



Accounts

For the nine months ended March 31, 2015

Otsuka Pakistan Ltd.

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Factory : No. F/4-9, Hub Industrial Trading Estate, Distt: Lasbella, Balochistan, Pakistan. Tele.:(0853) 302363, 303218, 303517, 304395-97
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COMPANY INFORMATION

BOARD OF DIRECTORS	:	Mr. Harry Bagjo (Chairman) (Alternate: Mr. Tariq Mehtab Feroz) Mr. Hanif Sattar (Chief Executive) Mr. Makoto Sekiyama (Alternate: Mr. Abid Hussain) Mr. Mehtabuddin Feroz Mr. Yasuo Bando Mr. Mohammad Abdullah Feroz Mr. Makio Osaka (Alternate: Mr. Sajid Ali Khan) Mr. Nazimuddin Feroz Mr. Noor Muhammad (Independent Director)
COMPANY SECRETARY	:	Mr. Sajid Ali Khan
AUDIT SUB COMMITTEE OF THE BOARD	:	Mr. Noor Muhammad (Chairman) Mr. Makoto Sekiyama (Member) Mr. Mehtabuddin Feroz (Member) Mr. Abid Hussain (Member)
HUMAN RESOURCES & REMUNERATION COMMITTEE SUB COMMITTEE OF THE BOARD	:	Mr. Makoto Sekiyama (Chairman) Mr. Mehtabuddin Feroz (Member) Mr. Hanif Sattar (Member)
AUDITORS	:	A.F. Ferguson & Co. (Chartered Accountants)
LEGAL ADVISORS	:	Hassan & Humayun Associates
BANKERS	:	The Bank of Tokyo-Mitsubishi, UFJ Ltd. Bank Alfalah Limited Barclays Bank, PLC The Bank of Punjab Habib Bank Limited Allied Bank Limited MCB Bank Limited National Bank of Pakistan
REGISTERED OFFICE	:	30-B, Sindhi Muslim Co-operative, Housing Society, Karachi-74400 Tel.: 34528651 – 4, Fax: 34549857 E-mail: sakhan@otsuka.pk jnoor@otsuka.pk Web site: www.otsuka.pk
FACTORY	:	Plot No. F/4-9, Hub Industrial Trading Estate, Distt. Lasbella (Balochistan) Tel.: (0853) 303517-8 Fax: (0853) 303519
SHARE REGISTRAR	:	Central Depository Company of Pakistan Limited CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal <u>Karachi-74400.</u> Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Fax: (92-21) 34326053 Email: info@cdcpak.com Website: www.cdcpakistan.com

DIRECTORS' REPORT

The Directors are pleased to present the accounts of the company for the quarter ended March 31, 2015.

Business Review

After revamping, the plant is successfully operating bearing some off and on minor technical issues. Water shortage problem at Hub still persist and company has to bear additional cost on this account.

Sales for the quarter under review increased by 71% in comparison with the same period last year and on cumulative basis 33% increase over the corresponding period last year. Gross profit is still not upto the mark due to low prices of IV solutions. Company has strict control over expenses however, due to heavy financial cost the quarter ended with a loss before tax of Rs.51 million compared to loss of Rs.74 million same period last year.

Future Outlook

In new pricing policy the government has given special consideration to IV solution business, a committee has been formed to evaluate problems and to recommend price increase for IV solution. This effort of the Government is encouraging and we hope that this august committee will give a favorable recommendation and soon a reasonable price increase for IV solution will be announced. Beside price increase matter, the Board is of the view that the company will overcome other issues with the passage of time.

