

QUARTERLY REPORT
SEPTEMBER

14



SEARLE

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COMPANY INFORMATION

Board of Directors

Mr. Adnan Asdar Ali	Chairman
Mr. Rashid Abdulla	Chief Executive Officer
Mr. Husain Lawai	
Mr. S. Nadeem Ahmed	Managing Director
Mr. Zubair Palwala	
Mr. Ayaz Abdulla	
Mr. Asad Abdulla	
Mr. Munis Abdullah	
Mrs. Faiza Naeem	

Board of Audit Committee

Mr. Husain Lawai	Chairman
Mr. S. Nadeem Ahmed	
Mr. Asad Abdulla	

Board of HR & Remuneration Committee

Mr. Munis Abdullah	Chairman
Mr. Ayaz Abdulla	
Mr. Asad Abdulla	

Chief Financial Officer

Mr. Mobeen Alam

Company Secretary

Mr. Zubair Palwala

Auditors

Grant Thornton Anjum Asim Shahid Rahman

Legal Advisors

Mohsin Tayebaly & Co.

Bankers

- Standard Chartered Bank (Pakistan) Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- National Bank of Pakistan
- Faysal Bank Limited
- The Bank of Punjab
- Soneri Bank Limited
- Citibank N.A.
- Dubai Islamic Bank Pakistan Limited

Registered Office

First Floor, N.I.C. Building, Abbasi Shaheed Road,
Off: Shahrah-e-Faisal, Karachi.

Share Registrar

Central Depository Company of Pakistan Limited
Head Office, CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahrah-e-Faisal
Karachi - 74400

DIRECTORS' REPORT TO THE MEMBERS

We are pleased to present the financial information of the group for the first quarter ended September 30, 2014. This financial information is submitted in accordance with section 245 of the Companies Ordinance, 1984.

Operating results

	September 30, 2014	2013
	Rupees in 000	
Revenue	2,163,788	1,629,354
Gross profit	1,061,505	776,260
Operating expenses	516,167	408,018
Operating profit	545,338	368,242
Profit before taxation	468,084	311,156
Profit after taxation	373,604	237,244

Net sales of the group were reported at Rs. 2,163 million, registered an impressive growth of 32.8% over the corresponding quarter of last year. The double digit revenue growth is a result of domestic volume growth due to expanding doctor coverage coupled with the price increase made during the quarter of the last year. The gross margin remained constant at 49.1% as compared to 47.6% of the quarter last year.

The percentage of sales devoted to the operating expenses slightly dropped down to 23.9% as compared to 25.0% for the corresponding quarter last year, the said decrease is mainly due to more focus and control over the expenditure.

Profit before tax as a percent of net sales increased to 21.6% (2013: 19.1%). Similarly, the profit after tax increased to 17.3% (2013: 14.6%). Our past investments in our subsidiaries have started contribution towards the profitability of the group.

Future outlook

The group is one of the leading pharmaceutical Companies in terms of growth. We are in almost all high-density therapeutic avenues such as Cardiovascular, Diabetes, Orthopedics, Neurology, and Pediatrics and are constantly increasing our presence in other therapeutic areas such as Antibiotics, Gastroenterology, Pulmonology, Virology and Oncology.

Group sees huge potential for the infusion business therefore we are planning to expand its current production capacity and by diversification into a portfolio of IV sets and accessories.

Globally there is a significant shift in R&D from conventional pharmaceutical to Biotechnology product. So as in Pakistan, we having a purpose built, FDA complaint state of art manufacturing facility in which we intent to produce biological products for Oncology, Rheumatology, Nephrology & Virology for local & international markets.

We are more confident than ever that the group is well placed to succeed in emerging markets.

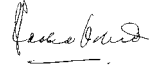
Group is planning to align with global trends including an ongoing population growth, rising demand of generic branded pharmaceuticals and nutritional products. Searle will aggressively focus on the global market and will primarily focus to expand the business operation in existing export countries while looking to penetrate into new countries as well.

Acknowledgement

We wish to thank the customers for their faith in our products, and their continuing patronage. We also take this opportunity to thank our suppliers, bankers and distributors for providing us with their valuable support throughout the year.

Finally we wish to thank our staff who remained committed to deliver towards the growth of your Company.

For and on behalf of the board



Rashid Abdulla
Chief Executive Officer

Karachi
October 23, 2014

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2014

ASSETS	Note	Unaudited September 30, 2014	Audited June 30, 2014
		(Rupees in '000)	
Non-current assets			
Fixed assets			
- Property, plant and equipment	5	552,845	560,152
- Intangible assets		44,447	47,782
		597,292	607,934
Investment property	6	2,553,601	2,516,865
Long-term investment		155,500	124,500
Long-term loans		603	878
Long-term deposits		1,598	1,598
Total non-current assets		3,308,594	3,251,775
Current assets			
Stores and spares		1,004	1,004
Stock-in-trade		956,271	1,012,255
Trade debts	7	2,095,816	1,702,218
Loans and advances		196,797	191,546
Trade deposits and short term prepayments		109,773	91,257
Other receivables		79,700	63,928
Short term investment		115,900	41,042
Advance Tax		199,425	196,600
Cash and bank balances	8	51,882	106,799
Total current assets		3,806,568	3,406,649
Total assets		7,115,162	6,658,424
EQUITY AND LIABILITIES			
Shareholders' equity			
70,000,000 (June 2014: 70,000,000) ordinary shares of Rs. 10 each		700,000	700,000
Issued, subscribed and paid-up capital	9	613,148	613,148
General reserve		280,251	280,251
Unappropriated profit		2,854,890	2,520,678
Equity attributable to the Holding Company's shareholders		3,748,289	3,414,077
Non-controlling interest		300,239	260,847
Total equity		4,048,528	3,674,924
Surplus on revaluation of fixed assets		168,163	168,163
Non-current liabilities			
Long term finances - secured			
Deferred liabilities		675,000	675,000
Taxation		42,379	42,379
Gratuity - unfunded		34,253	33,503
		76,632	75,882
Total non-current liabilities		751,632	750,882
Trade and other payables			
Accrued mark-up		1,171,199	1,082,621
Short-term finances		62,940	35,952
Current portion of long term finances		762,700	795,882
		150,000	150,000
Total current liabilities		2,146,839	2,064,455
Total liabilities		2,898,471	2,815,337
Contingencies and commitments	10		
Total equity and liabilities		7,115,162	6,658,424

The annexed selected notes from 1 to 16 form an integral part of this condensed interim consolidated financial information.



