) / loss due to change in financial assumptions						
(Gain) / loss due to investment return	(1,132)	1,321	189	(4,391)	7,589	3,198
(Gain) / loss due to change in experience adjustments	(7,204)	(8,509)	(15,713)	(1,043)	5,531	4,488
Total actuarial (gain) / loss on obligation	(8,336)	(7,188)	(15,524)	(5,434)	13,120	7,686
<i>Actuarial (gain) / loss on plan assets</i>						
Gain on plan assets	-	-	-	-	-	-
Total re-measurement (gain) / loss for the year	(8,336)	(7,188)	(15,524)	(5,434)	13,120	7,686
27.8 Major categories / composition of plan assets are as follows:						
National savings	6,914	23,976	30,890	-	-	-
Government bonds	5,701	18,662	24,363	11,197	90,700	101,897
Bank deposits	-	-	-	1,284	443	1,727
Debtors / (Creditors)	(32,473)	15,441	(17,032)	(23,896)	(32,388)	(56,284)
	(19,858)	58,079	38,221	(11,415)	58,755	47,340

27.9 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	2019	2018	2017	2016	2015
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	128,940	144,654	132,164	241,456	237,253
Fair value of plan assets	(38,361)	(47,341)	(47,261)	(197,295)	(195,735)
Deficit / (surplus)	90,579	97,313	84,903	44,161	41,518

27.10 Components of defined benefit cost for the next year

	Gratuity	Pension	Total
	----- (Rupees in '000) -----		
Current service cost	4,348	78	4,426
Net interest cost / (income)	10,996	(918)	10,078
	<u>15,344</u>	<u>(840)</u>	<u>14,504</u>

27.11 Maturity profile of the defined benefit obligation

2020	1,551	6,319	7,870
2021	1,691	6,429	8,120
2022	1,917	6,516	8,433
2023	2,078	6,578	8,656
2024	8,484	6,614	15,098
2025 - 2029	38,653	33,652	72,305

27.12 Sensitivity analysis on significant actuarial assumptions: Actuarial Liability

Discount rate +1%	(11,312)
Discount rate -1%	13,072
Salary increase +1%	9,902
Salary increase -1%	(8,650)
Pension increase +1%	3,359
Pension increase -1%	(3,033)
Minimum wage increase +1%	(72)
Minimum wage increase -1%	68

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

27.14 The Company expects to contribute Rs. 16.606 million in next year towards gratuity fund.

27.15 During the year, the Company contributed Rs. 5.169 million (2018: Rs. 5.283 million) to the provident fund.

27.16 Provident fund

	November 30, 2019 (Unaudited)	December 31, 2018 (Unaudited)
	(Rupees in '000)	
Net assets of the fund	94,402	97,800
Cost of investments made (actual investment made)	85,738	69,376
Cost of investments / net assets of the fund	91%	71%
Fair value of investments	91,184	90,246

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, 2019 (Unaudited)		December 31, 2018 (Unaudited)	
	Investments (Rupees in '000)	% of investment as size of the fund	Investments (Rupees in '000)	% of investment as size of the fund
Fair value				
Defence Saving Certificates	44,287	49%	31,530	35%
Pakistan Investment Bonds	19,579	21%	55,912	62%
Term Deposit Receipts	24,103	26%	-	0%
Balances with banks in Savings account	3,215	4%	2,804	3%
	<u>91,184</u>	<u>100%</u>	<u>90,246</u>	<u>100%</u>

All investments in collective investment schemes, listed equity and listed debt securities out of aforementioned fund have been made in accordance with the provisions of section 218 of the Companies Act 2017, and the conditions specified thereunder.

28 SHARE-BASED REWARD PLANS

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

	2019			2018		
	TSRU's	Stock Options	RSU's	TSRU's	Stock Options	RSU's
	----- (Number of shares) -----					
Outstanding as at December 1	2,868	1,965	585	2,077	2,353	633
Granted during the year	914		195	791		173
Dividend equivalent units				-		
Exercised during the year	(1,253)	(650)	(270)	-	(388)	(221)
Outstanding as at November 30	<u>2,529</u>	<u>1,315</u>	<u>510</u>	<u>2,868</u>	<u>1,965</u>	<u>585</u>

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

	2019			2018		
	TSRU's	Stock Options	RSU's	TSRU's	Stock Options	RSU's
	----- (in US\$) -----					
Outstanding as at December 1	33.26	27.82	33.18	32.14	27.50	32.84
Granted during the year	43.35	-	43.29	35.74	-	35.74
Outstanding as at November 30	<u>37.57</u>	<u>27.36</u>	<u>37.79</u>	<u>33.26</u>	<u>27.82</u>	<u>33.18</u>

- 28.3** 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:

Fair value of share options and assumptions	November 30, 2019	November 30, 2018
Share price	\$43.35	\$35.74
Expected volatility (weighted average volatility)	18.34%	20.02%
Option life (expected weighted average life)	5 years	5 years
Expected dividends	\$1.44	1.36

Expected volatility of share price of Pfizer Incorporation, USA, (the ultimate parent company) was determined using both implied and historical volatility rates.

