

SEARLE

Research in the service of mankind

**HALF YEARLY
REPORT
DECEMBER
2024**



**DELIVERING
EXCELLENCE**



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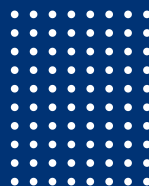
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**Consolidated
Financial
Statements**



Company Information

Board of Directors

Mr. Adnan Asdar Ali	Chairman
Mr. Syed Nadeem Ahmed	Chief Executive Officer
Mr. Zubair Razzak Palwala	
Mr. Munis Abdullah	
Ms. Faiza Naeem	
Ms. Shaista Khaliq Rehman	
Mr. Muhammad Zubair Haider Shaikh	

Board of Audit Committee

Ms. Shaista Khaliq Rehman	Chairperson
Mr. Adnan Asdar Ali	Member
Mr. Munis Abdullah	Member

Board of HR & Remuneration Committee

Mr. Muhammad Zubair Haider Shaikh	Chairman
Mr. Adnan Asdar Ali	Member
Ms. Faiza Naeem	Member

Chief Financial Officer

Mr. Mobeen Alam

Company Secretary

Mr. Zubair Razzak Palwala

Auditors

A. F. Ferguson & Co.

Legal Advisors

Mohsin Tayebaly & Co.

Bankers

Albaraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
The Bank of Punjab
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited

REGISTERED OFFICE

One IBL Centre, 2nd Floor, Plot # 1
Block 7 & 8, D.M.C.H.S, Tipu Sultan
Road Off Shahra-e-Faisal, Karachi

SHARE REGISTRAR

CDC Share Registrar Services 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 unconsolidated interim financial information of the company for the half year ended December 31, 2024. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – 'Interim Financial Reporting'. The directors' report is prepared in accordance with section 227 of the Companies Act, 2017 and Chapter XII of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Financial highlights

The company recorded a revenue of Rs 13.16 billion, achieving a gross profit margin of 49.2%, which reflects a 1.8% increase compared to the same period last year. This improvement was primarily driven by price increases and a better product mix. The operating expenses ratio stood at 31.6% for the current period, showing a slight increase from the previous year.

With the downward trend in interest rates, the company's finance cost declined to Rs 1.37 billion from Rs 1.8 billion in the same period last year.

Overall, the company reported a net loss of Rs 38 million, compared to a profit of Rs 221 million in the prior year. The primary reason for this loss was an impairment charge of Rs 927 million on the investment in its subsidiary, Searle Pakistan Limited. Further details on this impairment are provided in Note 7 of the accompanying financial statements.

Below is a summary of the financial results for the half-year ended December 31, 2024:

	2024	2023
	(Rupees in thousand)	
Revenue from contracts with customers	13,157,762	13,323,051
Cost of sales	(6,687,389)	(7,012,404)
Gross Profit	6,470,373	6,310,647
Distribution costs	(3,394,108)	(3,406,631)
Administrative expenses	(761,396)	(745,710)
Other expenses	(28,101)	(41,967)
Other income	72,936	118,608
Impairment loss on investment in subsidiary	(927,463)	-
Profit from operations	1,432,241	2,234,947
Finance cost	(1,368,831)	(1,807,636)
Profit before levies and income tax	63,410	427,311
Levies – minimum tax and final tax	(12,322)	(9,642)
Profit before income tax	51,088	417,669
Taxation	(89,822)	(196,582)
(Loss) / Profit after taxation	(38,734)	221,087

EARNINGS PER SHARE

Basic earnings per share after taxation for the period is Rs. (0.08) (December 2023: Rs. 0.47). There is no dilution effect on the basic earnings per share of the Company, as the Company had no convertible dilutive potential ordinary shares outstanding as at December 31, 2024.

FUTURE OUTLOOK

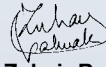
Searle remains committed to expanding its footprint through organic growth, despite ongoing socio-economic and market challenges. Our proactive approach and decisive leadership enable us to navigate external uncertainties such as exchange rate fluctuations, inflation, and rising global costs. The recent regulatory approval of ADALIMUMAB, Pakistan's first locally manufactured biosimilar drug, marks a major milestone in our pursuit of innovation and our commitment to make high tech biological accessible to all.

We are well-positioned to capitalize on the recent price deregulation of non-essential drugs, enhancing cash flows and enabling new product launches. Additionally, declining interest rates are expected to boost profitability by reducing financing costs. With a strong pipeline of over 200 products, expansion into high-growth therapeutic areas, and increasing exports to GCC and CIS markets, Searle is poised for sustained growth and value creation. We thank our shareholders for their continued support as we advance toward a future of innovation and market leadership.

For and on behalf of the Board



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Razzak Palwala
Director

Karachi: February 28, 2025

فی حصص آمدنی

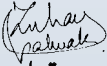
اس مدت کے لیے ٹیکس کے بعد فی شیئر بنیادی آمدنی 0.08 روپے ہے (دسمبر 2023: 0.47 روپے)۔ کمپنی کے فی حصص کی بنیادی آمدنی پر کسی کمی کا اثر نہیں ہے، کیونکہ کمپنی کے پاس 31 دسمبر 2024 تک کوئی تبدیل ہونے والے عملہ کمزور عام حصص بچایا نہیں تھے۔


مستقبل کا منظر نامہ

سرل (Searle) کی توجہ سماجی، اقتصادی، سیاسی، اور ماحولیاتی چیلنجوں کو نبرد آزما ہوتے ہوئے، نامیاتی طور پر اور اسٹریٹجک حصول کے ذریعے ترقی پر مرکوز ہے۔ ہمارا فعال نقطہ نظر اور بروقت فیصلہ سازی کا عزم ہمیں بیرونی غیر یقینی صورتحال جیسے کہ شرح مبادلہ کے اتار چڑھاؤ، افراط زر کے دباؤ اور بڑھتی ہوئی عالمی قیمتوں سے نمٹنے کے لیے اچھی پوزیشن میں رکھتا ہے۔ ADALIMUMAB، پاکستان کی پہلی مقامی طور پر تیار کی جانے والی بائیو سیمیلر دوا کی منظوری کے ساتھ، ہم اپنی بائیو ٹیکنالوجی پیشکشوں کو سب کے لیے قابل رسائی بنانے کے ہمارے عزم میں ایک اہم سنگ میل کی نشاندہی کرتی ہے۔

ہم غیر ضروری ادویات کی حالیہ قیمتوں کو کمزور کرنے، نقدی کے بہاؤ کو بڑھانے اور نئی مصنوعات کے آغاز کو فعال کرنے کے لیے اچھی پوزیشن میں ہیں۔ مزید برآں، سود کی گرتی ہوئی شرحوں سے مالیاتی اخراجات کو کم کر کے منافع میں اضافے کی توقع ہے۔ 200 سے زیادہ مصنوعات کی ایک مضبوط رینج کے ساتھ، اعلیٰ ترقی کے علاج والے علاقوں میں توسیع، اور GCC اور CIS مارکیٹوں میں بڑھتی ہوئی برآمدات کے ساتھ، سرل (Searle) پائیدار ترقی اور قدر پیدا کرنے کے لیے تیار ہے۔ جدت طرازی اور مارکیٹ کی قیادت کے مستقبل کی طرف بڑھتے ہوئے ہم اپنے شیئر ہولڈرز کی مسلسل حمایت کے لیے ان کا شکریہ ادا کرتے ہیں۔

بورڈ کے لیے اور اس کی جانب سے


ذہیر رازق پال والا
ڈائریکٹر


سیدہ نایم احمد
چیف ایگزیکٹو آفیسر

کراچی: 28 فروری 2025

ممبران کو ڈائریکٹرز کی رپورٹ

31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لیے کمپنی کی غیر منتقلہ عبوری مالیاتی معلومات پیش کرتے ہوئے ہمیں خوشی ہو رہی ہے۔ یہ مالیاتی بیانات بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ (IAS-34) عبوری مالیاتی رپورٹنگ (د) کے تقاضوں کے مطابق تیار کیے گئے ہیں۔ ڈائریکٹرز کی رپورٹ نمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے باب XII کے مطابق تیار کی گئی ہے۔

مالی جھلکیاں

اس مدت کے لیے کمپنی کی آمدنی 13.16 ارب روپے تھی، جس کی بدولت مجموعی منافع کا مارجن 49.2 فیصد رہا جو پچھلے سال کی اسی مدت کے مقابلے میں 1.8 فیصد اضافے کو ظاہر کرتا ہے۔ آمدنی میں یہ کمی بنیادی طور پر تقسیم کاری کی سطح پر انونٹری کے لیول کو منظم کرنے کی کوششوں اور پروڈکٹ کس میں ردوبدل کی وجہ سے تھی۔ ان اسٹریٹجک اقدامات کا مقصد سپلائی چین کی کارکردگی اور پروڈکٹ پورٹ فولیو کو بہتر بنانا تھا۔

شرح سود میں کمی کے رجحان کے ساتھ، کمپنی کی مالیاتی لاگت گزشتہ سال کی اسی مدت میں 1.8 ارب روپے سے گھٹ کر 1.37 ارب روپے رہ گئی۔

