



SEARLE

Research in the service of mankind

DECEMBER 2025
HALF YEARLY
REPORT

Elevating life by advancing health
& well-being for generations to come

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Company Information

Board of Directors

Mr. Arshad Anis	Non-Executive Director	Chairman
Mr. Tahir Ahmed	Executive Director	Chief Executive Officer
Mr. Munis Abdullah	Non-Executive Director	
Mr. S. Nadeem Ahmed	Executive Director	
Mr. Zubair Razzak Palwala	Non-Executive Director	
Ms. Shaista Khaliq Rehman	Independent Director	
Mr. Muhammed Zubair Haider Shaikh	Independent Director	

Board of Audit Committee

Ms. Shaista Khaliq Rehman	Chairperson
Mr. Zubair Razzak Palwala	Member
Mr. Munis Abdullah	Member

Board of HR & Remuneration Committee

Mr. Muhammad Zubair Haider Shaikh	Chairman
Mr. Munis Abdullah	Member
Ms. Shaista Khaliq Rehman	Member

Chief Financial Officer

Mr. S. Asim Raza Zaidi

Company Secretary

Mr. Mudassir Habib Khan

Auditors

A. F. Ferguson & Co.

Legal Advisors

Mohsin Tayebaly & Co.

Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank AL Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan 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

SHARE REGISTRAR

CDS Share Registrar Services Limited
Head Office, CDC House,
99-B, Block 'B' S.M.C.H.S.,
Main Shahrah-e-Faisal
Karachi - 74400

REGISTERED OFFICE

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

Directors' Report to the Members – Unconsolidated

We are pleased to present the unconsolidated interim financial information of the company for the half year ended December 31, 2025. 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

Revenue of the company increased to Rs. 17.58 billion, reflecting a 34% increase compared to the same period last year. The significant growth in sales was underpinned by improved product availability, optimisation of the supply chain and enhanced commercial execution. The gross profit increased substantially to Rs. 9.90 billion, with the gross profit margin improving to 56.3%, compared to 49.2% in the corresponding period last year. This improvement was primarily driven by strategic price adjustments and a favorable shift in the product mix.

Finance costs, which had been a significant strain on the Company's profitability in prior periods, declined significantly to Rs. 520 million from Rs. 1,369 million in the corresponding period last year. This reduction was primarily attributable to the settlement of long-term borrowings following the divestment of Searle Pakistan Limited (SPL) and the easing of benchmark interest rates during the period. The resulting improvement in leverage and liquidity is also reflected in the reaffirmation of the Company's entity ratings at 'AA-/A1' with a Stable outlook by VIS Credit Rating Company Limited.

The comparative period also included a one-off impairment loss of Rs. 927 million relating to the Company's investment in SPL, which had adversely impacted prior year profitability.

As a result, the company recorded a profit after tax of Rs. 1,785 million, compared to a loss of Rs. 39 million in the corresponding period of the previous year.

Below is a summary of the financial results for the half year ended December 31, 2025:

	Half year ended	
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
Revenue from contracts with customers	17,582,391	13,157,762
Cost of sales	(7,681,589)	(6,687,389)
Gross Profit	9,900,802	6,470,373
Distribution costs	(5,075,788)	(3,394,108)
Administrative expenses	(870,304)	(761,396)
Other expenses	(318,423)	(28,101)
Other income	285,705	72,936
Impairment loss on investment in a subsidiary	-	(927,463)
Profit from operations	3,921,992	1,432,241
Finance cost	(519,619)	(1,368,831)
Profit before levies and income tax	3,402,373	63,410
Levies – minimum tax and final tax	-	(12,322)
Profit before income tax	3,402,373	51,088
Taxation	(1,617,567)	(89,822)
Profit / (loss) for the period	1,784,806	(38,734)

EARNINGS PER SHARE

Basic earnings per share after taxation for the period is Rs. 3.03 (December 2024: Rs. (0.07)). 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, 2025.

FUTURE OUTLOOK

Searle remains focused on expanding its market presence and sustaining organic growth while continuing to improve lives. Despite ongoing macroeconomic and geopolitical challenges, the Company is confident in its ability to navigate these with resilience and deliver consistent performance.

Recent developments, including the deregulation of non-essential drug prices, lower interest rates, and a stable exchange rate have improved business predictability and created a favorable environment for growth. The recent approval of Denosumab injections by the Drug Regulatory Authority of Pakistan marks another milestone in Searle's biosimilar journey, strengthening its leadership in biotechnology and access to affordable advanced therapies.

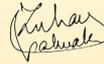
The Company continues to build momentum in exports, particularly across GCC and CIS markets, supported by new manufacturing approvals from regional health authorities. At the same time, Searle is accelerating its digital transformation and sustainability initiatives to enhance operational efficiency and align with global standards.

We thank our shareholders for their continued trust and support. Searle remains committed to disciplined execution, innovation, and creating enduring value for all stakeholders.

For and on behalf of the Board



Tahir Ahmed
Chief Executive Officer



Zubair Palwala
Director

Karachi: February 26, 2026

فی حصص آمدنی

مدت کے لیے ٹیکس کے بعد بنیادی فی حصص آمدنی 3.03 روپے ہے (دسمبر 2024: منفی 0.07 روپے)۔ کمپنی کی بنیادی فی حصص آمدنی پر ڈاکیوشن کا کوئی اثر نہیں ہے، کیونکہ 31 دسمبر 2025 تک کمپنی کے پاس کوئی کنورٹبل آرڈنری شیئرز واجب الادا نہیں تھے۔