Rashid Abdulla

Chief Executive Officer



Syed Nadeem Ahmed

Managing Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT - Un-audited

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	Quarter ended	
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
NET SALES		2,163,788	1,629,354
COST OF SALES		<u>1,102,283</u>	<u>853,094</u>
GROSS PROFIT		1,061,505	776,260
Selling and distribution expenses		<u>441,624</u>	<u>351,900</u>
Administrative expenses		<u>74,543</u>	<u>56,118</u>
		<u>516,167</u>	<u>408,018</u>
OPERATING PROFIT		545,338	368,242
Other operating income		16,763	20,195
		<u>562,101</u>	<u>388,437</u>
Other operating expenses			
- Finance cost		<u>55,878</u>	<u>49,764</u>
- Other charges		<u>38,139</u>	<u>27,517</u>
		<u>94,017</u>	<u>77,281</u>
PROFIT BEFORE INCOME TAX		468,084	311,156
Income tax expense		94,480	73,912
PROFIT FOR THE PERIOD		<u><u>373,604</u></u>	<u><u>237,244</u></u>
		----- (Rupees) -----	
EARNINGS PER SHARE - BASIC AND DILUTED	11	<u><u>5.45</u></u>	<u><u>3.50</u></u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim consolidated financial information.



Rashid Abdulla

Chief Executive Officer



Syed Nadeem Ahmed

Managing Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Un-audited

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Quarter ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
PROFIT FOR THE PERIOD	373,604	237,244
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>373,604</u>	<u>237,244</u>
Total comprehensive income attributable to:		
Shareholders' of the holding Company	334,212	214,654
Non-controlling interest	39,392	22,590
	<u>373,604</u>	<u>237,244</u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim consolidated financial information.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director

CONSOLIDATED STATEMENT OF CASH FLOWS - Un-audited

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

		Quarter ended	
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Cash generated from operations after working capital changes	12	249,213	170,865
Gratuity paid		-	(5,520)
Taxes paid		(97,306)	(97,044)
Recovery / (Advance) of long-term loans		275	(50)
Advance of short-term loans		(5,251)	(251,021)
Payment of long-term deposits		-	1,228
		146,932	(181,542)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(10,638)	(3,112)
Additions to Investment property under work in progress		(36,736)	(33,017)
Long-term investment in associated company	6	(31,000)	-
Short term investments		(74,858)	-
Proceeds from disposal of property, plant and equipment		13,041	15,990
Mark-up received from associated company		-	14,914
		(140,191)	(5,225)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		-	(600)
Dividend paid		-	(107)
Financial charges paid		(28,476)	(9,731)
Net cash used in financing activities		(28,476)	(10,438)
Net decrease in cash and cash equivalents		(21,735)	(197,205)
Cash and cash equivalents at the beginning of the period		(689,083)	(290,869)
Cash and cash equivalents at the end of the period	13	(710,818)	(488,074)

The annexed selected notes from 1 to 16 form an integral part of this condensed interim consolidated financial information.



Rashid Abdulla

Chief Executive Officer



Syed Nadeem Ahmed

Managing Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Capital reserve	Revenue reserve					
	Share capital	Reserve for issue of bonus shares	General reserve	Total reserves	Unappropriated profit	Non Controlling Interest	Share holders' equity
----- (Rupees in '000) -----							
Balance as at July 01, 2013	471,652	-	280,251	280,251	1,941,034	226,428	2,919,365
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation for the period (net of tax)	-	-	-	-	4,150	-	4,150
Total comprehensive income for the period	-	-	-	-	214,654	22,590	237,244
Balance as at September 30, 2013	<u>471,652</u>	<u>-</u>	<u>280,251</u>	<u>280,251</u>	<u>2,159,838</u>	<u>249,018</u>	<u>3,160,759</u>
Balance as at July 01, 2014	613,148	-	280,251	280,251	2,520,678	260,847	3,674,924
Total comprehensive income for the period	-	-	-	-	334,212	39,392	373,604
Balance as at September 30, 2014	<u>613,148</u>	<u>-</u>	<u>280,251</u>	<u>280,251</u>	<u>2,854,890</u>	<u>300,239</u>	<u>4,048,528</u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim consolidated financial information.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

1 LEGAL STATUS AND OPERATIONS

The Searle Company Limited (formerly "Searle Pakistan Limited" (the Company)) was incorporated in Pakistan as a private limited company in October 1965. In November 1993, the Company was converted to a public limited company. Its shares are quoted on the Karachi and Islamabad stock exchanges. The Company is principally engaged in the manufacture of pharmaceutical products and other consumer products. In addition, the Company is engaged in sale of food and consumer items and manufacture of pharmaceutical items for other companies. Registered office of the Company is located at First Floor, N.I.C. Building, Abbasi Shaheed Road, Shahrae-e-Faisal, Karachi.

The company is a subsidiary of International Brands Limited.

The Company is the holding company of IBL HealthCare Limited due to significant representation in Board of Directors and 50% shareholding. Further, the Company has also wholly owned subsidiaries namely Searle Laboratories (Private) Limited, Searle Pharmaceuticals (Private) Limited and Searle Biosciences (Private) Limited.