مجموعی طور پر، کمپنی نے پچھلے سال میں 221 ملین روپے کے منافع کے مقابلے میں 38 ملین روپے کا خالص نقصان رپورٹ کیا۔ اس نقصان کی بنیادی وجہ اس کی ذیلی کمپنی سرل پاکستان لمیٹڈ میں سرمایہ کاری پر 927 ملین روپے کا نقصان تھا۔ اس نقصان کے بارے میں مزید تفصیلات ساتھ میں مالی بیانات کے نوٹ 7 میں فراہم کی گئی ہیں۔

31 دسمبر 2024 کو ختم ہونے والے چھ ماہ کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2023

2024

(پاکستانی روپے ہزاروں میں)

13,323,051	13,157,762	آمدنی
(7,012,404)	(6,687,389)	فروخت کی لاگت
6,310,647	6,470,373	مجموعی منافع
(3,406,631)	(3,394,108)	ڈسٹریبوشن کے اخراجات
(745,710)	(761,396)	انتظامی اخراجات
(41,967)	(28,101)	دیگر اخراجات
118,608	72,936	دیگر آمدنی
-	(927,463)	ماتحت ادارے میں سرمایہ کاری پر نقصان
2,234,947	1,432,241	آپریٹسز سے منافع
(1,807,636)	(1,368,831)	مالیاتی لاگت
427,311	63,410	لیویز اور انکم ٹیکس سے قبل منافع
(9,642)	(12,322)	لیویز - کم از کم ٹیکس اور حتمی ٹیکس
417,669	51,088	منافع قبل از ٹیکس
(196,582)	(89,822)	انکم ٹیکس کے اخراجات
221,087	(38,734)	(نقصان) / منافع بعد از ٹیکس



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Searle Company Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of The Searle Company Limited as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: February 28, 2025

UDIN: RR202410073Qla8m4WBH

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ SLAMABAD

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
ASSETS	Note	(Rupees in '000)	
Non-current assets			
Property, plant and equipment	6	6,917,151	7,051,790
Right-of-use assets		45,601	50,430
Investment properties - at cost		2,846,995	2,885,863
Intangible assets		18,856	25,968
Deferred tax assets		1,354,119	1,272,018
Long-term investments - subsidiaries		9,666,718	9,666,718
Long-term loans		208	150
Long-term deposits		7,396	7,396
		20,857,044	20,960,333
Current assets			
Stock-in-trade		2,584,434	2,309,106
Trade receivables	8	10,639,733	10,705,822
Loans and advances	9	1,966,396	1,660,751
Trade deposits and short-term prepayments		227,047	203,685
Other receivables	10	1,219,236	1,037,379
Short-term investment - at amortised cost		100,000	100,000
Taxation - payments less provision		2,001,566	1,966,929
Tax refunds due from Government - sales tax		178,509	207,440
Cash and bank balances		719,640	120,437
		19,636,561	18,311,549
Investment in a subsidiary classified as held for sale	7	10,272,537	11,200,000
		50,766,142	50,471,882
Total assets			
EQUITY AND LIABILITIES			
EQUITY			
Share capital			
Issued, subscribed and paid-up capital	11	5,114,945	5,114,945
Capital reserves			
Share premium		9,085,133	9,085,133
Revaluation surplus on property, plant and equipment - net		3,966,844	4,062,375
Revenue reserves			
General reserve		280,251	280,251
Unappropriated profit		10,609,022	10,552,225
Total Equity		29,056,195	29,094,929
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	2,911,033	3,768,070
Employee benefit obligations		50,995	57,838
Lease liability		63,431	68,914
		3,025,459	3,894,822
Current liabilities			
Trade and other payables	13	8,397,409	7,673,501
Short-term borrowings	14	9,766,068	9,554,191
Contract liabilities		290,569	24,508
Unpaid dividend		182,819	183,072
Unclaimed dividend		37,059	37,071
Current portion of lease liability		10,564	9,788
		18,684,488	17,482,131
Total liabilities		21,709,947	21,376,953
Contingencies and commitments	15		
Total equity and liabilities		50,766,142	50,471,882

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended December 31, 2024 - Unaudited

	Note	Quarter ended		Half year ended	
		December 31, 2024	December 31, 2023 (Restated)	December 31, 2024	December 31, 2023 (Restated)
----- (Rupees in '000) -----					
Revenue from contracts with customers	16	6,480,142	5,752,787	13,157,762	13,323,051
Cost of sales	17	(3,070,646)	(2,974,733)	(6,687,389)	(7,012,404)
Gross profit		3,409,496	2,778,054	6,470,373	6,310,647
Distribution costs		(1,865,227)	(1,728,673)	(3,394,108)	(3,406,631)
Administrative expenses	18	(421,429)	(345,592)	(761,396)	(745,710)
Other expenses		10,017	(1,971)	(28,101)	(41,967)
Other income	19	36,825	63,124	72,936	118,608
Impairment loss on investment in a subsidiary	7	(927,463)	-	(927,463)	-
Profit from operations		242,219	764,942	1,432,241	2,234,947
Finance cost		(627,642)	(800,581)	(1,368,831)	(1,807,636)
(Loss) / profit before levies and income tax		(385,423)	(35,639)	63,410	427,311
Levies - minimum tax and final tax		1,209	2,102	(12,322)	(9,642)
(Loss) / profit before income tax		(384,214)	(33,537)	51,088	417,669
Taxation	20	44,699	(70,011)	(89,822)	(196,582)
(Loss) / profit for the period		(339,515)	(103,548)	(38,734)	221,087
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income		(339,515)	(103,548)	(38,734)	221,087
----- (Rupee) -----					
(Loss) per share / basic and diluted earning per share	21	(0.75)	(0.22)	(0.08)	0.47

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended December 31, 2024 - Unaudited

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves			Total
		Share premium	Revaluation surplus on Property, plant and equipment	General reserve	Unappropriated profit	Total reserves	
-----Rupees '000-----							
Balance as at July 01, 2023 (audited)	3,900,659	6,049,419	3,717,069	280,251	13,721,361	23,768,100	27,668,759

Total comprehensive income for the period ended December 31, 2023

Profit for the period	-	-	-	-	221,087	221,087	221,087
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	221,087	221,087	221,087
Transfer of incremental depreciation - net of deferred tax	-	-	(82,319)	-	82,319	-	-

Transactions with owners

Subscription of shares against right issue of share capital	1,214,286	3,035,714	-	-	(40,748)	2,994,966	4,209,252
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Balance as at December 31, 2023
- (Unaudited)

5,114,945	9,085,133	3,634,750	280,251	13,984,019	26,984,153	32,099,098
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Balance as at July 01, 2024 (audited)

5,114,945	9,085,133	4,062,375	280,251	10,552,225	23,979,984	29,094,929
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Total comprehensive income for the period ended December 31, 2024

Loss for the period	-	-	-	-	(38,734)	(38,734)	(38,734)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	(38,734)	(38,734)	(38,734)
Transfer of incremental depreciation - net of deferred tax	-	-	(95,531)	-	95,531	-	-

Balance as at December 31, 2024
- (Unaudited)

5,114,945	9,085,133	3,966,844	280,251	10,609,022	23,941,250	29,056,195
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The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the half year ended December 31, 2024 - Unaudited

		December 31, 2024	December 31, 2023
	Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	3,036,414	7,421,249
Employees benefit obligations paid		(9,543)	(4,915)
Finance cost paid		(1,401,715)	(1,793,408)
Income tax paid		(218,882)	(248,813)
Long-term loans		(58)	(57)
Net cash flows generated from operating activities		<u>1,406,216</u>	<u>5,374,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(125,468)	(105,501)
Proceeds from disposal of property, plant and equipment		35	90
Addition to investment properties		(13,023)	(64,541)
Investment in subsidiaries		-	(7,250,407)
Net cash flows used in investing activities		<u>(138,456)</u>	<u>(7,420,359)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(265)	(750)
Repayment of long-term borrowings		(875,461)	(1,044,341)
Payment against lease liabilities		(4,708)	(9,543)
Proceeds against issue of share capital net of issuance cost		-	4,209,252
Net cash (outflow on) / generated from financing activities		<u>(880,434)</u>	<u>3,154,618</u>
Net increase in cash and cash equivalents		387,326	1,108,315
Cash and cash equivalents at the beginning of the period		<u>(7,145,454)</u>	<u>(7,781,495)</u>
Cash and cash equivalents at the end of the period	23	<u>(6,758,128)</u>	<u>(6,673,180)</u>

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

1. THE COMPANY AND ITS OPERATIONS

1.1 The Searle Company Limited (the Company) was incorporated in Pakistan as a private limited company in October 1965. In November 1993, the Company was converted into a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacture of pharmaceutical and other consumer products. The registered office of the Company is situated at One IBL Centre 2nd Floor, Plot No. 1, Block 7 & 8 Dehli Mercantile Muslim Cooperative Housing Society, Tipu Sultan Road Off Shahrah-e-Faisal, Karachi.