مستقبل کا جائزہ

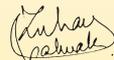
سرل اپنی مارکیٹ کی موجودگی کو بڑھانے اور نامیاتی نمو برقرار رکھتے ہوئے زندگیوں کو بہتر بنانے پر توجہ مرکوز کیے ہوئے ہے۔ موجودہ معاشی اور جغرافیائی سیاسی چیلنجوں کے باوجود، کمپنی چیک کے ساتھ ان حالات کا مقابلہ کرنے اور مستقل کارکردگی دکھانے کی صلاحیت پر پُر اعتماد ہے۔

حالیہ پیش رفت، بشمول غیر ضروری ادویات کی قیمتوں کا ڈی ریگولیشن، کم شرح سود، اور مستحکم شرح مبادلہ نے کاروباری تسلسل کو بہتر بنایا ہے۔ ڈرگ ریگولیٹری اتھارٹی آف پاکستان کی جانب سے 'Denosumab' انسکریپشن کی حالیہ منظوری بائیو سیمینالوجی میں سرل کی قیادت کو مزید تقویت دے گی۔

کمپنی برآمدات، خاص طور پر خلیجی ممالک (GCC) اور CIS مارکیٹوں میں اپنی رفتار بڑھا رہی ہے، جسے علاقائی صحت کے حکام کی جانب سے نئی میوٹیشننگ منظور یوں کی حمایت حاصل ہے۔ ساتھ ہی، سرل آپریشنل کارکردگی کو بڑھانے کے لیے ڈیجیٹل تبدیلی اور پائیداری کے اقدامات کو تیز کر رہی ہے۔

ہم اپنے شیئر ہولڈرز کے مسلسل اعتماد اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ سرل تمام اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کے لیے پُر عزم ہے۔

بورڈ کے لیے اور اس کی جانب سے


زہیر رزاق پال والا
ڈائریکٹر


طاہر احمد
چیف ایگزیکٹو آفیسر

کراچی: 26 فروری 2026

ڈائریکٹر رپورٹ برائے حصص یافتگان

ہم 31 دسمبر 2025 کو ختم ہونے والے نصف سال کے لیے کمپنی کی غیر مستحکم عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ یہ مالیاتی گوشوارے انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ (IAS) 34 - عبوری مالیاتی رپورٹنگ کے تقاضوں کے مطابق تیار کیے گئے ہیں۔ ڈائریکٹرز کی یہ 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

کمپنی کی آمدنی بڑھ کر 17.58 ارب روپے تک پہنچ گئی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 34 فیصد اضافہ ظاہر کرتی ہے۔ فروخت میں اس نمایاں نمو کی بنیاد مصنوعات کی بہتر دستیابی، سپلائی چین کی بہتری اور بہتر تجارتی عملدرآمد پر ہے۔ مجموعی منافع نمایاں اضافے کے ساتھ 9.90 ارب روپے رہا، جبکہ مجموعی منافع کا مارجن بڑھ کر 56.3 فیصد ہو گیا، جو گزشتہ سال اسی مدت میں 49.2 فیصد تھا۔ یہ بہتری بنیادی طور پر قیمتوں میں اسٹریٹجک تبدیلیوں اور مصنوعات کے بہترین تناسب کی وجہ سے ممکن ہوئی۔

مالیاتی اخراجات، جو سابقہ ادوار میں کمپنی کے منافع پر ایک بڑا بوجھ تھے، گزشتہ سال کی اسی مدت کے 1,369 ملین روپے کے مقابلے میں نمایاں طور پر کم ہو کر 520 ملین روپے رہ گئے ہیں۔ اس کمی کی بنیادی وجہ 'سرمل پاکستان لمیٹڈ' (SPL) کی فروخت کے بعد طویل مدتی قرضوں کی ادائیگی اور اس عرصے کے دوران بنیادی شرح سود میں کمی ہے۔ لیوریج اور لیویڈیٹی میں اس بہتری کی عکاسی VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے کمپنی کی ریٹنگ 'AA-/A1' کے مستحکم آؤٹ لک کے ساتھ برقرار رکھنے سے بھی ہوتی ہے۔

گزشتہ سال کی اسی مدت میں SPL میں کمپنی کی سرمایہ کاری سے متعلق 927 ملین روپے کا ایک وقتی نقصان بھی شامل تھا، جس نے پچھلے سال کے منافع پر منفی اثر ڈالا تھا۔

31 دسمبر کو ختم ہونے والے نصف سال میں کمپنی نے 1,785 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا، جبکہ گزشتہ سال اسی مدت میں 39 ملین روپے کا نقصان ہوا تھا۔

ذیل میں 31 دسمبر 2025 کو ختم ہونے والے چھ ماہ کے مالیاتی نتائج کا خلاصہ پیش کیا جا رہا ہے:

اختتام پذیر نصف سال

31 دسمبر 2025 31 دسمبر 2024

(پاکستانی روپے ہزاروں میں)

13,157,762	17,582,391	گاہکوں کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی
(6,687,389)	(7,681,589)	فروخت کی لاگت
6,470,373	9,900,802	مجموعی منافع
(3,394,108)	(5,075,788)	تزیل کے اخراجات
(761,396)	(870,304)	انتظامی اخراجات
(28,101)	(318,423)	دیگر اخراجات
72,936	285,705	دیگر آمدنی
(927,463)	-	ماحت ادارے میں سرمایہ کاری پر نقصان
1,432,241	3,921,992	آپریٹنگ سے منافع
(1,368,831)	(519,619)	مالیاتی لاگت
63,410	3,402,373	یویژ اور انکم ٹیکس سے قبل منافع
(12,322)	-	یویژ - کم از کم ٹیکس اور حتمی ٹیکس
51,088	3,402,373	منافع قبل از ٹیکس
(89,822)	(1,617,567)	انکم ٹیکس کے اخراجات
(38,734)	1,784,806	منافع (نقصان) 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, 2025 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to and forming part of 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.