On behalf of the Board



Hanif Sattar

Chief Executive Officer

Karachi

Dated: April 21, 2015

OTSUKA PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2015

	Note	(Unaudited) March 31, 2015 -----Rupees in '000-----	(Audited) June 30, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	655,335	715,754
Long-term loans - considered good		5,070	5,123
Long-term deposits		788	783
Deferred tax asset - net	5	127,979	80,048
		<u>789,172</u>	<u>801,708</u>
Current assets			
Stores and spares		51,035	46,422
Stock-in-trade - net		503,795	476,290
Trade debts - unsecured - net		116,114	120,088
Loans and advances - considered good		34,088	22,776
Trade deposits, short-term prepayments and other receivables		19,759	25,041
Taxation - net		135,607	88,543
Cash and bank balances		11,743	3,680
		<u>872,141</u>	<u>782,840</u>
Total assets		<u><u>1,661,313</u></u>	<u><u>1,584,548</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital			
Authorised share capital			
20,000,000 (June 30, 2014: 20,000,000) ordinary shares of Rs 10 each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up share capital			
11,000,000 (June 30, 2014: 11,000,000) ordinary shares of Rs 10 each		110,000	110,000
Revenue reserves		81,056	180,110
Shareholders' equity		<u>191,056</u>	<u>290,110</u>
LIABILITIES			
Non-current liabilities			
Long-term finance - secured	6	108,334	216,666
Current liabilities			
Short-term loan from a related party - unsecured		232,635	73,095
Trade and other payables		265,030	301,691
Current maturity of long-term finance - secured	6	108,333	108,334
Short-term running finance - secured		729,794	557,459
Mark-up accrued		26,131	37,193
		<u>1,361,923</u>	<u>1,077,772</u>
Total equity and liabilities		<u><u>1,661,313</u></u>	<u><u>1,584,548</u></u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


Chief Executive


Director

OTSUKA PAKISTAN LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015

	Nine months ended March 31,		Quarter ended March 31,	
	2015	2014	2015	2014
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Net sales	1,008,716	758,052	368,408	215,528
Cost of sales	(906,888)	(737,541)	(322,508)	(214,899)
Gross profit / (loss)	101,828	20,511	45,900	629
Selling and distribution expenses	(130,471)	(113,450)	(46,439)	(38,732)
Administrative and general expenses	(49,561)	(48,650)	(17,121)	(16,026)
	(78,204)	(141,589)	(17,660)	(54,129)
Other income	38,912	36,096	5,271	2,235
	(39,292)	(105,493)	(12,389)	(51,894)
Other operating expenses	(26,569)	(56,158)	(12,508)	(4,057)
Operating loss	(65,861)	(161,651)	(24,897)	(55,951)
Finance cost	(81,904)	(38,291)	(26,234)	(17,970)
Loss for the period before taxation	(147,765)	(199,942)	(51,131)	(73,921)
Taxation - net	50,162	32,802	15,006	(2,157)
Loss for the period after taxation	(97,603)	(167,140)	(36,125)	(76,078)
	----- Rupees -----			
Loss per share - basic and diluted	(8.87)	(15.19)	(3.28)	(6.92)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


 Chief Executive


 Director

OTSUKA PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015

	Nine Months ended March 31,		Quarter ended March 31,	
	2015 ---- Rupees in '000 ----	2014	2015 ---- Rupees in '000 ----	2014
Loss for the period after taxation	(97,603)	(167,140)	(36,125)	(76,078)
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit plan	(2,232)	213	-	107
Deferred tax on remeasurements of defined benefit plan	781	-	-	-
	(1,451)	213	-	107
Total comprehensive loss for the period	(99,054)	(166,927)	(36,125)	(75,971)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


 Chief Executive


 Director

OTSUKA PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

Note	Nine months ended March 31,	
	2015	2014
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before taxation	(147,765)	(199,942)
Adjustment for non-cash charges and other items:		
Depreciation	82,860	46,281
Gain on disposal of property, plant and equipment (Reversal of provision) / provision for slow moving and obsolete stock-in-trade - net	(1,577)	(158)
Provision for stents - net	(4,415)	16,742
Impairment of trade debts - net	7,417	1,619
Mark-up on finances	774	318
	<u>81,904</u>	<u>38,291</u>
	19,198	(96,849)
Working capital changes (Increase) / decrease in current assets		
Stores and spares	(4,613)	(2,805)
Stock-in-trade	(30,507)	14,739
Trade debts - unsecured	3,200	7,099
Loans and advances	(11,312)	10,538
Trade deposits, short-term prepayments and other receivables	5,282	(7,862)
	<u>(37,950)</u>	<u>21,709</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(38,893)	41,001
	<u>(76,843)</u>	<u>62,710</u>
Cash generates from operations		
Interest paid	(92,966)	(48,531)
Taxes paid	(44,052)	(57,512)
Increase in long-term deposits	(5)	(40)
Decrease in long-term loans	53	609
Net cash used in operating activities	<u>(194,615)</u>	<u>(139,613)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(24,212)	(313,559)
Proceeds from disposal of property, plant and equipment	3,348	510
Net cash used in investing activities	<u>(20,864)</u>	<u>(313,049)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance (paid) / obtained	(108,333)	225,000
Short-term loan from a related party	159,540	-
Net cash (used in) / generated from financing activities	<u>51,207</u>	<u>225,000</u>
Net decrease in cash and cash equivalents	<u>(164,272)</u>	<u>(227,662)</u>
Cash and cash equivalents at the beginning of the period	(553,779)	(362,690)
Cash and cash equivalents at the end of the period	9 <u>(718,051)</u>	<u>(590,352)</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