International Brands (Private) Limited is the Parent Company, which holds 50.25% (December 31, 2023: 58.37%) shareholding in the Company. This holding % includes 8,387,267 shares which are held in lieu of 5% withholding tax under section 236M of the Income Tax Ordinance, 2001. The shareholder has filed a petition against such provision and the case is pending before the Honorable High Court.

1.2 Following are the subsidiary companies:

	Principal place of business	Effective %age of holding	
		December 31, 2024 (Unaudited)	June 30, 2024 (Audited)
Listed Company			
- IBL HealthCare Limited		74.19%	74.19%
Unlisted Companies			
- Searle Pharmaceuticals (Private) Limited	Pakistan	100.00%	100.00%
- Searle Laboratories (Private) Limited		100.00%	100.00%
- Searle Biosciences (Private) Limited		100.00%	100.00%
- IBL Future Technologies (Private) Limited		100.00%	100.00%
- Searle Pakistan (Private) Limited		90.61%	90.61%
- Nextar Pharma (Private) Limited *		87.20%	87.20%
- Searle IV Solutions (Private) Limited		100.00%	-
- Stellar Ventures (Private) Limited		100.00%	-
- MyCart (Private) Limited **		50.00%	-
- IBL Frontier Markets (Private) Limited **		100.00%	-
- Prime Health (Private) Limited **		100.00%	-

* Nextar Pharma (Private) Limited is the subsidiary of Searle Biosciences (Private) Limited and an indirect subsidiary of the Company.

** MyCart (Private) Limited, IBL Frontier Markets (Private) Limited and Prime Health (Private) Limited are subsidiaries of Stellar Ventures (Private) Limited and are indirect subsidiaries of the Company.

1.3 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These unconsolidated condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.1.2** These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.
- 2.1.3** The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended December 31, 2023.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024.

2.3 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees have been rounded off to the nearest thousand Rupee except where stated otherwise.

3. MATERIAL ACCOUNTING INFORMATION AND POLICIES

- 3.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.

3.2 Restatement

The Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No. 07/2024 dated May 15 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was initially applied in the unconsolidated financial statements of the Company for the year ended June 30, 2024. Accordingly the figures of prior period condensed interim financial statement for the period ended December 31, 2023 have been restated. There has been no effect on the condensed interim statement of financial position, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and earnings per share as a result of this change.

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating the effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating the effects of change in accounting policy
----- (Rupees in '000) -----						
Profit before income tax	63,410	(12,322)	51,088	427,311	(9,642)	417,669
Levies	-	(12,322)	(12,322)	-	(9,642)	(9,642)
Income tax - net	(102,144)	12,322	(89,822)	(206,224)	9,642	(196,582)

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

3.3 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2025. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements except for the following:

The following standard and amendment are not effective for the accounting periods beginning on or after 1 January 2024 and have not been early adopted by the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPi) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The management is in process of assessing the impact of above changes.

4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate to their fair value.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 5.1 The preparation of the unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

- 5.2** The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual unconsolidated financial statements as at and for the year ended June 30, 2024.
- 5.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended June 30, 2024.

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
(Rupees in '000)		
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - notes 6.1 & 6.2	6,428,244	6,634,953
Capital work-in-progress - at cost - note 6.3	488,907	416,837
	<u>6,917,151</u>	<u>7,051,790</u>
6.1 Additions - operating fixed assets (at cost)		
Leasehold land	-	2,937
Building on leasehold land	22,194	26,256
Plant and machinery	8,036	39,012
Office equipment	2,914	2,078
Furniture and fittings	1,342	-
Vehicles	-	7,426
Air conditioning systems	18,915	24,077
	<u>53,401</u>	<u>101,786</u>
6.2 Disposals - operating fixed assets (at net book value)		
Leasehold land	-	452,937
Office equipment	-	403
	<u>-</u>	<u>453,340</u>
6.2.1 Assets disposed off during the period had a cost of Rs. 0.04 million (June 2024: Rs 0.14 million).		
6.3 Additions - capital work-in-progress (at cost)		
Land	-	300
Building on leasehold land	-	38,837
Plant and machinery	61,115	106,986
Office equipment	2,118	2,077
Air conditioning systems	8,837	37,170
	<u>72,070</u>	<u>185,370</u>
7. INVESTMENT IN SUBSIDIARY HELD FOR SALE		
Investment in subsidiary company		
Searle Pakistan Limited - at cost - note 7.1	16,400,000	16,400,000
Less: Provision for impairment	(6,127,463)	(5,200,000)
	<u>10,272,537</u>	<u>11,200,000</u>

Notes to the Unconsolidated Condensed Interim Financial Statements For the half year ended December 31, 2024 - Unaudited

7.1 On October 29, 2024, the Company entered into a Share Purchase Agreement (SPA) with Ijara Capital Partners Limited and Noventa Pharma (Private) Limited ("the Buyers") for the divestment of its entire shareholding of 1,047,029,979 shares (90.61%) in Searle Pakistan Limited (Subsidiary), as authorised by the Board of directors in their meeting held on July 31, 2024, subject to shareholders approval. On December 10, 2024, in an extraordinary general meeting of the Company, the members passed a special resolution to approve the divestment of Subsidiary at a sale consideration of Rs. 10.53 billion. Out of total consideration, an amount of Rs. 5.44 billion will be paid on completion of the Conditions Precedent given in the SPA while the remaining balance of Rs. 5.09 billion will be paid over a period 24 months from the closing date in monthly installments. On December 13, 2024, the SPA was first amended to extend the long stop date from December 13, 2024 to December 31, 2024 or such other date as mutually agreed between the Company and the Buyers. The long stop date was finally agreed for January 31, 2025 and the sale transaction was executed on the same date.

As at December 31, 2024, based on the terms of agreement, the Company has recorded an impairment loss of Rs. 927.24 million which includes a net financing impact of extension and deferred payment arrangement with the Buyers. As the Conditions Precedents are not completed and the control is not transferred at the reporting period, therefore, the Company has not accounted for disposal of investment in subsidiary in these condensed interim financial statements.

(Unaudited) December 31, 2024	(Audited) June 30, 2024
(Rupees in '000)	

8. TRADE RECEIVABLES

Export receivables, secured	690,459	420,577
Due from related parties, unsecured - note 8.1	8,674,961	9,753,318
Others - unsecured	1,459,636	717,250
	10,825,056	10,891,145
Less: allowance for expected credit losses	(185,323)	(185,323)
	10,639,733	10,705,822

8.1 Due from related parties - unsecured

Subsidiary companies		
- Searle Biosciences (Private) Limited	361,798	361,798
- IBL HealthCare Limited	48,912	-
Associated companies		
- IBL Operations (Private) Limited	8,262,128	9,391,028
- United Brands Limited	2,123	492
	8,674,961	9,752,826

9. LOANS AND ADVANCES

9.1 These include advances to Searle Biosciences (Private) Limited and Searle IV Solutions (Private) Limited wholly owned subsidiaries amounting to Rs. 832.49 million (June 30, 2024: Rs. 769.99 million) and Rs 344.38 million (June 30, 2024: Rs. 298.30 million) respectively. These are provided for the purpose of financial assistance and are settled in the ordinary course of business.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

10. OTHER RECEIVABLES	(Unaudited) December 31, 2024	(Audited) June 30, 2024
(Rupees in '000)		
Receivables from related parties		
Due from Parent Company:		
- International Brands (Private) Limited		
Expenses	9,981	776
Rental income	11,728	3,670
Group relief	58,040	58,040
	79,749	62,486
Due from subsidiary companies:		
- IBL HealthCare Limited against:		
Expenses	1,516	-
Royalty	42,220	15,465
Rental income	2,367	-
- Searle Pakistan Limited against:		
Rental income	5,462	-
Expenses	29,144	-
- Searle Biosciences (Private) Limited against:		
Facility management fee	220,000	220,000
Expenses	171,052	171,052
- Nextar Pharma (Private) Limited against:		
Expenses	17,629	5,906
- Searle IV Solutions (Private) Limited against:		
Expenses	60,097	60,097
- IBL Frontier Markets (Private) Limited against:		
Expenses	52,873	51,355
	602,360	523,875
Due from associated companies:		
- IBL Operations (Private) Limited against:		
Expenses	1,354	5,450
Rental income	2,983	3,607
- IBL Unisys (Private) Limited against:		
Rental income	2,086	135
Expenses	88,162	88,191
	94,585	97,383
- Universal Ventures (Private) Limited against:		
Sale of subsidiary	86,452	86,452
- IBL Logistics (Private) Limited against:		
Rental income	-	1,692
	86,452	88,144
Due from other related parties:		
- United Retail (Private) Limited against:		
Expenses	41,054	9,609
- Universal Retail (Private) Limited against:		
Rental income	53,989	36,184
Expenses	184,729	142,736
	279,772	188,529
Surplus arising under retirement benefit fund	5,250	5,250
Others, considered good	71,068	71,712
	1,219,236	1,037,379

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

11. SHARE CAPITAL

Authorised share capital

(Unaudited) December 31, 2024 (Number of shares)	(Audited) June 30, 2024		(Unaudited) December 31, 2024 (Rupees in '000)	(Audited) June 30, 2024
700,000,000	7,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000

Issued, subscribed and paid up capital

(Number of shares)			(Rupees in '000)	
161,596,926	161,596,926	Shares allotted for consideration paid in cash	1,615,969	1,615,969
24,000	24,000	Shares allotted for consideration other than cash	240	240
349,873,498	349,873,498	Shares allotted as bonus shares	3,498,736	3,498,736
511,494,424	511,494,424		5,114,945	5,114,945

12. LONG-TERM BORROWINGS

Financing under:

	(Unaudited) December 31, 2024 (Rupees in '000)	(Audited) June 30, 2024
Musharaka facility - notes 12.1 & 12.2	2,844,068	3,695,769
Diminishing Musharika	66,965	72,301
	2,911,033	3,768,070

12.1 The Company obtained a musharaka facility from Habib Bank Limited (Musharaka Agent) for a period of 7 years with a repayment grace period of two years. The Company is required to repay the amount of the loan in quarterly installments, starting from September 2022. This facility carries a mark-up of three months KIBOR plus 1.35%.