- 28.4** The total expense recognised for the year arising from share-based payment transactions is Rs. 2.08 million (2018: Rs. 1.647 million).

29. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company (Pfizer Incorporation, 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:

- 29.1** Details of transactions with related parties, other than those which have been specifically disclosed elsewhere are as follows:

Relationship with the company	Nature of transactions	November 30, 2019	November 30, 2018
		(Rupees in '000)	
Associated Companies	Sale of goods	-	23,243
	Purchase of goods	1,046,685	626,865
Associated Companies	Services received	7,345	7,218
	Services rendered	87,944	75,269
	Reimbursement of expenses	-	9,630
Staff retirement fund	Contribution to:		
	- Defined contribution plans	9,784	10,135
	- Defined benefit plans	6,835	6,501
Ultimate Parent Company	Dividend paid	51,252	307,509
Common Directorship	Fee for receiving legal services	88	675

29.2 The following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place:

Name of the Related Party	Basis of association	Aggregate % of Shareholding
Pfizer Pakistan Limited	Associated Company	0.0001%
Wyeth Employees Gratuity fund	Staff Retirement Fund	N/A
Wyeth Provident Fund	Staff Retirement Fund	N/A
Wyeth Pension fund	Staff Retirement Fund	N/A
Wyeth DC Pension fund	Staff Retirement Fund	N/A
Vellani & Vellani	Common Directorship	N/A

29.3 Details of related parties, including those incorporated outside Pakistan, with whom the Company had entered into transactions or have arrangement / agreement in place are as below:

Name	Registered Address and Country of Incorporation	Basis of Association	Aggregate % of shareholding
Pfizer Service Company BVBA	Hoge Wei 10, 1930 Zaventem, Belgium	Associated Company	N/A
Pfizer Innovative Supply Point. Intl	Hoge Wei 10, 1930 Zaventem, Belgium	Associated Company	N/A
Wyeth LLC USA	235 East 42 Street, New York, USA	Holding Company	40.55%
Wyeth Holdings LLC, USA	235 East 42 Street, New York, USA	Holding Company	31.55%
Pfizer Incorporation	8,1209 Rockwell Dr, Makati, Philippines	Ultimate Parent	N/A

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	Note	November 30, 2019	November 30, 2018
30. CASH GENERATED FROM OPERATIONS		(Rupees in '000)	
Profit / (loss) for the year after taxation		23,176	(11,118)
Adjustments for non-cash charges and other items:			
Net increase in reserve for share-based payment plans		2,080	1,647
Charge for defined benefit plans		15,625	11,227
Actuarial losses recognized in other comprehensive account		15,524	(7,686)
Depreciation		7,364	4,638
Provision for slow moving and obsolete stock-in-trade		(122,452)	77,999
Net gain on disposal of property, plant and equipment		(2,395)	(1,919)
Profit on bank deposits		(120,053)	(58,998)
Tax expense		44,892	35,314
Working capital changes	30.1	435,072	16,026
		<u>298,833</u>	<u>67,130</u>
30.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		(190,616)	291,129
Trade debts		14,860	17,306
Loans and advances		34,015	47,249
Deposits, prepayments and other receivables		258,668	54,845
Retirement benefit plans		(8,051)	1,068
		<u>108,876</u>	<u>411,597</u>
(Decrease) / increase in current liabilities:			
Trade and other payables		326,196	(395,571)
		<u>435,072</u>	<u>16,026</u>

31. OPERATING SEGMENTS

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

31.1 The sales percentage by geographic region is as follows:

	November 30, 2019	November 30, 2018
	(Percentage)	
Pakistan	100.0%	98.3%
Other Asian countries	0.0%	1.7%
	<u>100%</u>	<u>100%</u>

31.2 All non-current assets of the Company as at November 30, 2019 are located in Pakistan.

31.3 Sales to two major customers of the Company is around 61.31% during the year ended November 30, 2019 (2018: 63.71%).