Chief Executive


Director

OTSUKA PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total	
		Reserve for issue of bonus shares	General reserve	Unappropriated profit / (accumulated loss)		Sub-total
----- Rupees in '000 -----						
Balance as at July 1, 2013	100,000	-	377,500	10,407	387,907	487,907
Total comprehensive loss for the period ended March 31, 2014	-	-	-	(166,927)	(166,927)	(166,927)
Transactions with owners recognised directly in equity						
Transfer for reserve for issue of bonus shares	-	10,000	(10,000)	-	(10,000)	-
Interim issue of bonus shares @ 10% for the year ended June 30, 2014 declared on October 23, 2013	10,000	(10,000)	-	-	-	-
Balance as at March 31, 2014	<u>110,000</u>	<u>-</u>	<u>367,500</u>	<u>(156,520)</u>	<u>210,980</u>	<u>320,980</u>
Balance as at July 1, 2014	110,000	-	367,500	(187,390)	180,110	290,110
Total comprehensive loss for the period ended March 31, 2015	-	-	-	(99,054)	(99,054)	(99,054)
Balance as at March 31, 2015	<u>110,000</u>	<u>-</u>	<u>367,500</u>	<u>(286,444)</u>	<u>81,056</u>	<u>191,056</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.


 Chief Executive


 Director

OTSUKA PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company is incorporated in Pakistan as a public limited company and is listed on the Karachi and Lahore Stock Exchanges. The address of its registered office is 30-B, S.M.C.H. Society, Karachi, Pakistan. It is engaged in the manufacturing, marketing and distribution of intravenous (IV) infusions and trading in pharmaceutical products, nutritional foods and medical equipment. The Company is an indirect subsidiary of Otsuka Pharmaceutical Company Limited, Japan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the requirements of the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended June 30, 2014.

2.2 Accounting convention

This condensed interim financial information has been prepared under the historical cost convention except that obligations in respect of certain staff retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets and stock-in-trade is carried at the lower of cost and net realisable value.

3 ACCOUNTING POLICIES, SIGNIFICANT ESTIMATES, JUDGMENTS AND ASSOCIATED ASSUMPTIONS

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Company for the year ended June 30, 2014.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of the accounting policies of the Company. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future period.

The significant estimates, judgments and assumptions made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied to the financial statements of the Company as at and for the year ended June 30, 2014.

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- 3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended June 30, 2014.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2014 but are expected to have no significant effect on this condensed interim financial information.

	Note	(Unaudited) March 31, 2015	(Audited) June 30, 2014
-----Rupees in '000-----			
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	642,742	704,484
Capital work-in-progress	4.2	12,593	11,270
		<u>655,335</u>	<u>715,754</u>

- 4.1 The following additions to and disposals of operating fixed assets have been made during the period:

	----- Nine months ended March 31, 2015 -----				
	Building on leasehold land	Plant and machinery	Furniture, fixtures and equipment	Vehicles	Total
----- Rupees in '000 -----					
Additions	1,423	15,519	1,913	4,034	22,889
Disposals:					
Cost	-	-	-	4,652	4,652
Accumulated depreciation	-	-	-	(2,881)	(2,881)
	-	-	-	1,771	1,771

	----- Nine months ended March 31, 2014 -----				
	Building on leasehold land	Plant and machinery	Furniture, fixtures and equipment	Vehicles	Total
----- Rupees in '000 -----					
Additions	3,833	3,806	940	997	9,576
Disposals:					
Cost	-	-	217	840	1,057
Accumulated depreciation	-	-	(217)	(489)	(706)
	-	-	-	351	351

	Note	(Unaudited) March 31, 2015	(Audited) June 30, 2014
-----Rupees in '000-----			
4.2 Capital work-in-progress			
Stores and spares held for capital expenditure		<u>7,749</u>	<u>11,270</u>