2 STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Company for the period ended September 30, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This un-audited condensed interim consolidated financial information constitutes separate condensed interim financial statements of the Company and are being presented and submitted to the shareholders as required by Listing Regulations of Karachi and Islamabad stock exchanges and under Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information do not include all information and disclosures required in the financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2014.

3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and method of computations adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates, judgments and associated assumptions used in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of the consolidated financial statements of the Company for the year ended June 30, 2014.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

		September 30, 2014	June 30, 2014
5	PROPERTY, PLANT AND EQUIPMENT	Note	(Rupees in '000)
	Operating fixed assets	5.1	548,756
	Capital work in progress		557,745
			<u>2,500</u>
			<u>551,256</u>
			<u>560,152</u>
5.1	Details of additions and disposals to operating assets during the period ended September 30, 2014 are as follows:		
		Additions at cost	Deletions at net book value
	Owned assets		
	Plant and machinery	7,917	-
	Office and electrical equipments	1,967	-
	Air - conditioning	371	-
	Furniture & Fixture	290	-
	Vehicles	-	(3,972)
	September 30, 2014	<u>10,545</u>	<u>(3,972)</u>
	June 30, 2014	<u>90,087</u>	<u>(29,760)</u>
6	LONG-TERM INVESTMENT		
	Other investment	6.2	124,500
			<u>155,500</u>
			<u>124,500</u>

6.1 This represents 10,000,000 (June 30, 2014: 10,000,000) fully paid ordinary shares of Rs. 10 each in IBL HealthCare Limited. The proportion of ownership interest of the Company is 50% (June 30, 2014: 50%).

6.2 This represents 1,040,000 (2014: 830,000) fully paid ordinary shares of Rs. 100 each in Nextar Pharma (Private) Limited (NPL), which represents 26% (2014: 21.78%) of the total share capital of NPL.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

7	TRADE DEBTS	September 30, 2014	June 30, 2014
	Note	(Rupees in '000)	
	Considered good		
	- Secured: Export debtors	102,309	37,925
	- Unsecured: Due from:		
	- associated/holding company	1,827,725	1,414,832
	- others	165,782	249,461
		<u>1,993,507</u>	<u>1,664,293</u>
	Considered doubtful - others	976	976
	Less: Provision for doubtful debts	(976)	(976)
		-	-
		<u><u>2,095,816</u></u>	<u><u>1,702,218</u></u>

- 7.1 The receivable is stated net of amounts payable aggregating Rs. 43.2 million (June 30, 2014: Rs. 100.87 million) on account of expenses claimed by the associated company.

8	CASH AND BANK BALANCES	September 30, 2014	June 30, 2014
		(Rupees in '000)	
	Cash in hand	1,631	1,359
	Cash with banks in:		
	- deposit accounts	-	12
	- current accounts	50,251	105,428
		<u>51,882</u>	<u>106,799</u>

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

September 30, 2014	June 30, 2014		September 30, 2014	June 30, 2014
(Number of shares)				
3,969,000	3,969,000	Ordinary shares of Rs. 10 each fully paid in cash	39,690	39,690
24,000	24,000	Ordinary shares of Rs. 10 each issued for consideration other than cash	240	240
57,321,818	57,321,818	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	573,218	573,218
<u>61,314,818</u>	<u>61,314,818</u>		<u>613,148</u>	<u>613,148</u>

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

(Number in '000)

9.1 Movement in number of shares

Number of shares at beginning of the period	61,315	47,165
Bonus shares issued during the period	-	14,150
Number of shares at end of the period	<u>61,315</u>	<u>61,315</u>

10 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitment since the last financial year ended June 30, 2014 except the following:

10.1 Contingencies

The facility for opening letters of credit (LCs) acceptances and guarantees as at September 30, 2014 amounted to Rs. 980 million (2014: Rs. 980 million) of which the amount remaining unutilized as at that date was Rs. 460.8 million (2014: Rs. 540 million).

10.2 Commitments

Future rentals payable against operating lease arrangement

During the year ended June 30, 2010, the Company obtained factory building at Karachi on rent for a period of 5 years.

The details of future rentals over lease period are as follows:

	September 30, 2014	June 30, 2014
	(Rupees in '000)	
Not later than one year	<u>693</u>	<u>1,386</u>
	<u>693</u>	<u>1,386</u>

11 EARNINGS PER SHARE - Basic and Diluted

Basic earnings per share

Profit attributable to shareholders of the Holding Company - Rupees in thousands	<u>334,212</u>	<u>214,654</u>
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Weighted average number of shares (Restated)	<u>61,314,818</u>	<u>61,314,818</u>
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Earnings per share (Rupees)	<u>5.45</u>	<u>3.50</u>
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Diluted earning per share

There is no dilution effect on the basic earning per share of the Holding Company as the Holding Company has no convertible dilutive potential ordinary shares outstanding on September 30, 2014.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

		September 30, 2014	September 30, 2013
	Note	(Rupees in '000)	
12 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit before taxation		468,084	311,156
Adjustments for non-cash items and other items:			
Depreciation		14,053	21,358
Amortization of intangible assets		2,582	3,618
Gain on disposal of property, plant and equipment - net		(9,069)	(13,402)
Provision for staff retirement gratuity		750	500
Impairment of intangibles		672	-
Financial charges - net		55,464	49,336
Net increase in working capital	12.1	<u>(283,323)</u>	<u>(201,701)</u>
		<u>249,213</u>	<u>170,865</u>
12.1 Working capital changes			
Current assets			
Decrease/(Increase) in stock-in-trade		55,984	(180,712)
Increase in trade debts		(393,598)	(228,828)
Increase in trade deposits and short term prepayments		(18,516)	(41,813)
(Increase)/Decrease in other receivables		<u>(15,772)</u>	<u>15,809</u>
		<u>(371,902)</u>	<u>(435,544)</u>
Current liabilities			
Increase in trade and other payables		<u>88,579</u>	<u>233,843</u>
Net increase in working capital		<u>(283,323)</u>	<u>(201,701)</u>
13 CASH AND CASH EQUIVALENTS			
Cash and bank balances		51,882	31,524
Short term finances		<u>(762,700)</u>	<u>(519,598)</u>
		<u>(710,818)</u>	<u>(488,074)</u>
14 SEGMENT INFORMATION			

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incur expenses and its results are regularly reviewed by the Company's Chief Operating Decision Maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Based on internal management reporting structure and products produced and sold, the Company is organised into the following three operating segments:

- Pharmaceutical
- Consumer
- Investment property

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance.