Scope of Review

We conducted our review in accordance with 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.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

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 27, 2026

UDIN: RR20251007306cru2Os4

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 ■ ISLAMABAD

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

ASSETS	Note	(Un-audited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in '000)	
Non-current assets			
Property, plant and equipment	5	7,543,227	7,632,409
Right-of-use assets		35,941	40,770
Investment properties - at cost		2,880,542	2,923,493
Intangible assets		6,022	12,131
Deferred tax assets		1,263,189	1,214,703
Long-term investments - subsidiaries		9,666,718	9,666,718
Long-term loans		95	61
Long-term deposits		7,396	7,396
		21,403,130	21,497,681
Current assets			
Inventories	6	5,027,796	3,717,103
Trade receivables	7	11,158,368	9,487,605
Loans and advances	8	3,295,859	2,027,914
Trade deposits and short-term prepayments		280,442	204,026
Other receivables	9	4,552,982	5,261,130
Short-term investment - at amortised cost		-	100,000
Taxation - payments less provision		571,629	1,985,688
Tax refunds due from Government - sales tax		209,482	254,262
Cash and bank balances	10	821,910	140,211
		25,918,468	23,177,939
		47,321,598	44,675,620
Total assets			
EQUITY AND LIABILITIES			
EQUITY			
Share capital			
Issued, subscribed and paid-up capital	11	5,882,187	5,114,945
Capital reserves			
Share premium		9,085,133	9,085,133
Revaluation surplus on property, plant and equipment - net		4,417,863	4,582,517
Revenue reserves			
General reserve		280,251	280,251
Unappropriated profit		12,359,055	11,176,837
		32,024,489	30,239,683
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	96,554	46,067
Employee benefit obligations		59,099	58,380
Lease liability		51,127	57,514
		206,780	161,961
Current liabilities			
Trade and other payables	13	7,435,939	6,102,229
Short-term borrowings	14	7,369,788	7,910,150
Contract liabilities		53,437	31,030
Unpaid dividend		182,336	182,340
Unclaimed dividend		36,525	36,827
Current portion of lease liability		12,304	11,400
		15,090,329	14,273,976
		15,297,109	14,435,937
Total liabilities			
Contingencies and commitments			
	15		
Total equity and liabilities		47,321,598	44,675,620

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, 2025 - Unaudited

	Note	Quarter ended		Half year ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
----- (Rupees in '000) -----					
Revenue from contracts with customers	16	9,015,072	6,480,142	17,582,391	13,157,762
Cost of sales	17	(3,903,793)	(3,070,646)	(7,681,589)	(6,687,389)
Gross profit		5,111,279	3,409,496	9,900,802	6,470,373
Distribution costs		(2,461,287)	(1,865,227)	(5,075,788)	(3,394,108)
Administrative expenses		(456,288)	(421,429)	(870,304)	(761,396)
Other expenses		(199,541)	10,017	(318,423)	(28,101)
Other income	18	249,582	36,825	285,705	72,936
Impairment loss on investment in a subsidiary		-	(927,463)	-	(927,463)
Profit from operations		2,243,745	242,219	3,921,992	1,432,241
Finance cost		(240,584)	(627,642)	(519,619)	(1,368,831)
Profit / (loss) before levies and income tax		2,003,161	(385,423)	3,402,373	63,410
Levies - minimum tax and final tax		11,547	1,209	-	(12,322)
Profit / (loss) before income tax		2,014,708	(384,214)	3,402,373	51,088
Taxation	19	(1,083,422)	44,699	(1,617,567)	(89,822)
Profit / (loss) for the period		931,286	(339,515)	1,784,806	(38,734)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		931,286	(339,515)	1,784,806	(38,734)
----- (Rupee) -----					
Basic and diluted earnings per share / (loss) per share (Rupees)	20	1.58	(0.58)	3.03	(0.07)

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, 2025 - Unaudited

	Capital reserves			Revenue reserves		Total reserves	Total
	Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on Property, plant and equipment	General reserve	Unappropriated profit		
-----Rupees '000-----							
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
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)	<u>5,114,945</u>	<u>9,085,133</u>	<u>3,966,844</u>	<u>280,251</u>	<u>10,609,022</u>	<u>23,941,250</u>	<u>29,056,195</u>
Balance as at July 01, 2025 (audited)	5,114,945	9,085,133	4,582,517	280,251	11,176,837	25,124,738	30,239,683
Total comprehensive income for the period ended December 31, 2025							
Profit for the period	-	-	-	-	1,784,806	1,784,806	1,784,806
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	1,784,806	1,784,806	1,784,806
Transfer of incremental depreciation - net of deferred tax	-	-	(135,063)	-	135,063	-	-
Transfer of revaluation surplus on disposal of vehicle held at revaluation model to unappropriated profit	-	-	(29,591)	-	29,591	-	-
Transactions with owners							
Bonus shares issued during the period in the ratio of 15 shares for every 100 shares held	767,242	-	-	-	(767,242)	(767,242)	-
Balance as at December 31, 2025 - (Unaudited)	<u>5,882,187</u>	<u>9,085,133</u>	<u>4,417,863</u>	<u>280,251</u>	<u>2,359,055</u>	<u>26,142,302</u>	<u>32,024,489</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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the half year ended December 31, 2025 - Unaudited