12.2 Following are the changes in the long term finances for which cash flows have been classified as financing activities in the statement of cash flows.

	(Unaudited) December 31, 2024 (Rupees in '000)	(Audited) June 30, 2024
Opening balance	5,784,069	7,831,338
Amortisation of transaction cost	18,424	41,031
Repayment of loan	(870,125)	(2,088,300)
	4,932,368	5,784,069
Less: current portion of long-term borrowings	(2,088,300)	(2,088,300)
Closing balance	2,844,068	3,695,769

12.3 Subsequent to the period end, the Company has repaid the entire loan on January 30, 2025 to meet the requirement of Share Purchase Agreement (refer note 7.1) along with an early payment fee of Rs. 49.43 million.

Notes to the Unconsolidated Condensed Interim Financial Statements
For the half year ended December 31, 2024 - Unaudited

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	(Rupees in '000)	
13. TRADE AND OTHER PAYABLES		
Creditors	2,432,353	1,969,668
Bills payable in foreign currency	1,409,760	2,108,270
Royalty payable	46,821	20,066
Accrued liabilities	2,694,829	1,896,794
Payable to provident fund	134,122	73,354
Payable to related parties	478,780	619,959
Accrued markup	420,635	453,519
Taxes deducted at source and payable to statutory authorities	614,602	367,340
Workers' Profit Participation Fund	-	15,018
Workers' Welfare Fund	59,612	35,328
Other liabilities	105,895	114,185
	8,397,409	7,673,501

	(Unaudited) December 31, 2024	(Audited) June 30, 2024
	(Rupees in '000)	
14. SHORT-TERM BORROWINGS		
Secured Borrowings		
Conventional		
Running finance facility - note 14.1	1,449,316	1,293,150
Islamic		
Running Musharaka - note 14.1	6,028,452	5,972,741
Current portion of long term borrowings	2,088,300	2,088,300
	8,116,752	8,061,041
Unsecured Borrowings		
Borrowing from IBL Future Technologies (Private) Limited - note 14.2	200,000	200,000
	9,766,068	9,554,191

14.1 The Company has entered into running finance under mark-up arrangements from various banks amounting to Rs. 7,650 million (June 30, 2024: Rs. 7,650 million) which include financing facilities obtained under Islamic mode amounting to Rs. 6,350 million (June 30, 2024: Rs. 6,350 million). The arrangements are secured jointly by registered mortgage of Rs. 1,937.5 million (June 30, 2024: Rs. 1,937.5 million) of immovable property together with a joint pari passu charge on all current assets of the Company to the extent of Rs. 11,095.83 million (June 30, 2024: Rs. 11,095.83 million).

14.1.1 The rates of mark-up ranged between 15.86% to 21.83% (June 30, 2024: 22.96% to 24.66%) per annum.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

- 14.2** This represents interest free loan amounting to Rs. 200 million obtained from IBL Future Technologies (Private) Limited - a wholly owned subsidiary and is repayable on demand.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There has been no significant change in the status of contingencies in the current period as reported in the note 30 of the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2024.

15.2 Commitments

The facility for opening letters of credit and guarantees as at December 31, 2024 amounted to Rs. 2,750 million (June 30, 2024: Rs. 2,750 million) of which the amount remain utilised as at period ended December 31, 2024 amounted to Rs. 1,309.89 million (June 30, 2024: Rs. 1,530.98 million).

	(Unaudited)	
	December 31, 2024	December 31, 2023
	(Rupees in '000)	
16. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross sales		
Local sale of goods	13,270,677	13,131,669
Export sales	1,338,387	1,203,433
	14,609,064	14,335,102
Toll manufacturing	2,408	2,146
	14,611,472	14,337,248
Sales tax	(126,805)	(28,679)
	14,484,667	14,308,569
Less:		
Discounts, rebates and allowances	1,088,756	773,755
Sales return	238,149	211,763
	1,326,905	985,518
	13,157,762	13,323,051

- 16.1** Consequent to Order 4480/2018 dated August 3, 2018 issued by the Honourable Supreme Court of Pakistan, the Drug Regulatory Authority of Pakistan (DRAP) fixed maximum retail prices of drugs vide notification S.R.O 1610/2018 dated December 31, 2018. Further, DRAP vide Notification S.R.O 34(1)/2019 dated January 10, 2019 increased the maximum retail prices of drugs by nine percent over and above the maximum retail prices as determined under hardship category during the year 2018 and fifteen percent over and above existing maximum retail prices determined under Drug Pricing Policy, 2018 for drugs other than those specified under hardship category.

The Honorable High Court of Sindh vide Order dated January 22, 2019 has disposed off all the legal cases of the Company against DRAP. As mandated under the orders dated August 3, 2018 and November 14, 2018 passed by the Honourable Supreme Court of Pakistan in Human Rights Case No. 2858 of 2006, the Company may file an appeal before the Appellate Board of DRAP as provided under Section 9 of the Drugs Act, 1976, if the Company is dissatisfied with the prices fixed by DRAP.

Consequent to the above, the Company challenged the prices for four of its products namely, Peditral, Gravinate, Metodine and Hydrylline set by DRAP in its Appellate Board and the Appellate Board under its orders dated June 18, 2019, June 20, 2019 and June 25, 2019 rejected the said application of the Company. The Company has challenged the said orders in the Honourable High Court of Sindh and an interim order has been passed restricting DRAP from taking any coercive action against the Company.

Notes to the Unconsolidated Condensed Interim Financial Statements For the half year ended December 31, 2024 - Unaudited

During the year 2022, the Company has received a notice from DRAP which directed the Company having generic brand name, named Co- Extor, to lower its prices by 15% than that of corresponding originator brands vide its letter dated May 05, 2021 regarding the sale of its product "Co-Extor" for selling at the prices higher than the approved prices of DRAP. The Company has challenged the said order and obtained a stay order dated May 20, 2021 from the Honourable High Court of Sindh, restricting DRAP from taking any coercive action against the Company.

During the previous year, the Company has received an annual price adjustment on all of its products at a rate of 7% on essential products and 10% on other products based on CPI 2022 and at a rate of 14% on essential products and 20% on other products allowed via SRO 595 (I)/2023 dated May 19, 2023 to cope up with the current situation of inflation and dollar parity.

During the year, the government has approved deregulation of drug prices not included in the National Essential Medicines List (NEML) via SRO 230 (1)/2024 dated February 19, 2024, on recommendation of the Ministry of National Health. Therefore the prices of medicines, other than essential, will be exempted from the section 12 of Drugs Act, 1976 which grants autonomy to the Company to independently raise prices of non-essential drugs.

Exposure of the Company due to abovementioned litigations amounted to Rs. 4.01 billion (June 30, 2024: Rs. 3.88 billion).