32. CASH AND CASH EQUIVALENTS

	Note	November 30, 2019	November 30, 2018
(Rupees in '000)			
Cash and bank balances	11	1,149,185	907,654

33. FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE MEASUREMENT

The following table shows the carrying amounts financial assets and financial liabilities along with fair value measurement hierarchy.

	Carrying Amount			Fair value		
	Amortized cost	Financial liabilities	Total	Level 1	Level 2	Level 3
----- (Rupees in '000) -----						
Financial assets not measured at fair value						
Loans to employees	13,201	-	13,201	-	-	-
Long term deposits	145	-	145	-	-	-
Loans and advances	41,911	-	41,911	-	-	-
Deposits and other receivables	39,764	-	39,764	-	-	-
Interest accrued	16,902	-	16,902	-	-	-
Trade debts	2,545	-	2,545	-	-	-
Cash and bank balances	1,149,185	-	1,149,185	-	-	-
As at 30 November 2019	1,263,653	-	1,263,653	-	-	-
As at 30 November 2018	1,307,683	-	1,307,683	-	-	-
Financial liabilities not measured at fair value						
Trade and other payables	-	725,769	725,769	-	-	-
Unclaimed dividend	-	11,185	11,185	-	-	-
As at 30 November 2019	-	736,954	736,954	-	-	-
As at 30 November 2018	-	376,535	376,535	-	-	-

Management considers that fair value of above assets and liabilities approximate their carrying amount due to short term nature of these assets and liabilities or fair value not significantly different to their carrying amounts owing to credit standing of counter parties.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

34.1 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.

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, 2019	November 30, 2018
	(Rupees in '000)	
Loans to employees	13,201	16,901
Long term deposits	145	1,095
Trade debts	2,545	17,405
Loans and advances	41,911	62,149
Interest accrued	16,902	7,598
Trade deposits and other receivables	39,764	294,881
Bank balances	<u>1,149,185</u>	<u>907,654</u>
	<u>1,263,653</u>	<u>1,307,683</u>

34.1.1 Credit risk is mitigated as the Company has 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.

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

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

	November 30, 2019	November 30, 2018
	(Rupees in '000)	
Not past due	2,545	17,405
Past due and impaired	-	-
	2,545	17,405

34.2 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, 2019				
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
	----- (Rupees in '000) -----				
Financial liabilities					
Creditors	507,067	507,067	(507,067)	-	-
Accrued liabilities	113,312	113,312	(113,312)	-	-
Accumulated compensated absences	7,320	7,320	(7,320)	-	-
Unclaimed dividend	11,185	11,185	(11,185)	-	-
	638,884	638,884	(638,884)	-	-

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

November 30, 2018

	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
----- (Rupees in '000) -----					
Financial liabilities					
Creditors	94,957	94,957	(94,957)	-	-
Accrued liabilities	155,526	155,526	(155,526)	-	-
Accumulated compensated absences	6,884	6,884	(6,884)	-	-
Unclaimed dividend	10,759	10,759	(10,759)	-	-
	<u>268,126</u>	<u>268,126</u>	<u>(268,126)</u>	-	-

34.3 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.

34.3.1 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:

	November 30, 2019	November 30, 2018
	Amount in USD	
Creditors	<u>(3,205,105)</u>	(613,728)
Gross balance sheet exposure	<u>(3,205,105)</u>	<u>(613,728)</u>

The average rate for US Dollars during the year was USD 1 = Rs. 148.17 (2018: USD 1 = Rs. 118.49) and the rate at year end was USD 1 = Rs.156.66 (2018: USD 1 = Rs. 141.00).

34.3.2 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. 50.21 million (2018: Rs. 8.68 million).

34.3.3 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, 2019, Rs. 1,149.19 million (2018: Rs. 907.65 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. 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.

36. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison and better presentation the effect of which is immaterial.


37. EVENTS AFTER REPORTING DATE

The Board of Directors have proposed a final cash dividend for the year ended November 30, 2019 of Rs. 100 (2018: Rs. 50) per share, amounting to Rs. 142.16 million (2018: Rs. 71.08 million) at their meeting held on February 25, 2020 subject to the approval of members at the annual general meeting to be held on March 27, 2020.

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

38. DATE OF AUTHORISATION

These financial statements were authorized for issuance by the Board of Directors of the Company on February 25, 2020.