Segment revenue, segment result, costs, assets and liabilities for the period are as follows:

	Pharmaceutical		Consumer		Investment Property		Total	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- (Rupees in ,000) -----							
Segment revenue	<u>1,648,022</u>	<u>1,428,105</u>	<u>515,766</u>	<u>201,249</u>	<u>-</u>	<u>-</u>	<u>2,163,788</u>	<u>1,629,354</u>
Segment result	<u>421,396</u>	<u>264,253</u>	<u>123,942</u>	<u>103,989</u>	<u>-</u>	<u>-</u>	<u>545,338</u>	<u>368,242</u>
Unallocated income and expenses								
Other operating income							16,763	20,195
Finance cost							(55,878)	(49,764)
Other charges							(38,139)	(27,517)
Profit before taxation							468,084	311,156
Income tax expense							(94,480)	(73,912)
Profit for the period							<u>373,604</u>	<u>237,244</u>
Depreciation	<u>12,090</u>	<u>17,338</u>	<u>1,963</u>	<u>4,020</u>	<u>-</u>	<u>-</u>	<u>14,053</u>	<u>21,358</u>
	----- (Rupees in ,000) -----							
	Pharmaceutical		Consumer		Investment Property		Total	
	Unaudited September 30, 2014	Audited June 30, 2014	Unaudited September 30, 2014	Audited June 30, 2014	Unaudited September 30, 2014	Audited June 30, 2014	Unaudited September 30, 2014	Audited June 30, 2014
	----- (Rupees in ,000) -----							
Segment assets and liabilities								
Segment assets	165,769	169,185	26,922	25,280	2,553,601	2,516,865	2,746,292	2,711,330
Unallocated assets							4,368,870	3,947,094
Total assets							<u>7,115,162</u>	<u>6,658,424</u>
Segment liabilities	-	-	-	-	825,000	825,000	825,000	825,000
Unallocated liabilities	-	-	-	-			2,073,471	1,990,337
Total Liabilities							<u>2,898,471</u>	<u>2,815,337</u>
Additions in segment assets	<u>9,072</u>	<u>78,376</u>	<u>1,473</u>	<u>11,711</u>	<u>36,736</u>	<u>203,879</u>	<u>47,281</u>	<u>293,966</u>
Percentage for allocation	<u>86%</u>	<u>87%</u>	<u>14%</u>	<u>13%</u>	<u>0%</u>	<u>0%</u>	<u>100%</u>	<u>100%</u>

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

14.1 Geographical segments	Note	September 30,	September 30,
		2014	2013
		(Rupees in '000)	
Net sales by region			
		2,071,304	1,535,433
		27,394	45,473
		1,402	-
		16,112	12,208
		33,957	36,240
		13,619	-
14.1.1		<u>2,163,788</u>	<u>1,629,354</u>

The geographical segment has been categorized using United Nation's composition of macro geographical (continental) regions.

14.1.1 The Company has presented the net sales amounts for the current and comparative prior period.

14.2 The Company's revenue from one of the major customer represents approximately Rs. 1.64 billion (September 30, 2013: Rs. 1.15 billion) of the total revenues.

15 Transactions with related parties	September 30,	September 30,
	2014	2013
(Rupees in '000)		

(i) IBL Operations (Private) Limited - associated company

Sales	1,636,972	1,335,849
Sales returned	12,770	57,277

Expenses claimed by the associated company

Carriage and duties	4,193	1,680
Staff salaries and benefits	105	940
Discounts	22,724	13,950
Warehouse rent	574	-
Corporate services charged	-	600
Sales promotion expenses	6,824	1,202
IT Services	-	1,100

Expenses claimed by the Company

Staff salaries and other expenses	-	4,454
Royalty and price difference claims	6,204	-

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	(Rupees in '000)	
(ii) International Franchises (Private) Limited - associated company		
Sales	148	313
Sales returned	19	-
Rent, utility and other income	699	663
Staff salaries and benefits	-	1,123
Purchase of Promotional Items	28	55
Expenses claimed by International Franchises (Private) Limited		
Sales promotion expenses	-	341
(iii) United Distributors Pakistan Limited (UDPL) - associated company		
Expenses claimed by UDPL		
Warehouse rent & expenses	163	-
Sale of assets	2,010	-
(iv) HABITT - associate		
Sales	3,441	-
Purchase of Promotional Items from Habitt	-	676
(v) The Citizens Foundation - associate		
Donations	-	5,000
(vi) Arshad Shahid Abdulla (Private) Limited - associated company		
Architect fee	1,260	-
(vii) Multinet Pakistan (Private) Limited - associated company		
Internet services	-	376
(viii) United Brands Limited - associated company		
Sales	27,314	17,365
Expenses claimed by United Brands Limited		
Discounts	138	100
Purchase of promotional items	529	-