17. COST OF SALES

These include inventory written-off during the period amounting to Rs. 4 million (December 31, 2023: Rs. 10.84 million)

18. ADMINISTRATIVE EXPENSES

These include donations amounting to Rs. 60.06 million (December 31, 2023: Rs 64.91 million). Donations to a single party exceeding 10% of the total donations pertain to the following parties:

	(Unaudited)	
	December 31, 2024	December 31, 2023
	(Rupees in '000)	
DMS Hospital	-	13,960
Akar Hospital	14,068	12,351
Karachi Relief Trust	10,000	-
Munash Enterprises	13,597	-
19. OTHER INCOME		
Income from financial assets - others		
Return on Term Finance Certificates	9,406	12,005
Rental income from investment properties	47,339	40,349
Gain on disposal of property, plant and equipment	35	67
Facility Management Fee - Searle Biosciences (Private) Limited	-	50,000
Scrap sales	16,156	16,187
	63,530	106,603
	72,936	118,608

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

	(Unaudited)	
	December 31, 2024	December 31, 2023
20. TAXATION	(Rupees in '000)	
Current		
- For the year	395,923	237,091
Deferred tax	(306,101)	(30,867)
	89,822	206,224
21. (LOSS) PER SHARE / BASIC AND DILUTED EARNINGS PER SHARE		
Loss / profit for the period (Rupees in thousands)	(38,734)	221,087
Weighted average number of outstanding shares at the end of the period (in thousand)	511,494	472,710
(Loss) per share / basic and diluted earnings per share (Rupee)	(0.08)	0.47
22. CASH GENERATED FROM OPERATIONS		
Profit before tax	63,410	427,311
Adjustments for non-cash charges and other items		
Depreciation of property, plant and equipment	260,107	237,532
Depreciation of right-of-use asset	4,830	4,830
Depreciation of investment properties	51,891	34,548
Gain on disposal of property, plant and equipment	(35)	(67)
Amortisation of intangible assets	7,112	7,319
Amortisation of transaction cost	18,424	8,615
Provision for employee benefits obligation	2,700	2,700
Finance cost	1,362,719	1,801,130
Interest on lease liability	6,112	6,506
Impairment loss on investment in a subsidiary	927,463	-
Profit before working capital changes	2,704,733	2,530,424

Notes to the Unconsolidated Condensed Interim Financial Statements
For the half year ended December 31, 2024 - Unaudited

	(Unaudited)	
	December 31, 2024	December 31, 2023
	(Rupees in '000)	
Effect on cash flows due to working capital changes		
Decrease / (increase) in current assets		
Inventories	(275,328)	398,339
Trade receivables	66,089	1,245,216
Loans and advances	(305,645)	(189,472)
Trade deposits and short-term prepayments	(23,362)	(14,535)
Other receivables	(181,857)	3,624,193
Refund due from Government - Sales tax	28,931	(5,618)
	(691,172)	5,058,123
Increase / (decrease) in current liabilities		
Trade and other payables	1,022,853	(167,298)
Cash flows generated from operations	<u>3,036,414</u>	<u>7,421,249</u>

23. CASH AND CASH EQUIVALENTS

Cash and bank balances	719,640	1,760,009
Short-term borrowings		
- Running finance under markup arrangements	(7,477,768)	(8,433,189)
	<u>(6,758,128)</u>	<u>(6,673,180)</u>

24. SEGMENT INFORMATION

Based on an internal management reporting structure for the period, no reportable segments were identified that were of continuing significance for decision making.

25. TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions between the Company and related parties:

The related parties include associated companies, staff retirement funds, directors, key management personnel and close family members of directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant transactions with related parties are as follows:

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

		(Unaudited)	
		December 31,	December 31,
Nature of relationship	Nature of transactions	2024	2023
(Rupees in '000)			
Parent company	- Corporate service charges	55,260	66,000
	- Rent income	9,743	8,905
	- Income from provision of amenities	7,520	6,892
	- Issuance of right shares	-	3,254,963
Subsidiaries	- Revenue	418,011	236,556
	- Purchase of consumables	659,752	148,496
	- Royalty	26,755	18,656
	- Advance against financial assistance	108,750	644,389
	- Rent income	7,830	16,052
	- Income from provision of amenities	1,454	1,290
	- Reimbursement of expenses	94,873	66,525
	- Management fee	-	50,000
	- Material loan	37,221	11,972
	- Others	-	2,799
Staff retirement benefits	- Contributions to provident fund	117,822	105,393
	- Benefits paid	93,562	53,775
Associated companies	- Revenue	9,936,579	11,173,662
	- Salaries and wages	20,826	10,750
	- Purchases	-	3,633
	- Carriage and duties	207,278	59,702
	- Discounts claimed	254,442	145,168
	- Rent expense	48,308	16,237
	- Rent income	24,125	19,287
	- Acquisition of subsidiaries	-	7,250,407
	- Stock claims	278,522	298,068
	- Internet services	29,397	5,671
	- Income from provision of amenities	78,905	58,421
	- Donations	19,152	36,190
	- Incentives to field force staff	-	2,492
	- Repair & maintenance	1,208	2,689
- Merchandise expense	8,410	19,454	
- Others	11,510	18,236	
Key management employees compensation	- Salaries and other employee benefits	214,413	157,586
	- Contributions to provident fund	13,298	14,464
	- Issuance of right shares	-	10,336

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

25.1 The status of outstanding balances with related parties as at reporting date are included in the respective notes to the unconsolidated condensed interim financial statements.

26. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 28, 2025.



Chief Executive



Director



Chief Financial Officer

Consolidated Financial Statements

- 28** Consolidated Directors' Report
- 31** Consolidated Directors' Report (Urdu)
- 32** Consolidated Statement of Financial Position
- 33** Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 34** Consolidated Statement of Cash Flows
- 35** Consolidated Statement of Changes in Equity
- 36** Notes to the Consolidated Financial Statements

Directors' Report to the Members

We are pleased to present the consolidated interim financial information of the Searle group for the half year ended December 31, 2024. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – 'Interim Financial Reporting'. The directors' report is prepared in accordance with section 227 of the Companies Act, 2017 and Chapter XII of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Financial highlights

For the half year ended December 31, 2024, the group reported consolidated revenue of Rs 14.99 billion, with a gross profit margin of 47.97%, reflecting a 1.97% improvement compared to the same period last year.

Amid a declining interest rate environment, the group's finance cost decreased by 23%, dropping to Rs 1.40 billion from Rs 1.82 billion in the prior year. This significant reduction positively impacted overall performance, contributing to a Rs 464 million increase in profit from continuing operations.

Below is a summary of the financial results for the half-year ended December 31, 2024:

	2024	2023
	(Rupees in thousand)	
Revenue from contracts with customers	14,994,862	15,591,299
Cost of sales	(7,802,510)	(8,419,526)
Gross Profit	7,192,352	7,171,773
Distribution costs	(3,974,792)	(3,998,298)
Administrative expenses	(897,556)	(864,047)
Other expenses	(28,101)	(41,967)
Other income	81,022	134,159
Profit from operations	2,372,925	2,401,620
Finance cost	(1,402,107)	(1,823,156)
Profit before levies and income tax	970,818	578,464
Levies – minimum tax and final tax	(29,946)	-
Profit before income tax	940,872	578,464
Income tax expense	(176,119)	(277,382)
Profit from continuing operations	764,753	301,082
Profit / (loss) from discontinued operations – net of tax	(695,400)	(292,558)
Profit for the period	69,353	8,524

EARNINGS PER SHARE

Basic earnings per share after taxation for the period is Rs. 0.07 (December 2023: Rs. 0.03). There is no dilution effect on the basic earnings per share of the group, as the group had no convertible dilutive potential ordinary shares outstanding as at December 31, 2024.

FUTURE OUTLOOK

Searle group remains committed to expanding its footprint through organic growth, despite ongoing socio-economic and market challenges. Our proactive approach and decisive leadership enable us to navigate external uncertainties such as exchange rate fluctuations, inflation, and rising global costs. The recent regulatory approval of ADALIMUMAB, Pakistan's first locally manufactured biosimilar drug, marks a major milestone in our pursuit of innovation and our commitment to make high tech biological accessible to all .

We are well-positioned to capitalize on the recent price deregulation of non-essential drugs, enhancing cash flows and enabling new product launches. Additionally, declining interest rates are expected to boost profitability by reducing financing costs. With a strong pipeline of over 200 products, expansion into high-growth therapeutic areas, and increasing exports to GCC and CIS markets, Searle group is poised for sustained growth and value creation. We thank our shareholders for their continued support as we advance toward a future of innovation and market leadership.

For and on behalf of the Board



Syed Nadeem Ahmed
Chief Executive Officer



Zubair Palwala
Director

Karachi: February 28, 2025

فی حصص آمدنی

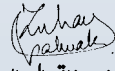
اس مدت کے لیے ٹیکس کے بعد فی شیئر بنیادی آمدنی 0.07 روپے ہے (دسمبر 2023: 0.03 روپے)۔ سرل گروپ کے فی حصص کی بنیادی آمدنی پر کسی کمی کا اثر نہیں ہے، کیونکہ سرل گروپ کے پاس 31 دسمبر 2024 تک کوئی تبدیلی ہونے والے ممکنہ کمزور عام حصص بتایا نہیں تھے۔

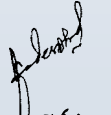
مستقبل کا منظر نامہ

سرل (Searle) گروپ کی توجہ سماجی، اقتصادی، سیاسی، اور ماحولیاتی پیلیٹیوں کو نبرد آزما ہوتے ہوئے، نامیاتی طور پر اور اسٹریٹیجک حصول کے ذریعے ترقی پر مرکوز ہے۔ ہمارا فعال نقطہ نظر اور بروقت فیصلہ سازی کا عزم ہمیں بیرونی غیر یقینی صورتحال جیسے کہ شرح مبادلہ کے اتار چڑھاؤ، افراط زر کے دباؤ اور بڑھتی ہوئی عالمی قیمتوں سے نمٹنے کے لیے اچھی پوزیشن میں رکھتا ہے۔ ADALIMUMAB، پاکستان کی پہلی مقامی طور پر تیار کی جانے والی بائیوسیمیلر دوا کی منظوری کے ساتھ، ہم اپنی بائیو ٹیکنالوجی پیشکشوں کو سب کے لیے قابل رسائی بنانے کے ہمارے عزم میں ایک اہم سنگ میل کی نشاندہی کرتی ہے۔