	December 31, 2025	December 31, 2024
	Note	(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	21 2,172,309	3,036,414
Employees benefit obligations paid	(1,981)	(9,543)
Finance cost paid - conventional	(130,463)	(190,658)
Finance cost paid - islamic	(386,223)	(1,211,057)
Income tax paid	(251,994)	(218,882)
Long-term loans	(34)	(58)
WWF and WPPF Paid	(60,471)	-
Net cash generated from operating activities	1,341,143	1,406,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(267,826)	(125,468)
Proceeds from disposal of property, plant and equipment	17,645	35
Addition to investment properties	(4,204)	(13,023)
Disposal of short-term investments	90,606	-
Net cash used in investing activities	(163,779)	(138,456)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(306)	(265)
Repayment of long-term borrowings	-	(875,461)
Obtained long term loan	61,493	-
Payment against lease liabilities	(5,484)	(4,708)
Proceeds from short term borrowings	5,169,317	2,552,445
Repayment of short-term borrowings	(5,722,402)	(2,496,734)
Net cash used in financing activities	(497,382)	(824,723)
Net increase in cash and cash equivalents	679,982	443,037
Cash and cash equivalents at the beginning of the period	(1,154,995)	(1,172,713)
Cash and cash equivalents at the end of the period	22 (475,013)	(729,676)

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, 2025 - 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 manufacturing 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 52.33% (December 31, 2024: 50.25%) shareholding in the Company. This holding percentage includes 9,645,357 shares which are held in lieu of 5% withholding tax under section 236M and 307,801,776 shares which are held in lieu of 10% withholding tax under section 236Z of the Income Tax Ordinance, 2001. The shareholder has filed a petition against such provision and the case is currently pending before the Honorable High Court.

1.2 Following are the subsidiary companies:

	Principal place of business	Effective %age of holding	
		December 31, 2025 (Unaudited)	June 30, 2025 (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%
- Nextar Pharma (Private) Limited *		87.20%	87.20%
- Searle IV Solutions (Private) Limited		100.00%	100.00%
- Stellar Ventures (Private) Limited		100.00%	100.00%
- MyCart (Private) Limited **		50.00%	50.00%
- IBL Frontier Markets (Private) Limited **		100.00%	100.00%
- Prime Health (Private) Limited **		100.00%	100.00%

* Nextar Pharma (Private) Limited a 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 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:

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

- 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, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications 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 a full set of 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, 2025.

2.1.3 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 Rupees except where stated otherwise.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

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, 2025.

3.2 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, 2025. However, these do not have any significant impact on the Company's financial reporting.

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

There is a new standard and amendments that will be applicable to the Company for its annual periods beginning on or after January 1, 2026. The new standard refers to IFRS 18 Presentation and Disclosure in the Financial Statements with an applicability date of January 1, 2027. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability and are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of the new standard and the amendments to IFRS 7 and IFRS 9 and expects to complete the assessment shortly.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 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 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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 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, 2025.

4.3 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, 2025.

Notes to the Unconsolidated Condensed Interim Financial Statements
For the half year ended December 31, 2025 - Unaudited

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	(Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - notes 5.1 & 5.2	6,987,873	7,232,877
Capital work-in-progress - at cost - note 5.3	555,354	399,532
	7,543,227	7,632,409
5.1 Additions - operating fixed assets (at cost)		
Building on leasehold land	2,658	22,194
Plant and machinery	230	8,036
Office equipment	32,034	2,914
Furniture and fittings	552	1,342
Vehicles	73,808	-
Air conditioning systems	2,719	18,915
	112,001	53,401
5.2	Net book value of disposals during the period is Rs. 30.37 million (December 31, 2024: Nil).	
	(Unaudited) December 31, 2025	(Audited) June 30, 2025
5.3 Additions - capital work-in-progress (at cost)	(Rupees in '000)	
Civil works	31,605	-
Advances against vehicle	1,702	-
Plant and machinery	122,515	61,115
Office equipment	-	2,118
Air conditioning systems	-	8,837
	155,822	72,070
6. Inventories		
Raw materials - notes 6.1 and 6.2	2,472,099	1,839,814
Packing materials - notes 6.1 and 6.2	1,096,295	1,018,092
Stores and spares	158,494	176,983
Work-in-process	364,127	237,333
Finished goods - notes 6.1 and 6.2	936,781	444,881
	5,027,796	3,717,103

Notes to the Unconsolidated Condensed Interim Financial Statements For the half year ended December 31, 2025 - Unaudited

- 6.1** Inventories include inventory in transit amounting to Rs. 693.72 million (June 30, 2025: Rs. 707.97 million).
- 6.2** Inventories include inventory held by third parties amounting to Rs. 822.03 million (June 30, 2025: Rs. 575.87 million).

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
7. TRADE RECEIVABLES		
Export receivables - secured	1,032,870	844,040
Due from related parties - unsecured - note 7.1	7,987,357	7,390,351
Others - unsecured	2,336,698	1,451,771
	11,356,925	9,686,162
Less: allowance for expected credit losses	(198,557)	(198,557)
	11,158,368	9,487,605
7.1 Due from related parties - unsecured		
Subsidiary companies		
- Searle Biosciences (Private) Limited	361,798	361,798
- IBL HealthCare Limited	34,619	81,732
Associated companies		
- IBL Operations (Private) Limited	7,572,563	6,927,927
- United Brands Limited	18,377	18,894
	7,987,357	7,390,351

8. LOANS AND ADVANCES

These advances include amounts given to related parties for financial assistance and are settled in the normal course of business. These are as follows:

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
- IBL Logistics (Private) Limited	20,802	-
- Nextar Pharma (Private) Limited	6,834	-
- Searle Biosciences (Private) Limited	858,394	786,394
- Searle IV Solutions (Private) Limited	810,072	499,345
- United Retails (Private) Limited	1,707	-
- Universal Retails (Private) Limited	249	-
- Stellar Ventures (Private) Limited	258,240	205,190
	1,956,298	1,490,929