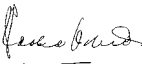
SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Balances	September 30, 2014	June 30, 2014
	(Rupees in '000)	
(i) Loans and advances - key management personnel		
At beginning of the period/year	3,604	3,458
Given during the period/year	669	4,043
Repaid during the period/year	(997)	(3,897)
At the end of the period/year	<u>3,276</u>	<u>3,604</u>
(ii) Trade debts - associated company		
At beginning of the period/year	1,252,643	1,071,559
Addition during the period/year	1,462,649	5,119,950
Repaid during the period/year	(1,284,268)	(4,938,866)
At the end of the period/year	<u>1,431,024</u>	<u>1,252,643</u>
(iii) Other receivables - associates		
At beginning of the period/year	41,292	107,490
Addition during the period/year	6,204	5,465
Repaid during the period/year	(6,204)	(71,663)
At the end of the period/year	<u>41,292</u>	<u>41,292</u>

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on October 23, 2014, by the Board of Directors of the Company.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director



Unconsolidated Financial Statements

DIRECTORS' REPORT TO THE MEMBERS

We are pleased to present the financial information of your Company for the first quarter ended September 30, 2014. This financial information is submitted in accordance with section 245 of the Companies Ordinance, 1984.

Operating results

	September 30, 2014	2013
	Rupees in 000	
Revenue	1,686,813	1,350,947
Gross profit	733,123	591,533
Operating expenses	445,036	364,209
Operating profit	288,087	227,324
Profit before taxation	341,258	169,509
Profit after taxation	268,161	113,571

Net sales of the Company were reported at Rs. 1,687 million, registered an impressive growth of 24.9% over the corresponding quarter of last year. The double digit revenue growth is a result of domestic volume growth due to expanding doctor coverage coupled with the price increase made during the quarter of the last year. The gross margin remained constant at 43.5% as compared to 43.8% of the quarter last year.

The percentage of sales devoted to the operating expenses slightly dropped down to 26.4% as compared to 27.0% for the corresponding quarter last year, the said decrease is mainly due to increased focus and control over the expenditure.

Profit before tax as a percent of net sales increased to 20.2% (2013: 12.5%). Similarly, the profit after tax increased to 15.9% (2013: 8.4%). Our past investments in our subsidiaries have started paying off the Company in terms of healthy dividends and helped in achieving overall tax efficiencies due to no tax on the same under the group structure.

Future outlook

We are in almost all high-density therapeutic avenues such as Cardiovascular, Diabetes, Orthopedics, Neurology, and Pediatrics and are constantly increasing our presence in other therapeutic areas such as Antibiotics, Gastroenterology, Pulmonology, Virology and Oncology.

We are more confident than ever that Searle is well placed to succeed in emerging markets. Searle is planning to align with global trends including an ongoing population growth, rising demand of generic branded pharmaceuticals and nutritional products. Searle will aggressively focus on the global market and will primarily focus to expand the business operation in existing export countries while looking to penetrate into new countries as well.

Acknowledgement

We wish to thank the customers for their faith in our products, and their continuing patronage. We also take this opportunity to thank our suppliers, bankers and distributors for providing us with their valuable support throughout the year.

Finally we wish to thank our staff who remained committed to deliver towards the growth of your Company.

For and on behalf of the board



Rashid Abdulla
Chief Executive Officer

Karachi
October 23, 2014

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2014

ASSETS	Note	Unaudited September 30, 2014 (Rupees in '000)	Audited June 30, 2014
Non-current assets			
Fixed assets			
- Property, plant and equipment	5	551,256	558,306
- Intangible assets		32,212	33,572
		583,468	591,878
Investment property	6	2,430,013	2,393,277
Long-term investment		390,900	359,900
Long-term loans		581	502
Long-term deposits		1,598	1,598
Total non-current assets		3,406,560	3,347,155
Current assets			
Stores and spares		1,004	1,004
Stock-in-trade		762,401	804,579
Trade debts	7	1,639,496	1,462,656
Loans and advances		164,061	144,837
Trade deposits and short term prepayments		109,773	86,290
Other receivables		186,967	209,028
Advance Tax		198,058	195,232
Cash and bank balances	8	13,884	20,621
Total current assets		3,075,644	2,924,247
Total assets		6,482,204	6,271,402
EQUITY AND LIABILITIES			
Shareholders' equity			
70,000,000 (June 2014: 70,000,000) ordinary shares of Rs. 10 each		700,000	700,000
Issued, subscribed and paid-up capital	9	613,148	613,148
General reserve		280,251	280,251
Unappropriated profit		2,518,826	2,250,665
Total shareholders' equity		3,412,225	3,144,064
Surplus on revaluation of fixed assets		168,163	168,163
Non-current liabilities			
Long term finances - secured		675,000	675,000
Deferred liabilities			
Taxation		42,379	42,379
Gratuity - unfunded		34,253	33,503
		76,632	75,882
Total non-current liabilities		751,632	750,882
Trade and other payables		1,176,993	1,226,459
Accrued mark-up		62,940	35,952
Short-term finances		760,251	795,882
Current portion of long term finances		150,000	150,000
Total current liabilities		2,150,184	2,208,293
Total liabilities		2,901,816	2,959,175
Contingencies and commitments	10		
Total equity and liabilities		6,482,204	6,271,402

The annexed selected notes from 1 to 16 form an integral part of this condensed interim financial information.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT - Un-audited

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	Quarter ended	
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
NET SALES		1,686,813	1,350,948
COST OF SALES		<u>953,690</u>	<u>759,415</u>
GROSS PROFIT		733,123	591,533
Selling and distribution expenses		<u>395,253</u>	<u>314,598</u>
Administrative expenses		<u>49,783</u>	<u>49,611</u>
		<u>445,036</u>	<u>364,209</u>
OPERATING PROFIT		288,087	227,324
Other operating income		142,010	17,994
		<u>430,097</u>	<u>245,318</u>
Other operating expenses			
- Financial charges		<u>55,464</u>	<u>49,337</u>
- Other charges		<u>33,375</u>	<u>26,472</u>
		<u>88,839</u>	<u>75,809</u>
PROFIT BEFORE INCOME TAX		341,258	169,509
Income tax expense		73,097	55,938
PROFIT FOR THE PERIOD		<u><u>268,161</u></u>	<u><u>113,571</u></u>
		----- (Rupees) -----	
EARNINGS PER SHARE - BASIC AND DILUTED	11	<u><u>4.37</u></u>	<u><u>1.85</u></u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim financial information.