ہم غیر ضروری ادویات کی حالیہ قیمتوں کو کمزور کرنے، نقدی کے بہاؤ کو بڑھانے اور نئی مصنوعات کے آغاز کو فعال کرنے کے لیے اچھی پوزیشن میں ہیں۔ مزید برآں، سودی گرتی ہوئی شرحوں سے مالیاتی اخراجات کو کم کر کے منافع میں اضافے کی توقع ہے۔ 200 سے زیادہ مصنوعات کی ایک مضبوط رینج کے ساتھ، اعلیٰ ترقی کے علاج والے علاقوں میں توسیع، اور GCC اور CIS مارکیٹوں میں بڑھتی ہوئی برآمدات کے ساتھ، سرل (Searle) گروپ پائیدار ترقی اور قدر پیدا کرنے کے لیے تیار ہے۔ جدت طرازی اور مارکیٹ کی قیادت کے مستقبل کی طرف بڑھتے ہوئے ہم اپنے شیئر ہولڈرز کی مسلسل حمایت کے لیے ان کا شکریہ ادا کرتے ہیں۔

بورڈ کے لیے اور اس کی جانب سے


زہیر رزاق پال والا
ڈائریکٹر


سید مدیم احمد
چیف ایگزیکٹو آفیسر

کراچی: 28 فروری 2025

ممبران کو ڈائریکٹرز کی رپورٹ

31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لیے سرل گروپ کی غیر منصفہ عبوری مالیاتی معلومات پیش کرتے ہوئے ہمیں خوشی ہو رہی ہے۔ یہ مالیاتی بیانات بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ (IAS-34) عبوری مالیاتی رپورٹنگ (د) کے تقاضوں کے مطابق تیار کیے گئے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے باب XII کے مطابق تیار کی گئی ہے۔

مالی جھلکیاں

اس مدت کے لیے سرل گروپ کی آمدنی 14.99 ارب روپے تھی، جس کی بدولت مجموعی پروفٹ مارجن 47.97 فیصد رہا جو پچھلے سال کی اسی مدت کے مقابلے میں 1.97 فیصد اضافے کو ظاہر کرتا ہے۔ آمدنی میں یہ کمی بنیادی طور پر تقسیم کار کی سطح پر انویسٹمنٹ کے لیول کو منظم کرنے کی کوششوں اور پروڈکٹ کس میں ردوبدل کی وجہ سے تھی۔ ان اسٹریٹجک اقدامات کا مقصد سپلائی چین کی کارکردگی اور پروڈکٹ پورٹ فولیو کو بہتر بنانا تھا۔

شرح سود میں کمی کے رجحان کے ساتھ، سرل گروپ کی مالیاتی لاگت گزشتہ سال کی اسی مدت میں 1.82 ارب روپے سے گھٹ کر 1.40 ارب روپے رہ گئی۔ اس اہم کمی نے مجموعی کارکردگی کو بہتر بنایا جس کے نتیجے میں جاری آپریشنز سے منافع میں 464 ملین روپے کا اضافہ ہوا۔

31 دسمبر 2024 کو ختم ہونے والے چھ ماہ کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

2023

2024

(پاکستانی روپے ہزاروں میں)

2023	2024	آمدنی
15,591,299	14,994,862	فروخت کی لاگت
(8,419,526)	(7,802,510)	مجموعی منافع
7,171,773	7,192,352	ڈسٹریوشن کے اخراجات
(3,998,298)	(3,974,792)	ادھائی اخراجات
(864,047)	(897,556)	دیگر اخراجات
(41,967)	(28,101)	دیگر آمدنی
134,159	81,022	آپریشنز سے منافع
2,401,620	2,372,925	مالیاتی لاگت
(1,823,156)	(1,402,107)	لیویز اور انکم ٹیکس سے قبل منافع
578,464	970,818	لیویز - کم از کم ٹیکس اور حتمی ٹیکس
-	(29,946)	منافع قبل از ٹیکس
578,464	940,872	انکم ٹیکس کے اخراجات
(277,382)	(176,119)	جاری آپریشنز سے حاصل منافع
301,082	764,753	منتقل آپریشنز سے حاصل کردہ نفع (نقصان) - بعد از ٹیکس
(292,558)	(695,400)	مدت میں حاصل کردہ منافع
8,524	69,353	

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
ASSETS			
	Note	(Rupees in '000)	
Non-current assets			
Property, plant and equipment	5	10,234,555	10,396,016
Right-of-use asset	6	48,661	63,982
Investment properties		6,128,537	6,177,607
Intangibles		4,613,195	4,625,119
Long-term loans and advances	7	208	150
Long-term deposits		10,824	10,824
Deferred tax asset		2,066,310	1,984,209
		23,102,290	23,257,907
Current assets			
Inventories		3,929,396	3,451,526
Trade Receivables	8	12,759,800	12,471,522
Loans and advances	9	917,918	673,796
Trade deposits and short-term prepayments		289,667	250,194
Other receivables	10	1,234,412	857,810
Short-term investment at amortised cost		100,000	100,000
Taxation - payments less provision		2,075,548	2,067,031
Tax refunds due from government - Sales tax		194,849	224,769
Cash and bank balances		803,826	302,839
		22,305,416	20,399,487
Assets classified as held for sale		17,896,568	19,903,375
		63,304,274	63,560,769
Total assets			
EQUITY AND LIABILITIES			
EQUITY			
Share capital		5,114,945	5,114,945
Share premium		9,085,133	9,085,133
Unappropriated profit		12,160,769	12,027,381
General reserve		280,251	280,251
Revaluation surplus on property, plant and equipment		5,927,982	6,023,513
Attributable to owners of The Searle Company Limited - Holding Company		32,569,080	32,531,223
Non-controlling interests		1,945,270	1,913,774
		34,514,350	34,444,997
Total equity			
LIABILITIES			
Non-current liabilities			
Long-term borrowings		2,910,947	3,768,070
Employee benefit obligations	11	66,334	57,838
Long term lease liability		66,408	71,891
		3,043,689	3,897,799
Current liabilities			
Trade and other payables	12	9,268,030	8,398,648
Short-term borrowings	13	7,922,536	7,296,569
Current portion of long-term borrowings		2,088,300	2,088,300
Contract liabilities		357,623	58,863
Unpaid dividend		196,854	197,224
Unclaimed dividend		44,118	44,176
Current portion of long-term lease liability		10,744	19,691
		19,888,205	18,103,471
Liabilities directly associated with assets classified as held for sale		5,858,030	7,114,502
		28,789,924	29,115,772
Total liabilities			
Contingencies and commitments	14		
		63,304,274	63,560,769
Total equity and liabilities			

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements


Chief Executive


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended December 31, 2024 - Unaudited

	Note	Quarter Ended		Half year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue from contract with customers	15	7,370,678	6,883,020	14,994,862	15,591,299
Cost of sales		(3,642,731)	(3,618,245)	(7,802,510)	(8,419,526)
Gross profit		3,727,947	3,264,775	7,192,352	7,171,773
Distribution costs		(2,165,121)	(2,024,549)	(3,974,792)	(3,998,298)
Administrative expenses		(499,880)	(462,517)	(897,556)	(864,047)
Other operating expenses		10,017	(1,971)	(28,101)	(41,967)
Other income	16	41,196	105,509	81,022	134,159
Profit from operations		1,114,159	881,247	2,372,925	2,401,620
Finance cost		(646,881)	(797,496)	(1,402,107)	(1,823,156)
Profit before levies and income tax		467,278	83,751	970,818	578,464
Levies - minimum tax and final tax		(9,169)	18,990	(29,946)	-
Profit before income tax		458,109	102,741	940,872	578,464
Income tax expense		19,083	(113,974)	(176,119)	(277,382)
Profit / (loss) from continuing operations		477,192	(11,233)	764,753	301,082
Discontinued operations:					
Profit / (loss) from discontinued operations – net of tax		(836,372)	(118,201)	(695,400)	(292,558)
Profit / (loss) for the period		(359,180)	(129,434)	69,353	8,524
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(359,180)	(129,434)	69,353	8,524
Total comprehensive income for the period is attributable to:					
Owners of the Parent Company - continuing operations		474,714	(1,535)	755,048	278,926
Owners of the Parent Company - discontinued operations		(844,926)	(107,102)	(717,191)	(265,087)
		<u>(370,212)</u>	<u>(108,637)</u>	<u>37,857</u>	<u>13,839</u>
Non-controlling interests - continuing operations		2,478	(9,698)	9,705	22,156
Non-controlling interests - discontinued operations		8,554	(11,099)	21,791	(27,471)
		<u>11,032</u>	<u>(20,797)</u>	<u>31,496</u>	<u>(5,315)</u>
Basic & diluted earnings per share					
From continuing operations		0.93	(0.00)	1.48	0.59
From discontinued operations	17	(1.65)	(0.23)	(1.41)	(0.56)
		<u>(0.72)</u>	<u>(0.23)</u>	<u>0.07</u>	<u>0.03</u>