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
9. OTHER RECEIVABLES - considered good		
		(Rupees in '000)
Receivables from related parties		
Due from Parent Company:		
International Brands (Private) Limited against:		
- Expenses	365,302	213,798
- Rental income	5,377	24,133
- Group relief	-	58,040
	370,679	295,971
Due from subsidiary companies:		
IBL HealthCare Limited against:		
- Expenses	2,108	-
- Royalty	65,437	54,587
- Rental income	2,687	-
Searle Biosciences (Private) Limited against:		
- Facility management fee	220,000	220,000
- Expenses	171,052	171,052
Nextar Pharma (Private) Limited against:		
- Expenses	11,510	3,680
Searle IV Solutions (Private) Limited against:		
- Expenses	60,259	60,097
IBL Frontier Markets (Private) Limited against:		
- Expenses	50,623	52,873
	583,676	562,289
Due from associated companies:		
IBL Operations (Private) Limited against:		
- Expenses	8,720	8,857
- Rental income	9,391	6,619
IBL Unisys (Private) Limited against:		
- Rental income	860	776
- Expenses	773	1,116
Universal Ventures (Private) Limited against:		
- Sale of a subsidiary	86,452	86,452
	106,196	103,820
Due from other related parties:		
United Retail (Private) Limited against:		
- Rental income	10,993	7,400
- Expenses	94,688	67,786
Universal Retail (Private) Limited against:		
- Rental income	49,544	35,624
- Expenses	182,169	140,631
	337,394	251,441
Surplus arising under retirement benefit fund	5,250	5,250
Others	3,149,787	4,042,359
	4,552,982	5,261,130

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
10. CASH AND BANK BALANCES		
Cash in hand:		
- local currency	290	210
- foreign currency	3,729	4,334
Cheques in hand	607,400	-
With banks in:		
Islamic		
- current accounts - local currency	3,949	3,471
Conventional		
- current accounts - local currency	190,248	119,622
- current accounts - foreign currency	16,294	12,574
	206,542	132,196
	821,910	140,211

11. SHARE CAPITAL

Authorised share capital

(Unaudited) December 31, 2025	(Audited) June 30, 2025		(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Number of shares)				
700,000,000	700,000,000	Ordinary shares of Rs. 10 each	7,000,000	7,000,000

Issued, subscribed and paid up capital

(Number of shares)				
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
426,597,661	349,873,498	Shares allotted as bonus shares	4,265,978	3,498,736
588,218,587	511,494,424		5,882,187	5,114,945

12. LONG-TERM BORROWINGS

Financing under:

- Diminishing Musharakah	96,554	46,067
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Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

- 12.1** During the year, the Company obtained diminishing musharakah financing of Rs. 75 million from First Habib Modaraba for acquisition of two Mercedes-Benz vehicles each amounting to Rs. 36.51 million and Rs. 37.30 million. The facilities carry profit at 3-month KIBOR plus 1% (with a minimum of 5%) and are repayable over a five-years term through a monthly buy-out of Musharakah units.

These arrangements are secured through hypothecation over the financed vehicles, comprehensive takaful assigned to the Modaraba, and retention of vehicle title in the name of First Habib Modaraba until full settlement.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
13. TRADE AND OTHER PAYABLES		
Creditors	2,337,619	1,354,475
Bills payable in foreign currency	1,357,283	1,414,453
Royalty payable	64,709	59,187
Accrued liabilities	1,922,315	1,345,680
Payable to provident fund	23,090	135,227
Payable to related parties	81,205	415,164
Accrued markup	209,652	219,605
Taxes deducted at source and payable to statutory authorities	1,005,814	928,417
Workers' Profit Participation Fund	234,174	51,089
Workers' Welfare Fund	87,849	72,083
Other liabilities	112,229	106,849
	7,435,939	6,102,229
14. SHORT-TERM BORROWINGS		
Secured Borrowings		
Conventional		
Running finance facility - notes 14.1 and 14.1.1	1,296,923	1,295,206
Short-term finance facility - note 14.3	375,000	300,000
	1,671,923	1,595,206
Islamic		
Running Musharakah - notes 14.1 and 14.1.2	5,472,556	6,100,641
Current portion of long term borrowings	25,309	14,303
	5,497,865	6,114,944
	7,169,788	7,710,150
Unsecured Borrowings		
Borrowing from IBL Future Technologies (Private) Limited - notes 14.2	200,000	200,000
	7,369,788	7,910,150

- 14.1** The Company has entered into running finance under mark-up arrangements from various banks amounting to Rs. 7,650 million (June 30, 2025: Rs. 7,650 million) which include financing facilities obtained under Islamic mode amounting to Rs. 6,350 million (June 30, 2025: Rs. 6,350 million). The arrangements are secured jointly by a registered mortgage of Rs. 1,937.5 million (June 30, 2025: 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, 2025: Rs. 11,095.83 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

- 14.1.1** The rates of mark-up ranged between 12.27% to 13.64% (June 30, 2025: 12.33% to 21.83%) per annum.
- 14.1.2** The rates of profit ranged between 11.50% to 13.64% (June 30, 2025: 12.08% to 22.72%) per annum.
- 14.2** This represents an interest free loan amounting to Rs. 200 million obtained from IBL Future Technologies (Private) Limited - a wholly owned subsidiary and is repayable on demand.
- 14.3** During the period, the Company availed a Short-Term Finance (STF) Facility of Rs. 500 million from Pak-China Investment Company Limited to meet its working capital requirements. The facility is available for up to one year, with each tranche having a maximum tenor of 120 days. Mark-up is payable at the relevant KIBOR plus a negotiated spread and is settled at the maturity of each tranche.

The facility is secured by a joint pari passu hypothecation charge over current and fixed assets amounting to Rs. 541.67 million, and an equitable mortgage charge of Rs. 125 million over property located at Plot F-319, S.I.T.E., Karachi, aggregating to total security of Rs. 666.67 million. Until completion of charge upgradation, utilization of the facility remains restricted to 75% of the approved limit.

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, 2025 except as disclosed below in notes 15.1.1 and 15.1.2.