Rashid Abdulla

Chief Executive Officer



Syed Nadeem Ahmed

Managing Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Un-audited

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Quarter ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
PROFIT FOR THE PERIOD	268,161	113,571
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>268,161</u>	<u>113,571</u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim financial information.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS - Un-audited

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

		Quarter ended	
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Note		
Cash generated from operations after working capital changes	12	218,818	88,281
Taxes paid		(75,923)	(86,613)
(Advance) / Recovery of long-term loans		(79)	267
Advance of short-term loans		(19,224)	(190,940)
Payment of long-term deposits		-	1,228
		<u>123,592</u>	<u>(187,777)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(10,380)	(3,112)
Additions to Investment property under work in progress		(36,736)	(33,017)
Long-term investment in associated company	6	(31,000)	-
Proceeds from disposal of property, plant and equipment		11,894	15,990
Mark-up received from associated company		-	14,914
		<u>(66,222)</u>	<u>(5,225)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities paid		-	(286)
Dividend paid		-	(107)
Financial charges paid		(28,476)	(9,731)
Net cash used in financing activities		<u>(28,476)</u>	<u>(10,124)</u>
Net increase / (decrease) in cash and cash equivalents		28,894	(203,126)
Cash and cash equivalents at the beginning of the period		(775,261)	(307,197)
Cash and cash equivalents at the end of the period	13	<u>(746,367)</u>	<u>(510,323)</u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim financial information.



Rashid Abdulla

Chief Executive Officer



Syed Nadeem Ahmed

Managing Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Share capital	Capital reserve	Reserve for issue of bonus shares	General reserve	Total reserves	Unappropriated profit	Share holders' equity
------(Rupees in '000)-----							
Balance as at July 01, 2013	471,652	-	-	280,251	280,251	1,719,434	2,471,337
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation for the period (net of tax)	-	-	-	-	-	4,150	4,150
Total comprehensive income for the period	-	-	-	-	-	113,571	113,571
Balance as at September 30, 2013	<u>471,652</u>	<u>-</u>	<u>-</u>	<u>280,251</u>	<u>280,251</u>	<u>1,837,155</u>	<u>2,589,058</u>
Balance as at July 01, 2014	613,148	-	-	280,251	280,251	2,250,665	3,144,064
Total comprehensive income for the period	-	-	-	-	-	268,161	268,161
Balance as at September 30, 2014	<u>613,148</u>	<u>-</u>	<u>-</u>	<u>280,251</u>	<u>280,251</u>	<u>2,518,826</u>	<u>3,412,225</u>

The annexed selected notes from 1 to 16 form an integral part of this condensed interim financial information.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

1 LEGAL STATUS AND OPERATIONS

The Searle Company Limited (formerly "Searle Pakistan Limited" (the Company)) was incorporated in Pakistan as a private limited company in October 1965. In November 1993, the Company was converted to a public limited company. Its shares are quoted on the Karachi and Islamabad stock exchanges. The Company is principally engaged in the manufacture of pharmaceutical products and other consumer products. In addition, the Company is engaged in sale of food and consumer items and manufacture of pharmaceutical items for other companies. Registered office of the Company is located at First Floor, N.I.C. Building, Abbasi Shaheed Road, Shahrae-e-Faisal, Karachi.

The company is a subsidiary of International Brands Limited.

The Company is the holding company of IBL HealthCare Limited due to significant representation in Board of Directors and 50% shareholding. Further, the Company has also wholly owned subsidiaries namely Searle Laboratories (Private) Limited, Searle Pharmaceuticals (Private) Limited and Searle Biosciences (Private) Limited.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the period ended September 30, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This un-audited condensed interim financial information constitutes separate condensed interim financial statements of the Company and are being presented and submitted to the shareholders as required by Listing Regulations of Karachi and Islamabad stock exchanges and under Section 245 of the Companies Ordinance, 1984. This condensed interim financial information do not include all information and disclosures required in the financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2014.

3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and method of computations adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates, judgments and associated assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the financial statements of the Company for the year ended June 30, 2014.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

		September 30, 2014	June 30, 2014
5	PROPERTY, PLANT AND EQUIPMENT	Note	(Rupees in '000)
	Operating fixed assets	5.1	548,756
	Capital work in progress		555,899
			2,500
			2,407
			<u>551,256</u>
			<u>558,306</u>
5.1	Details of additions and disposals to operating assets during the period ended September 30, 2014 are as follows:		
		Additions at cost	Deletions at net book value
	Owned assets		
	Plant and machinery	7,917	-
	Office and electrical equipments	1,709	-
	Air - conditioning	371	-
	Furniture & Fixture	290	-
	Vehicles	-	(3,564)
	September 30, 2014	<u>10,287</u>	<u>(3,564)</u>
	June 30, 2014	<u>90,087</u>	<u>(29,760)</u>
6	LONG-TERM INVESTMENT		
	Quoted subsidiary - at cost	6.1	100,000
	Unquoted subsidiaries - at cost		100,000
	Searle Pharmaceuticals (Private) Limited		400
	Searle Laboratories (Private) Limited		125,000
	Searle Biosciences (Private) Limited		10,000
			135,400
	Other investment	6.2	155,500
			135,400
			<u>390,900</u>
			<u>359,900</u>

6.1 This represents 10,000,000 (June 30, 2014: 10,000,000) fully paid ordinary shares of Rs. 10 each in IBL HealthCare Limited. The proportion of ownership interest of the Company is 50% (June 30, 2014: 50%).