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements


Chief Executive


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the period ended December 31, 2024 - Unaudited

	December 31, 2024	December 31, 2023
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	18 2,712,111	8,158,292
Employee benefit obligations paid	-	-
Finance cost paid	(1,697,860)	(2,120,506)
Income tax paid	(394,116)	(637,190)
Interest income received	5,505	420
(Increase) / decrease in long-term deposits	-	(360)
Lease rentals paid	(20,542)	(3,918)
Decrease / (increase) in long-term loans and advances	761	(57)
Net cash generated from operating activities	605,859	5,396,681
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(180,763)	(273,002)
Acquisition of subsidiaries - net	-	(7,265,291)
Sale proceeds on disposal of property, plant and equipment	35	1,599
Additions to investment properties	(13,023)	(166,079)
Net cash used in investing activities	(193,751)	(7,702,773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(428)	(767)
(Repayment) / Proceeds of borrowings	(875,547)	(1,044,341)
Advance received against issue of share capital net of issuance cost	-	4,209,252
Net cash generated from / (used in) financing activities	(875,975)	3,164,144
Net increase in cash and cash equivalents	(463,867)	858,052
Cash and cash equivalents at beginning of the period	(8,915,506)	(11,424,337)
Cash and cash equivalents at end of the period	19 (9,379,373)	(10,566,285)

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements


Chief Executive


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended December 31, 2024 - Unaudited

	Share capital	Advance received against issue of share capital	Capital reserves		Revenue reserves		Sub-Total reserves	Non-Controlling interest	Total
			Share premium account	Revaluation surplus on Property, plant & equipment	General reserve	Unappropriated profits			
(Rupees in '000)									
Balance as at July 01, 2023	3,900,659	-	6,049,419	5,568,389	280,251	14,143,280	26,041,339	1,734,434	31,676,432
Total comprehensive income for the period	-	-	-	-	-	13,839	13,839	(5,315)	8,524

Transactions with owners

Advance received against issue of share capital	-	-	-	-	-	-	-	-	-
Issuance cost against rights issue	1,214,286	-	3,035,714	-	-	(40,748)	2,994,966	-	4,209,252
Acquisition of subsidiary	-	-	-	-	-	-	-	(165,070)	(165,070)
Non-redeemable convertible loan - note 13	-	-	-	-	-	-	-	356,573	356,573
Issue of bonus shares	-	-	-	-	-	-	-	-	-
	1,214,286	-	3,035,714	-	-	(40,748)	2,994,966	191,503	4,400,755
Transfer of incremental depreciation - net of deferred tax	-	-	-	(45,390)	-	45,390	-	-	-
Balance as at December 31, 2023	<u>5,114,945</u>	<u>-</u>	<u>9,085,133</u>	<u>5,522,999</u>	<u>280,251</u>	<u>14,161,761</u>	<u>29,050,144</u>	<u>1,920,622</u>	<u>36,085,711</u>
Balance as at July 01, 2024	5,114,945	-	9,085,133	6,023,513	280,251	12,027,381	27,416,278	1,913,774	34,444,997
Total comprehensive income for the period	-	-	-	-	-	37,857	37,857	31,496	69,353
Transfer of incremental depreciation - net of deferred tax	-	-	-	(95,531)	-	95,531	-	-	-
Balance as at December 31, 2024	<u>5,114,945</u>	<u>-</u>	<u>9,085,133</u>	<u>5,927,982</u>	<u>280,251</u>	<u>12,160,769</u>	<u>27,454,135</u>	<u>1,945,270</u>	<u>34,514,350</u>

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements


Chief Executive


Director


Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

1. LEGAL STATUS AND OPERATIONS

1.1 The Searle Company Limited (the Company) was incorporated in Pakistan as a private limited company in October 1965. In November 1993, the Company was converted into a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacture of pharmaceutical and other consumer products. The registered office of the Company is situated at One IBL Centre 2nd Floor, Plot No. 1, Block 7 & 8 Dehli Mercantile Muslim Cooperative Housing Society, Tipu Sultan Road Off Shahrah-e-Faisal, Karachi.

International Brands (Private) Limited is the Parent Company, which holds 50.25% (December 31, 2023: 58.37%) shareholding in the Company.

Following are the subsidiary companies:

	Principal place of business	Percentage of effective holding	
		December 31, 2024 (Unaudited)	June 30, 2024 (Audited)
Listed Company			
- IBL HealthCare Limited		74.19%	74.19%
Unlisted Companies			
- Searle Pakistan Limited	Pakistan	90.61%	90.61%
- Searle Pharmaceuticals (Private) Limited		100.00%	100.00%
- Searle Laboratories (Private) Limited		100.00%	100.00%
- Searle Biosciences (Private) Limited		100.00%	100.00%
- IBL Future Technologies (Private) Limited		100.00%	100.00%
- Searle IV Solutions (Private) Limited		100.00%	-
- Stellar Ventures (Private) Limited		100.00%	-
- IBL Frontier Markets (Private) Limited *		100.00%	-
- Prime Health (Private) Limited *		100.00%	-
- Mycart (Private) Limited *		50.00%	-
- Nextar Pharma (Private) Limited *		87.20%	87.20%

* Nextar Pharma (Private) Limited is the subsidiary of Searle Biosciences (Private) Limited being the indirect subsidiary of the Parent Company.

* MyCart (Private) Limited, IBL Frontier Markets (Private) Limited and Prime Health MyCart (Private) Limited are the subsidiaries of Stellar Ventures (Private) Limited being the indirect subsidiary of the Parent Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

2.1.2 These consolidated condensed interim financial statements does not include all the information required for full financial statements and should be read in conjunction with the audited annual Consolidated financial statements of the Company as at and for the year ended June 30, 2024.

2.1.3 The comparative Consolidated condensed interim statement of financial position presented in these Consolidated condensed interim financial statements have been extracted from the audited annual Consolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative Consolidated condensed interim statement of profit or loss and other comprehensive income, Consolidated condensed interim statement of cash flows and Consolidated condensed interim statement of changes in equity are extracted from the un-audited Consolidated condensed interim financial statements for the period ended December 31, 2023.

2.2 Basis of measurement

These condensed interim Consolidated financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual Consolidated financial statements of the Company for the year ended June 30, 2024.

2.3 Functional and presentation currency

These condensed interim Consolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest thousand Rupee except where stated otherwise.

2.4 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Group's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2025. However, these will not have any impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Group for the year ended June 30, 2024.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended June 30, 2024.

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended June 30, 2024.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

	(Unaudited) December 31 2024	(Audited) June 30, 2024
	(Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 5.1	9,690,871	9,937,390
Capital work-in-progress - at cost	543,684	458,626
	<u>10,234,555</u>	<u>10,396,016</u>
5.1 Additions - operating fixed assets (at cost)		
Leasehold Land	-	4,817
Building on leasehold land	22,194	17,818
Plant and machinery	8,036	58,236
Office equipment	2,914	63,548
Furniture and fittings	1,342	1,054
Vehicles	-	2,799
Air conditioning systems	18,915	5,162
	<u>53,401</u>	<u>153,434</u>
6. RIGHT-OF-USE ASSET		
Opening net book value	63,982	60,090
Acquisition of subsidiaries	-	23,463
Addition	-	1,918
Depreciation for the period - note 6.1	(15,321)	(21,489)
Net book value as at	<u>48,661</u>	<u>63,982</u>
6.1	Depreciation expense on right-of-use asset has been charged to cost of sales.	
7. INTANGIBLES		
Operating intangible assets	29,443	41,367
Goodwill - note 7.1	4,583,752	4,583,752
	<u>4,613,195</u>	<u>4,625,119</u>
7.1	This represents goodwill pertaining to Nextar Pharma (Private) Limited, Searle Pakistan Limited and upon acquisition of subsidiaries.	
8. TRADE RECEIVABLES		
Considered good		
- Export receivables, secured	690,459	420,577
- Due from related parties, unsecured	9,890,771	10,975,841
- Others, unsecured	2,390,960	1,289,340
	<u>12,972,190</u>	<u>12,685,758</u>
Less: Provision for doubtful receivables	(212,390)	(214,236)
	<u>12,759,800</u>	<u>12,471,522</u>

Notes to the Consolidated Condensed Interim Financial Statements
For the half year ended December 31, 2024 - Unaudited

	(Unaudited) December 31 2024	(Audited) June 30, 2024
9 LOANS AND ADVANCES - considered good		(Rupees in '000)
Advances to:		
Secured		
- employees for operating activities	186,996	111,566
- employees against salaries	20,319	12,348
Unsecured		
- advance to Universal Ventures (Private) Limited	-	4,468
- advance to associated companies	-	4,586
- suppliers	570,531	376,235
- against imports	129,735	157,622
- against LC margin	-	1,833
Other advances	10,337	4,996
Current portion of long-term loans to employee	-	142
	917,918	673,796
10 OTHER RECEIVABLES		
Receivables from related parties		
Due from Ultimate Parent Company and associated companies:		
- International Brands (Private) Limited	79,749	62,486
- IBL Operations (Private) Limited	147,786	152,493
- Universal Ventures (Private) Limited	86,452	86,452
- Mywater (Private) Limited	-	3,560
- IBL Logistics (Private) Limited	-	1,692
- IBL Unisys (Private) Limited	90,248	88,326
	404,235	395,009
Due from other related party:		
- United Retail (SMC- Private) Limited	41,054	13,176
- Universal Retail (SMC- Private) Limited	238,718	182,754
	279,772	195,930
Surplus arising under retirement benefit fund	5,250	5,250
Receivables from other than related parties		
Others, considered good	545,155	261,621
	1,234,412	857,810