- 15.1.1** As disclosed in note 39.2.2 to the annual financial statements for the year ended June 30, 2025, the Company had been contesting the validity and applicability of levy under section 4B before Sindh High Court. However, the Federal Constitutional Court of Pakistan, through its judgment dated 27 January 2026, has upheld section 4B as *intra vires*, confirming that the levy is constitutionally valid and continues to apply.

Consequently, in view of the above judgement the Company has recorded a liability amounting to Rs. 18.38 million as disclosed in these unconsolidated condensed interim financial statements - refer note 19.1.

However the Company has recorded a liability computed on the basis of the Company's filed income tax returns, whereas the tax authorities had issued notices for recoverability of super tax for tax years 2015 to 2019 amounting to Rs. 403.25 million on the basis of amended taxable income. However the Company has not provided for the full amount on the basis of the following contentions:

1. Taxability of exempt intercorporate dividend income in light of stay obtained from the Honourable High Court of Sindh refer - note 30.1.4 annual financial statements for the year ended June 30, 2025.
2. Erroneous additions made in the notices received.
3. Status of the pending appeal of the Company before the appellate authorities.

The Company expects a favorable outcome based on the advice of its legal and tax consultant.

- 15.1.2** As disclosed in note 39.2.3 of the annual financial statements for the year ended June 30, 2025, the Company had challenged the levy of super tax under section 4C. However, the Federal Constitutional Court of Pakistan, through its judgment dated 27 January 2026, has upheld section 4C as *intra vires*, confirming that the levy is constitutionally valid and continues to apply. All petitions filed by the Company stand dismissed. Consequently, in view of the above judgement the Company has recorded a liability amounting to Rs. 254.73 million as disclosed in these unconsolidated condensed interim financial statements – refer note 19.1.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

	(Unaudited)	(Audited)
	December 31,	June 30,
	2025	2025
15.2 Commitments		(Rupees in '000)
15.2.1 Commitments in respect of capital expenditures		
Property, plant and equipment	<u>15,446</u>	<u>6,766</u>
15.2.2 Post-dated cheques issued in favour of Collector of Customs for import of inventory at December 31, 2025 amounted to Rs. 294.58 million (June 30, 2025: Rs. 197.65 million).		

15.2.3 The facility for opening letters of credit and guarantees as at December 31, 2025 amounted to

	(Unaudited)	
	December 31,	December 31,
	2025	2024
16. REVENUE FROM CONTRACTS WITH CUSTOMERS		(Rupees in '000)
Gross sales		
Local sale of goods	17,277,316	13,270,677
Export sales	1,764,844	1,338,387
	19,042,160	14,609,064
Toll manufacturing	8,541	2,408
	19,050,701	14,611,472
Sales tax	(203,266)	(126,805)
	18,847,435	14,484,667
Less:		
Discounts, rebates and allowances	1,252,487	1,088,756
Sales return	12,557	238,149
	1,265,044	1,326,905
	17,582,391	13,157,762

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. Subsequently, 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 the 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 the hardship category.

The Honorable High Court of Sindh vide order dated January 22, 2019 disposed off all the legal cases filed by 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 under Section 9 of the Drugs Act, 1976, if dissatisfied with the prices fixed by DRAP.

Consequently, pursuant to the above, the Company challenged the prices of four of its products namely, Pedital, Gravinat, Metodine and Hydryline before the Appellate Board of DRAP. 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 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, 2025 - Unaudited

During the year 2022, the Company received a notice from DRAP which directed the Company having generic brand name, named Co- Extor, to lower its prices by 15% below those of corresponding originator brands, vide its letter dated May 05, 2021, in respect of the sale of its product "Co-Extor" at prices higher than those approved by 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 period, the Company has received an annual price adjustment on all of its essential products at a rate of 3.14% based on CPI 2025.

Exposure of the Company due to abovementioned litigations amounted to Rs. 4.32 billion (June 30, 2025: Rs.4.14 billion).

17. COST OF SALES

These include inventory written-off during the period amounting to Rs. 15.8 million (December 31, 2024: Rs. 4 million).

	(Unaudited)	
	December 31, 2025	December 31, 2024
	(Rupees in '000)	
18. OTHER INCOME		
Income from financial assets - others		
Return on Term Finance Certificates	-	9,406
Unwinding of deferred consideration and interest on delayed payments	195,057	-
	195,057	9,406
Income from non - financial assets		
Rental income from investment properties	54,821	47,339
Gain on disposal of property, plant and equipment	-	35
Income from architectural & interior designing	3,370	-
Scrap sales	32,457	16,156
	90,648	63,530
	285,705	72,936
19. TAXATION		
Current		
- For the year	1,392,939	395,923
- Prior year charge - note 19.1	273,114	-
Deferred tax	(48,486)	(306,101)
	1,617,567	89,822

- 19.1** This represents the super tax liability in respect of the levies imposed under sections 4C and 4B of the Income Tax Ordinance, 2001. The Company had previously contested the validity and applicability of section 4B and 4C before the Honorable Supreme Court of Pakistan. However, the Federal Constitutional Court of Pakistan, through its judgment dated January 27, 2026, has upheld sections 4B and 4C as intra vires, thereby confirming that these levies are constitutionally valid and continue to apply.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

In view of the above judgment, the Company has recognised a provision of Rs. 254.73 million in respect of super tax under section 4C, computed at the applicable rate of 10% for tax years 2022 to 2025. Further the Company has also recognised a provision of Rs. 18.38 million for super tax under section 4B – refer note 15.