S. M. Wajeehuddin
Chief Executive


M. Z. Moin Mohajir
Director


Kashif Shafi
Chief Financial Officer

SIX YEARS AT A GLANCE from 2013 to 2019

(Rupees in '000)

	2014	2015	2016	2017	2018	2019
Sales	3,054,725	2,674,709	2,770,780	1,829,096	1,192,352	948,237
Cost of sales	2,595,819	2,332,608	2,264,245	1,457,126	985,842	843,143
Gross profit	458,906	342,101	506,535	371,970	206,510	105,094
Selling, marketing, distribution and administrative expenses	514,489	286,536	284,163	397,782	222,514	158,622
Other operating income / (expenses) - net	42,030	26,880	(26,278)	1,383,026	68,432	148,331
Operating profit / (loss)	(13,553)	82,445	196,094	1,357,214	52,428	94,803
Finance cost	339	1,112	1,315	2,200	28,232	26,735
Profit/ (loss) before taxation	(13,892)	81,333	194,779	1,355,014	24,196	68,068
Taxation	70,660	49,316	81,963	375,019	35,314	44,892
Profit/ (loss) after taxation	(84,552)	32,017	112,816	979,995	(11,118)	23,176
Shareholders' equity	1,093,295	1,140,762	1,224,526	1,711,660	1,268,019	1,237,719
Property, plant and equipment	264,195	382,239	16,900	6,649	13,485	15,123
Current assets	1,345,947	1,288,636	1,923,697	2,558,996	1,664,455	1,971,330
Current liabilities	545,626	551,013	745,394	860,271	422,810	757,006
Current ratio	2.47	2.34	2.58	2.97	3.94	2.60
Dividend	-	20%	35%	600%	50%	100%
Number of employees as at November 30	195	187	173	83	82	75

Wyeth

PATTERN OF SHAREHOLDING AS AT NOVEMBER 30, 2019

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
930	1	100	27,519	1.94
197	101	500	50,034	3.52
30	501	1000	21,695	1.53
27	1001	5000	65,394	4.60
1	10001	15000	10,201	0.72
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
1190			1,421,609	100.00

CATEGORIES OF SHAREHOLDERS AS AT NOVEMBER 30, 2019

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	6	127	0.01
Banks, DFI & NBFI	1	59,477	4.18
Insurance companies	1	52,374	3.68
Residents Individuals	1,136	147,800	10.40
Non - resident Individuals	28	5,900	0.42
Foreign companies	1	4,400	0.31
Others	13	11,927	0.84
COMPANY TOTAL	1,190	1,421,609	100.00

CATEGORIES OF SHAREHOLDERS AS AT NOVEMBER 30, 2019

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

Category No.	Categories of Shareholders	Number of shares held	Percentage
1	Associated companies, undertakings and related parties		
	Wyeth LLC, U.S.A	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
2	NIT	114,574	8.0594
3	Directors, Chief Executive and their spouses and minor children		
	S. M. WAJEEHUDDIN	2	0.0001
	IFTIKHAR SOOMRO	2	0.0001
	IQBAL BENGALI	2	0.0001
	SYED ZAKWAN AHMED	1	0.0001
	BADARUDDIN FATEHALI VELLANI	100	0.0070
	MUHAMMAD ZINDAH MOIN MOHAJIR	20	0.0014
4	Public Sectors Companies and corporations	Nil	Nil
5	Banks, Developments Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds		
	National Bank of Pakistan	59,477	4.1838
	State Life Insurance Corp. of Pakistan	52,374	3.6841
6	Shareholders holding five percent or more voting interest in the Listed Company		
	Wyeth LLC, U.S.A	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	111,574	7.8484

FORM OF PROXY 71st 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 71st Annual
General Meeting of the Company to be held on Friday March 27, 2020 at 11:00 a.m. and any
adjournment thereof.

As witness my/our hand this _____ day of _____ 2020 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

۱۷ 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 ۱۷ ویں سالانہ اجلاس عام جو بتاریخ ۲۷ مارچ ۲۰۲۰ء بروز جمعہ ۱۱:۰۰ صبح

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

گواہ میرے/ہمارے دن دستخط ۲۰۲۰ء

برائے ان کی موجودگی میں

ریوینوئلٹ

۵ روپے

چسپاں کریں

دستخط ممبر

دستخط/پتہ گواہ

فولیو نمبر - CDC اکاؤنٹ نمبر اور شراکت دار کے

شیرز کی تعداد

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

Wyeth

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