Notes to the Consolidated Condensed Interim Financial Statements
For the half year ended December 31, 2024 - Unaudited

	(Unaudited) December 31 2024	(Audited) June 30, 2024
	(Rupees in '000)	
11. LONG-TERM BORROWINGS		
Islamic		
Musharika Facility - note 11.1	2,777,017	3,695,769
Diminishing musharika	66,965	72,301
	2,910,947	3,768,070
11.1	The Parent Company obtained a musharaka facility from Habib Bank Limited (Musharaka Agent) for a period of 7 years with a repayment grace period of two years. The Parent Company is required to repay the amount of the loan in quarterly installments, starting from September 2022. This facility carries a mark-up of three months KIBOR plus 1.35%.	
	(Unaudited) December 31 2024	(Audited) June 30, 2024
	(Rupees in '000)	
12. TRADE AND OTHER PAYABLES		
Creditors	3,610,379	3,278,710
Payable under group relief	21,418	21,418
Salaries and benefits payable	-	2,993
Bills payable in foreign currency	1,409,760	2,108,270
Royalty payable	46,821	20,066
Accrued liabilities	2,747,366	1,804,911
Payable to provident fund	149,525	103,765
Accrued markup	438,013	465,594
Taxes deducted at source and payable to statutory authorities	638,199	393,099
Workers' Profit Participation Fund	-	15,018
Workers' Welfare Fund	59,875	35,591
Other liabilities	146,674	149,213
	9,268,030	8,398,648
13. SHORT-TERM BORROWINGS		
Secured borrowings		
Conventional:		
Running finance under mark-up arrangements - note 13.1	1,449,316	1,293,150
Islamic:		
Running musharaka - note 13.1 to	6,473,220	5,992,008
Unsecured borrowings		
IBL Holding (Private) Limited	-	11,411
	7,922,536	7,296,569

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

13.1 The Parent Company has entered into running finance under mark-up arrangements from various banks amounting to Rs. 7,650 million (June 30, 2024: Rs. 7,650 million) which include financing facilities obtained under Islamic mode amounting to Rs. 6,350 million (June 30, 2024: Rs. 6,350 million). The arrangements are secured jointly by registered mortgage of Rs. 1,937.5 million (June 30, 2024: Rs. 1,937.5 million) of immovable property together with a joint pari passu charge on all current assets of the Company to the extent of Rs. 11,095.83 million (June 30, 2024: Rs. 11,095.83 million).

13.1.1 The Parent Company's rates of mark-up ranged between 15.86% to 21.83% (June 30, 2024: 22.96% to 24.66%) per annum.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant change in the status of contingencies as reported in note 31 of annual audited consolidated financial statements of the Group for the year ended June 30, 2024.

14.2 Commitments

14.2.1 The facility for opening letters of credit and guarantees of the Parent Company as at December 31, 2024 amounted to Rs. 2,750 million (June 30, 2024: Rs. 2,750 million) of which the amount remain unutilised as at period ended December 31, 2024 amounted to Rs. 1,309.89 million (June 30, 2024: Rs. 1,530.98 million).

14.2.2 The facility for opening Letters of Credit of IBL Healthcare Limited as at December 31, 2024 amounted to Rs. 800 million (June 30, 2024: Rs. 650 million) and Rs. 20 million (2024: Rs. 20 million) of which the amount remaining unutilised at the end of period was Rs. 311.74 million (June 30, 2024: Rs. 134 million) and Rs. 5.96 million (2024: Rs. 5.96 million) respectively.

December 31 December 31
2024 2023
(Rupees in '000)

15. REVENUE FROM CONTRACT WITH CUSTOMERS

Gross sales		
Local sales	15,889,409	16,339,667
Export sales	1,338,387	1,203,433
	17,227,796	17,543,100
Toll manufacturing	2,408	2,146
	17,230,204	17,545,246
Sales tax	(398,112)	(210,492)
	16,832,092	17,334,754
Less:		
Discounts, rebates and allowances	(1,438,640)	(1,154,534)
Sales returns	(398,590)	(588,921)
	(1,837,230)	(1,743,455)
	14,994,862	15,591,299

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

	December 31 2024	December 31 2023
	(Rupees in '000)	
16. OTHER INCOME		
Income from financial assets		
Exchange gain	-	2,653
Interest income on Term Finance Certificate	9,406	5,972
	9,406	8,625
Income from non - financial assets		
Rental income from investment properties	47,339	17,098
Scrap sales	17,010	2,414
Others	7,232	513
	71,616	20,025
	81,022	28,650
17. BASIC AND DILUTED EARNINGS PER SHARE		
		(Re-stated)
Profit for the period	37,857	13,839
Weighted average number of outstanding shares at the end of the period (in thousand)	511,494	472,710
Basic and diluted earnings per share (Rupees)	0.07	0.03

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

	December 31 2024	December 31 2023
	(Rupees in '000)	
18. CASH GENERATED FROM OPERATIONS		
Profit before income tax	360,226	353,316
Add / (less): Adjustments for non-cash charges and other items		
Depreciation on property, plant and equipment	446,336	413,469
Depreciation on investment property	62,093	34,548
Depreciation on right-of-use-asset	15,321	4,830
Amortisation	11,924	11,733
Gain on disposal of property, plant and equipment	(35)	571
Provision for retirement benefits obligation	10,477	10,317
Impairment of expense	927,463	-
Interest income	(5,505)	-
Finance cost	1,621,791	2,139,601
Interest on lease liability	6,112	6,506
Amortisation of transaction cost	18,424	8,615
Provision for doubtful receivable	10,100	10,100
Profit before working capital changes	<u>3,484,727</u>	<u>2,993,606</u>
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	145,637	2,198,273
Trade receivables	(381,302)	(1,902,688)
Loans and advances	(370,867)	(1,241,325)
Trade deposits and short-term prepayments	(40,419)	(29,490)
Accrued markup	-	420
Tax refunds due from government - Sales tax	29,382	(92,190)
Other receivables	(376,602)	3,572,426
	<u>(994,171)</u>	<u>2,505,426</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(77,205)	2,685,565
Contract liabilities	298,760	(26,305)
Cash generated from operations	<u>2,712,111</u>	<u>8,158,292</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

	December 31 2024	December 31 2023
19. CASH AND CASH EQUIVALENTS		(Rupees in '000)
Cash and bank balances	816,059	1,832,282
Short term running finances - note 13	(10,195,432)	(12,398,567)
	<u>(9,379,373)</u>	<u>(10,566,285)</u>

20. SEGMENT INFORMATION

Based on internal management reporting structure for the period, no reportable segments were identified that were of continuing significance for decision making.

21. TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions between the Group and related parties

The related parties include the ultimate parent company, associated companies or undertakings, staff retirement funds, directors of the Group, key management personnel and key management personnel. The Group in the normal course of business carries out transactions with various related parties. The Group enters into transactions with related parties on the basis of mutually agreed terms. Significant transactions with related parties are as follows:

Nature of relationship	Nature of transactions	December 31 2024	December 31 2023
			(Rupees in '000)
Ultimate parent company	- Corporate service charges	65,760	75,133
	- Rent income	9,743	8,905
	- Income from provision of amenities	7,520	6,892
Associated companies	- Revenue	10,799,059	16,583,178
	- Salaries and wages	20,826	10,750
	- Purchases	-	8,513
	- Carriage and duties	207,278	62,729
	- Discounts claimed	360,543	256,315
	- Rent expense	48,308	28,737
	- Rent income	24,125	21,971
	- Stock claims	278,522	369,909
	- Internet services	29,397	5,671
	- Income from provision of amenities	78,905	58,421
	- Donations	19,152	36,190
	- Incentives to field force staff	-	2,492
	- Repair and maintenance	1,208	2,689
	- Merchandise expense	8,410	34,131
- Others	11,510	18,236	
	- Acquisition of subsidiaries	-	7,250,407
Key management employees compensation	- Salaries and other		
	employee benefits	214,413	212,928
	- Contributions to Provident Fund	13,298	14,464

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2024 - Unaudited

21.1 The status of outstanding balances with related parties as at December 31, 2024 is included in the respective notes to the consolidated financial statements.

22. CORRESPONDING FIGURES


Corresponding figures have been reclassified and re-arranged in these consolidated financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current period, having insignificant impact.

23. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was approved and authorised for issue by the Board of Directors of the Parent Company on February 28, 2025.



Chief Executive



Director



Chief Financial Officer

SEARLE

THE SEARLE COMPANY LIMITED

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