5 DEFERRED TAX ASSET - NET

The Company has an aggregate amount of Rs 512.204 million (June 30, 2014: Rs 387.901 million) in respect of tax losses as at March 31, 2015. The management has recognised a deferred tax debit balance on these losses, which represents the management's best estimate of probable benefit expected to be realised in future years in the form of reduced tax liability as the Company would be able to set off the profit earned in these years against losses carried forward from prior years. The amount of this benefit has been determined based on a business plan of the Company for the next five years which has been approved by the Board of Directors of the Company. The business plan involves certain key assumptions underlying the estimation of future taxable profits estimated in the plan. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio of the Company, sales mix of certain products availability of finance from the group company plant maximum capacity utilisation and certain other expansion initiatives. Any significant change in the aforementioned key assumptions may have an effect on the realisability of the deferred tax asset. The management believes that it is probable that the Company will be able to achieve the profits projected in the business plan and consequently the deferred tax asset will be fully realised in future years.

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		(Unaudited)	(Audited)
		March	June
		31, 2015	30, 2014
		-----Rupees in '000-----	
6	LONG TERM FINANCE - SECURED	Note	
	From banking company		
	Long-term finance utilised under mark-up arrangements	6.1	216,667
	Less: Current maturity		325,000
			(108,333)
			<u>216,666</u>

6.1 The long-term finance facility amounting in aggregate to Rs 216.667 million (June 30, 2014: Rs 325 million) was availed from Bank of Tokyo-Mitsubishi UFJ, Limited (Pakistan branch) to finance the balancing, modernisation and replacement (BMR) project of the Company. The facility was drawn by the Company on January 30, 2013 and is to be fully repaid by January 2, 2017. The Company has paid the first instalment of the principal and mark-up on July 02, 2014. Mark-up and principal amounts are payable in equal semi-annual instalments. Mark-up is charged at the rate of 6 months KIBOR + 1.75% per annum on the outstanding balance of the facility. The facility is secured by first pari-passu hypothecation and / or first equitable mortgage charge on all of the Company's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures, etc.

7 CONTINGENCIES AND COMMITMENTS

7.1 On March 05, 2014, a notice of demand was served on the Company by the Additional Commissioner Inland Revenue (ACIR) for an amount of Rs 164.778 million (June 30, 2014: Rs 164.778 million) under section 122 (5A) of the Income Tax Ordinance, 2001. The ACIR added back certain items such as exchange loss, claims against provisions and write-offs of inventory & trade debts, disallowance of finance cost, etc. in the income returned for tax year 2012. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] who upheld the action of ACIR on certain items against which the Company filed an appeal before the Appellate Tribunal Inland Revenue to review the action of the CIR(A) which is pending adjudication. As at December 31, 2014, no provision has been made in this condensed interim financial information in respect of this amount as the management expects a favourable outcome in respect of the above matter.

7.2 On August 2009, a notice of demand was served on the Company by the Deputy Commissioner of Income Tax (DCIT) for an amount of Rs 5.721 million (June 30, 2014: Rs 5.721 million) including additional tax amounting to Rs 0.457 million (June 30, 2014: Rs 0.457 million) under sections 161, 162 and 205 of the Income Tax Ordinance, 2001. Out of the total demand, Company had already paid an amount of Rs 1.50 million (June 30, 2014: Rs 1.50 million). The Company had filed an appeal against the order of the DCIT which is pending adjudication. As at December 31, 2014, no provision has been made in this condensed interim financial information in respect of the amount of Rs 5.721 million (June 30, 2014: Rs 5.721 million) as the management is confident that the matter will be decided in favour of the Company.

		(Unaudited)	(Audited)
		March	June
		31, 2014	30, 2014
		-----Rupees in '000-----	
7.3	Commitments represent:		
	Letters of credit	19,935	8,257
	Letters of guarantee	24,390	9,287

There were no other contingencies and commitments outstanding as on March 31, 2015 and June 30, 2014.

8 TRANSACTIONS WITH RELATED PARTIES

Related parties include Otsuka Pharmaceutical Company Limited the holding company, associated companies / undertakings (namely Otsuka Pharmaceutical Factory Incorporation, Japan, Thai Otsuka Pharmaceutical Company Limited, Thailand, PT Otsuka Indonesia, Indonesia, Otsuka Pharmaceutical Company, Vietnam, Microport Medical (Shanghai) Company Limited, Otsuka Welfare Clinic, etc.), entities under common directorship (namely Hospital Supply Corporation and Efroze Chemicals Industries (Private) Limited), staff retirement funds and key management personnel. Details of transactions with related parties are as follows:

Particulars	(Unaudited) Nine months ended March 31, 2015					(Unaudited) None months ended March 31, 2014
	Parent company	Other associated undertakings	Key management personnel	Other related parties	Total	