	(Unaudited)	
	December 31, 2025	December 31, 2024
20. BASIC AND DILUTED EARNINGS PER SHARE / (LOSS) PER SHARE	(Rupees in '000)	
Profit / (loss) for the period	1,784,806	(38,734)
Weighted average number of outstanding shares at the end of the period (in thousand)	588,219	588,219
Basic and diluted earnings per share / (loss) per share (Rupees)	3.03	Restated (0.07)
21. CASH GENERATED FROM OPERATIONS		
Profit before tax	3,402,373	63,410
Adjustments for non-cash charges and other items		
Depreciation of property, plant and equipment	326,640	260,107
Depreciation of right-of-use asset	4,830	4,830
Depreciation of investment properties	47,155	51,891
Loss / (gain) on disposal of property, plant and equipment	12,723	(35)
Loss on Disposal of short term investment	9,394	-
Amortisation of intangible assets	6,109	7,112
Amortisation of transaction cost	-	18,424
Provision for employee benefit obligation	2,700	2,700
Finance cost	501,751	1,362,719
Inventory written off	15,796	-
Interest on lease liability	4,982	6,112
Impairment loss on investment in a subsidiary	-	927,463
Workers Profit Participation Fund and Workers Welfare Fund	259,322	-
Unrealised exchange gain	(7,490)	-
Profit before working capital changes	4,586,285	2,704,733
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(1,326,489)	(275,328)
Trade receivables	(1,681,066)	66,089
Loans and advances	(1,267,945)	(305,645)
Trade deposits and short-term prepayments	(76,416)	(23,362)
Other receivables	708,148	(181,857)
Refund due from Government - Sales tax	44,780	28,931
	(3,598,988)	(691,172)
Increase in current liabilities		
Trade and other payables	1,185,012	1,022,853
Cash flow generated from operations	2,172,309	3,036,414

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

		(Unaudited)	
		December 31, 2025	December 31, 2024
		(Rupees in '000)	
22.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances - note 10	821,910	719,640
	Short-term borrowings - note 14		
	- Running finance under markup arrangements	(1,296,923)	(1,449,316)
		(475,013)	(729,676)
22.1	Short-term borrowings other than running finance have been reclassified as financing activities in the statement of cash flows which were previously included as cash and cash equivalents.		
23.	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.		
24.	DISCLOSURES RELATING TO SHARIAH COMPLIANCE	(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in '000)	
	Disclosures in relation to the statement of financial position - Liability		
	Short-term financing as per Islamic mode	5,497,865	6,114,944
	Long-term financing as per Islamic mode	96,554	46,067
	Mark-up accrued on conventional loan	48,204	48,258
	Mark-up accrued on Islamic loan	161,448	171,347
	Disclosures in relation to the statement of financial position - Assets		
	Shariah-compliant long-term investments - subsidiaries	9,666,718	9,666,718
	Shariah-compliant bank balances - note 10	3,949	3,471
	Disclosures required in relation to the statement of profit or loss and other comprehensive income		
	Revenue earned from a Shariah compliant business segment - note 16	17,582,391	13,157,762
	Exchange (gain) / loss	(67)	1,410
	Profit paid on islamic mode of financing	386,223	1,211,057
	Break-up of other income excluding profits in bank deposits and TDRs		
	Shariah compliant income:		
	Scrap sales - note 18	32,457	16,156
	Rental income from investment property - note 18	54,821	47,339
	Loss / (gain) on disposal of property, plant and equipment	12,723	(35)
	Income from architectural & interior designing - note 18	3,370	-
	Shariah non-compliant income		
	Interest Income from Term Finance Certificates - note 18	-	9,406
	Unwinding of deferred consideration and interest on delayed payments - note 18	195,057	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

24.1 Relationship with shariah compliant financial institutions

Islamic Banks

The Company has facilities with Al-Baraka Bank (Pakistan) Limited for Istisna finance and letter of credit amounting to Rs. 400 million and Rs. 800 million respectively.

The Company has facilities with Meezan Bank Limited for Running Musharakah and Letter of Credit amounting to Rs. 700 million and Rs. 400 million respectively.

The Company has facilities with Askari Bank Limited for Running Musharakah and letter of credit amounting to Rs. 375 million and Rs. 250 million respectively.

The Company has facilities with Bank Alfalah Limited for Running Musharakah and letter of credit amounting to Rs. 500 million and Rs. 800 million respectively.

The Company has facilities with Soneri Bank Limited for Running Musharakah and letter of credit amounting to Rs. 300 million and Rs. 200 million respectively.

The Company has facilities with Faysal Bank Limited for Running Musharakah, letter of credit and letter of guarantees amounting to Rs. 100 million, Rs. 650 million and Rs. 50 million respectively.

The Company has facilities with Bank AL Habib Limited for Istisna finance and letter of credit amounting to Rs. 250 million and Rs. 250 million respectively.

The Company has facilities with Dubai Islamic Bank Limited for Running Musharakah, letter of credit and letter of guarantees amounting to Rs. 700 million, Rs. 210 million and Rs. 90 million respectively.

The Company has facilities with Habib Bank Limited for Running Musharakah, Islamic Export Refinance Scheme (IERS), letter of credit and letter of guarantees amounting to Rs. 850 million, Rs. 350 million, Rs. 500 million and Rs. 15 million respectively.