6.2 This represents 1,040,000 (2014: 830,000) fully paid ordinary shares of Rs. 100 each in Nextar Pharma (Private) Limited (NPL), which represents 26% (2014: 21.78%) of the total share capital of NPL.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

7	TRADE DEBTS		September 30, 2014	June 30, 2014
		Note	(Rupees in '000)	
	Considered good			
	- Secured: Export debtors		42,690	37,925
	- Unsecured: Due from:			
	- associated/holding company	7.1	1,431,024	1,252,643
	- others		165,782	172,088
			<u>1,596,806</u>	<u>1,424,731</u>
	Considered doubtful - others		976	976
	Less: Provision for doubtful debts		(976)	(976)
			<u>-</u>	<u>-</u>
			<u>1,639,496</u>	<u>1,462,656</u>

7.1 The receivable is stated net of amounts payable aggregating Rs. 43.2 million (June 30, 2014: Rs. 100.87 million) on account of expenses claimed by the associated company.

8	CASH AND BANK BALANCES		September 30, 2014	June 30, 2014
			(Rupees in '000)	
	Cash in hand		1,631	1,342
	Cash with banks in:			
	- deposit accounts		-	9
	- current accounts		12,253	19,270
			<u>13,884</u>	<u>20,621</u>

9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

September 30, 2014	June 30, 2014		September 30, 2014	June 30, 2014
(Number of shares)				
3,969,000	3,969,000	Ordinary shares of Rs. 10 each fully paid in cash	39,690	39,690
24,000	24,000	Ordinary shares of Rs. 10 each issued for consideration other than cash	240	240
57,321,818	57,321,818	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	573,218	573,218
<u>61,314,818</u>	<u>61,314,818</u>		<u>613,148</u>	<u>613,148</u>

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

(No. in '000)

9.1 Movement in number of shares

Number of shares at beginning of the period	61,315	47,165
Bonus shares issued during the period	-	14,150
Number of shares at end of the period	<u>61,315</u>	<u>61,315</u>

10 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitment since the last financial year ended June 30, 2014 except the following:

10.1 Contingencies

The facility for opening letters of credit (LCs) acceptances and guarantees as at September 30, 2014 amounted to Rs. 715 million (2014: Rs. 715 million) of which the amount remaining unutilized as at that date was Rs. 294 million (2014: Rs. 329 million).

10.2 Commitments

Future rentals payable against operating lease arrangement

During the year ended June 30, 2010, the Company obtained factory building at Karachi on rent for a period of 5 years.

The details of future rentals over lease period are as follows:

	September 30, 2014 (Rupees in '000)	June 30, 2014
Not later than one year	<u>693</u>	<u>1,386</u>
	<u>693</u>	<u>1,386</u>
11 EARNINGS PER SHARE - Basic and Diluted	September 30, 2014	September 30, 2013
Basic earnings per share		
Profit for the period (Rupees in thousands)	<u>268,161</u>	<u>113,571</u>
Weighted average number of shares (Restated)	<u>61,314,818</u>	<u>61,314,818</u>
Earnings per share (Rupees)	<u>4.37</u>	<u>1.85</u>
Diluted earning per share		

There is no dilution effect on the basic earning per share of the Company as the Company has no such commitments.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014	September 30, 2013
		(Rupees in '000)	
12	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
	Profit before taxation	341,258	169,509
	Adjustments for non-cash items and other items:		
	Depreciation	13,867	20,368
	Amortization of intangible assets	1,359	1,359
	Gain on disposal of property, plant and equipment - net	(8,330)	(13,402)
	Provision for staff retirement gratuity	750	500
	Financial charges - net	55,464	49,336
	Net (increase) in working capital	12.1 (185,550)	(139,389)
		<u>218,818</u>	<u>88,281</u>
12.1	Working capital changes		
	Current assets		
	Decrease/(Increase) in stock-in-trade	42,178	(155,646)
	Increase in trade debts	(176,840)	(150,297)
	Increase in trade deposits and short term prepayments	(23,483)	(27,969)
	Decrease in other receivables	22,061	9,523
		<u>(136,084)</u>	<u>(324,389)</u>
	Current liabilities		
	(Increase)/Decrease in trade and other payables	(49,466)	185,000
	Net increase in working capital	<u>(185,550)</u>	<u>(139,389)</u>
13	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	13,884	9,274
	Short term finances	(760,251)	(519,598)
		<u>(746,367)</u>	<u>(510,324)</u>
14	SEGMENT INFORMATION		

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incur expenses and its results are regularly reviewed by the Company's Chief Operating Decision Maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Based on internal management reporting structure and products produced and sold, the Company is organised into the following three operating segments:

- Pharmaceutical
- Consumer
- Investment property

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance.

Segment revenue, segment result, costs, assets and liabilities for the period are as follows:

	Pharmaceutical		Consumer		Investment Property		Total	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- (Rupees in ,000) -----							
Segment revenue	<u>1,461,247</u>	<u>1,149,973</u>	<u>225,566</u>	<u>200,975</u>	<u>-</u>	<u>-</u>	<u>1,686,813</u>	<u>1,350,948</u>
Segment result	<u>242,928</u>	<u>168,513</u>	<u>45,159</u>	<u>58,811</u>	<u>-</u>	<u>-</u>	<u>288,087</u>	<u>227,324</u>
Unallocated income and expenses								
Other operating income							142,010	17,994
Finance cost							(55,464)	(49,337)
Other charges							(33,375)	(26,472)
Profit before taxation							<u>341,258</u>	<u>169,508</u>
Income tax expense							<u>(73,097)</u>	<u>(55,938)</u>
Profit for the period							<u>268,161</u>	<u>113,571</u>
Depreciation	<u>11,930</u>	<u>17,338</u>	<u>1,937</u>	<u>3,030</u>	<u>-</u>	<u>-</u>	<u>13,867</u>	<u>20,368</u>
	----- (Rupees in ,000) -----							
	Pharmaceutical		Consumer		Investment Property		Total	
	Unaudited September 30, 2014	Audited June 30, 2014	Unaudited September 30, 2014	Audited June 30, 2014	Unaudited September 30, 2014	Audited June 30, 2014	Unaudited September 30, 2014	Audited June 30, 2014
Segment assets and liabilities								
Segment assets	165,769	169,185	26,922	25,280	2,430,013	2,393,277	2,622,704	2,587,742
Unallocated assets							3,859,500	3,683,660
Total assets							<u>6,482,204</u>	<u>6,271,402</u>
Segment liabilities	-	-	-	-	825,000	825,000	825,000	825,000
Unallocated liabilities	-	-	-	-			2,076,816	2,134,175
Total Liabilities							<u>2,901,816</u>	<u>2,959,175</u>
Additions in segment assets	<u>8,850</u>	<u>78,376</u>	<u>1,437</u>	<u>11,711</u>	<u>36,736</u>	<u>203,879</u>	<u>47,023</u>	<u>293,966</u>
Percentage for allocation	<u>86%</u>	<u>87%</u>	<u>14%</u>	<u>13%</u>	<u>0%</u>	<u>0%</u>	<u>100%</u>	<u>100%</u>

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

14.1 Geographical segments	September 30, 2014	September 30, 2013
Note	(Rupees in '000)	
Net sales by region		
Pakistan	1,594,329	1,257,027
Asia	27,394	45,473
East Africa	1,402	-
South East Asia	16,112	12,208
Far Eastern countries	33,957	36,240
Middle East	13,619	-
14.1.1	1,686,813	1,350,948

The geographical segment has been categorized using United Nation's composition of macro geographical (continental) regions.

14.1.1 The Company has presented the net sales amounts for the current and comparative prior period.

14.2 The Company's revenue from one of the major customer represents approximately Rs. 1.43 billion (September 30, 2013: Rs. 1.15 billion) of the total revenues.

15 Transactions with related parties	September 30, 2014	September 30, 2013
	(Rupees in '000)	

(i) IBL Operations (Private) Limited - associated company

Sales	1,434,072	1,147,059
Sales returned	12,770	57,277

Expenses claimed by the associated company

Carriage and duties	4,193	1,680
Staff salaries and benefits	105	940
Discounts	22,724	13,950
Warehouse rent	574	-
Corporate services charged	-	600
Sales promotion expenses	6,824	1,202
IT Services	-	1,100

Expenses claimed by the Company

Staff salaries and other expenses	-	4,454
Royalty and price difference claims	6,204	-

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	(Rupees in '000)	
(ii) International Franchises (Private) Limited - associated company		
Sales	148	313
Sales returned	19	-
Rent, utility and other income	699	663
Staff salaries and benefits	-	1,123
Purchase of Promotional Items	28	55
Expenses claimed by International Franchises (Private) Limited		
Sales promotion expenses	-	341
(iii) United Distributors Pakistan Limited (UDPL) - associated company		
Expenses claimed by UDPL		
Warehouse rent & expenses	163	-
Sale of assets	2,010	-
(iv) HABITT - associate		
Sales	3,441	-
Purchase of Promotional Items from Habitt	-	676
(v) IBL HealthCare Limited - subsidiary company		
Staff salary and benefits	-	164
Vehicle Hiring	-	798
Expenses claimed by IBL HealthCare Limited		
Purchases of promotional items	22	-
Vehicle Hiring	75	-
(vi) The Citizens Foundation - associate		
Donations	-	5,000
(vii) Arshad Shahid Abdulla (Private) Limited - associated company		
Architect fee	1,260	-
(viii) Multinet Pakistan (Private) Limited - associated company		
Internet services	-	376

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2014
(ix) United Brands Limited - associated company	(Rupees in '000)	
Sales	27,314	17,365
Expenses claimed by United Brands Limited		
Discounts	138	100
Purchase of promotional items	529	-
(x) Searle Pharmaceuticals (Private) Limited - subsidiary company		
Purchases	229,154	106,595
Dividend income	125,000	-
Rent Income claimed by TSCL	1,500	-
(xi) Searle Laboratories (Private) Limited - subsidiary company		
Purchases	36,119	-
	September 30, 2014	June 30, 2014
Balances	(Rupees in '000)	
(i) Loans and advances - key management personnel		
At beginning of the period/year	3,604	3,458
Given during the period/year	669	4,043
Repaid during the period/year	(997)	(3,897)
At the end of the period/year	<u>3,276</u>	<u>3,604</u>
(ii) Trade debts - associated company		
At beginning of the period/year	1,252,643	1,071,559
Addition during the period/year	1,462,649	5,119,950
Repaid during the period/year	(1,284,268)	(4,938,866)
At the end of the period/year	<u>1,431,024</u>	<u>1,252,643</u>
(iii) Other receivables - associates		
At beginning of the period/year	41,292	107,490
Addition during the period/year	6,204	5,465
Repaid during the period/year	(6,204)	(71,663)
At the end of the period/year	<u>41,292</u>	<u>41,292</u>

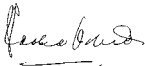
SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

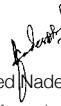
	September 30, 2014	June 30, 2014
	(Rupees in '000)	
(iv) Creditors - subsidiary company		
At beginning of the period/year	291,694	153,645
Addition during the period/year	265,273	675,762
Repaid during the period/year	(305,218)	(537,713)
At the end of the period/year	<u>251,749</u>	<u>291,694</u>

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial information was authorized for issue on October 23, 2014, by the Board of Directors of the Company.



Rashid Abdulla
Chief Executive Officer



Syed Nadeem Ahmed
Managing Director



SEARLE

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