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

Transactions during the period

Net sales (net of discounts allowed Rs.70.405

million; 2014: Rs 69.850 million)	-	448,409	-	-	448,409	407,469
Inventory purchased	-	93,960	-	1,046	95,006	137,753
Donation to Otsuka Welfare Clinic	-	100	-	-	100	-
Consultancy charges	-	-	2,000	-	2,000	1,800
Remuneration of the key management personnel	-	-	56,518	-	56,518	54,643
Short-term loan from a related party	-	169,238	-	-	169,238	-
Mark-up expense on short-term loan from a related party	-	530	-	-	530	-
Charge relating to staff provident fund	-	-	-	6,226	6,226	6,798
Charge relating to staff gratuity fund	-	-	-	4,799	4,799	4,933

Particulars	(Unaudited) As at March 31, 2015					(Audited) June 30, 2014
	Parent company	Other associated undertakings	Key management personnel	Other related parties	Total	

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

Balance outstanding as at the end of the period / year

Receivable from Hospital Supply Corporation against sale of goods	-	75,324	-	-	75,324	97,807
Advance to Efroze Chemicals Industries (Private) Limited	-	11,301	-	-	11,301	11,198
Payable to Otsuka Pharmaceutical Company Limited, Japan	32,950	-	-	-	32,950	65,760
Payable to PT Otsuka, Indonesia	-	-	-	-	-	2,021
Payable to Otsuka OPV Joint Stock Company	-	890	-	-	890	865
Payable to Shanghai Microport Medical (Group) Company Limited	-	30,582	-	-	30,582	24,749
Payable to Otsuka Pharmaceutical Factory, Inc.	-	4,177	-	-	4,177	3,499
Payable to Thai Otsuka Pharmaceutical Company Limited, Thailand	-	-	-	-	-	19,038
Loan from Otsuka Pharmaceutical Factory, Inc.	-	232,635	-	-	232,635	73,095
Advance from key management personnel	-	-	1,718	-	1,718	1,314
Mark-up payable on short-term loan from an associated company	-	297	-	-	297	17
Payable to Employees' Provident Fund	-	-	-	1,986	1,986	1,959
Payable to Employees' Gratuity Fund	-	-	-	1,594	1,594	5,543
Advance to Otsuka Welfare Clinic	-	-	-	-	-	360

The Company enters into transactions with related parties for the sale of its products, purchase of raw materials, finished goods and spare parts and for rendering of certain services. Sales to related parties represent sales made to Hospital Supply Corporation which is the sole distributor of the Company's products in the southern region. The Company allows discount to the distributor on trade price based on agreed terms. In addition to the discount given at the time of sale, the Company also offers specific discounts based on product promotion policies. Purchases from related parties primarily represent purchases of raw materials and finished goods from Otsuka group companies.

Remuneration to the key management personnel is based on the agreed terms of employment with such personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including the Chief Executive Officer and working directors to be its key management personnel.

Contributions to and accruals in respect of staff retirement benefit plans are made in accordance with actuarial recommendations and terms of the contribution plans.

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9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim cash flow statement comprise the following items included in the condensed interim balance sheet:

	(Unaudited) March 31, 2015	(Unaudited) December 31, 2013
	---Rupees in '000---	
Cash and bank balances	11,743	3,826
Short-term running finance utilised under mark-up arrangements	<u>(729,794)</u>	<u>(460,583)</u>
	<u>(718,051)</u>	<u>(456,757)</u>

10 SEGMENT INFORMATION

- 10.1 This condensed interim financial information has been prepared on the basis of a single reportable segment.
- 10.2 Sales from Intravenous Solutions represent 79.24 percent while sales from others represent 20.76 percent (March 31, 2014: 77.26 percent and 20.76 percent) respectively of the total sales of the Company.
- 10.3 Sales to Hospital Supply Corporation (a related party of the Company) which is the sole distributor in the southern region was around 43.45.82 percent during the period ended March 31, 2015 (March 31, 2014: 53.75 percent).
- 10.4 All non-current assets of the Company as at March 31, 2015 are located in Pakistan.

11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of comparison and better presentation. There were no major reclassifications in this condensed interim financial information during the current period.

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 21 - APR - 2015 by the Board of Directors of the Company.

13 GENERAL

Figures in this condensed interim financial information have been rounded off to the nearest thousand rupees.


Chief Executive


Director