Window Takaful Operators

The Company has Takaful relationship with Jubilee General Insurance Company Limited.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

25. 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:

Nature of relationship	Nature of transactions	(Unaudited)	
		December 31, 2025	December 31, 2024
		(Rupees in '000)	
Parent company	- Corporate service charges	36,300	55,260
	- Rent income	10,917	9,743
	- Income from provision of amenities	7,910	7,520
	- Advance against coporate charges	160,000	-
Subsidiaries	- Revenue	188,453	418,011
	- Purchase of consumables	688,593	659,752
	- Product qualification testing services	6,295	-
	- Royalty	25,000	26,755
	- Advance against financial assistance	442,611	108,750
	- Rent income	2,687	7,830
	- Income from provision of amenities	1,839	1,454
	- Reimbursement of expenses	77,537	94,873
	- Material loan	-	37,221
Staff retirement benefits	- Contributions to provident fund	137,109	117,822
	- Benefits paid	62,083	93,562
Associated companies	- Revenue	13,278,279	9,936,579
	- Salaries and wages	7,274	20,826
	- Purchases of property, plant and equipment	3,543	-
	- IT Services	34,893	-
	- Carriage and duties	40,483	207,278
	- Discounts claimed	430,096	254,442
	- Rent expense	55,943	48,308
	- Rent income	31,014	24,125
	- Stock claims	270,048	278,522
	- Internet services	3,977	29,397
	- Income from provision of amenities	77,017	78,905
	- Donations	10,607	19,152
- Incentive of field force	11,289	-	

Notes to the Unconsolidated Condensed Interim Financial Statements
 For the half year ended December 31, 2025 - Unaudited

Nature of relationship	Nature of transactions	(Unaudited)	
		December 31,	December 31,
		2025	2024
		(Rupees in '000)	
	- Repair & maintenance	153	1,208
	- Reimbursement of expenses	532	-
	- Merchandise expense	24,282	8,410
	- Advances to associates	22,758	-
	- Others	6,072	11,510
Key management employees compensation	- Salaries and other employee benefits	219,497	214,413
	- Contributions to a provident fund	17,203	13,298

25.1 The status of outstanding balances with related parties as at reporting date is 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 26, 2026.


 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 Changes in Equity
- 35** Consolidated Statement of Cash Flows
- 36** Notes to the Consolidated Financial Statements

Consolidated Directors' Report to the Members

We are pleased to present the consolidated interim financial information of the group for the half year ended December 31, 2025. 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

Revenue of the group increased to Rs. 19.65 billion, reflecting a 31% increase compared to the same period last year. The significant growth in sales was underpinned by improved product availability, optimisation of the supply chain and enhanced commercial execution. Gross profit increased substantially to Rs. 10.75 billion, with the gross profit margin improving to 54.7%, compared to 48.0% in the corresponding period last year. This improvement was primarily driven by strategic price adjustments and a favorable shift in the product mix.

Finance costs declined substantially to Rs. 541 million, down from Rs. 1,402 million in the corresponding period last year. This reduction was largely attributable to lower interest rates and the settlement of long-term borrowings following the divestment of SPL.

As a result, the group recorded a profit after tax of Rs. 1,806 million, compared to Rs. 69 million in the corresponding quarter of the previous year.

Below is a summary of the financial results for the half year ended December 31, 2025:

	Half year ended	
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
Revenue from contracts with customers	19,654,684	14,994,862
Cost of sales	(8,908,066)	(7,802,510)
Gross Profit	10,746,618	7,192,352
Distribution costs	(5,607,626)	(3,974,792)
Administrative expenses	(1,022,863)	(897,556)
Other operating expenses	(325,855)	(28,101)
Other income	294,683	81,022
Profit from operations	4,084,957	2,372,925
Finance cost	(541,484)	(1,402,107)
Profit before levies and income tax	3,543,473	970,818
Levies – minimum tax and final tax	-	(29,946)
Profit before income tax	3,543,473	940,872
Taxation	(1,737,097)	(176,119)
Profit from continuing operations	1,806,376	764,753
Profit / (loss) from discontinued operations – net of tax	-	(695,400)
Profit for the period	1,806,376	69,353

EARNINGS PER SHARE

Basic earnings per share after taxation for the period is Rs. 3.05 (December 2024: Rs. 0.06). 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, 2025.

FUTURE OUTLOOK

Searle group remains focused on expanding its market presence and sustaining organic growth while continuing to improve lives. Despite ongoing macroeconomic and geopolitical challenges, the Group is confident in its ability to navigate these with resilience and deliver consistent performance.

Recent developments, including the deregulation of non-essential drug prices, lower interest rates, and a stable exchange rate have improved business predictability and created a favorable environment for growth. The recent approval of Denosumab injections by the Drug Regulatory Authority of Pakistan marks another milestone in Searle group's biosimilar journey, strengthening its leadership in biotechnology and access to affordable advanced therapies.

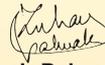
The Group continues to build momentum in exports, particularly across GCC and CIS markets, supported by new manufacturing approvals from regional health authorities. At the same time, Searle group is accelerating its digital transformation and sustainability initiatives to enhance operational efficiency and align with global standards.

We thank our shareholders for their continued trust and support. Searle group remains committed to disciplined execution, innovation, and creating enduring value for all stakeholders.

For and on behalf of the Board



Tahir Ahmed
Chief Executive Officer



Zubair Palwala
Director

Karachi: February 26, 2026

فی حصص آمدنی

مدت کے لیے ٹیکس کے بعد بنیادی فی حصص آمدنی 3.05 روپے ہے (دسمبر 2024: 0.06 روپے)۔ گروپ کی بنیادی فی حصص آمدنی پر ڈائیکشن کا کوئی اثر نہیں ہے، کیونکہ 31 دسمبر 2025 تک گروپ کے پاس کوئی کنورٹبل آرڈرنری شیئرز واجب الادا نہیں تھے۔

مستقبل کا جائزہ

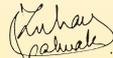
سرل گروپ اپنی مارکیٹ کی موجودگی کو بڑھانے اور نامیاتی نمو برقرار رکھتے ہوئے زندگیوں کو بہتر بنانے پر توجہ مرکوز کیے ہوئے ہے۔ موجودہ معاشی اور جغرافیائی سیاسی چیلنجوں کے باوجود، گروپ پبلک کے ساتھ ان حالات کا مقابلہ کرنے اور مستقبل کارکردگی دکھانے کی صلاحیت پر پُر اہتمام ہے۔

حالیہ پیش رفت، بشمول غیر ضروری ادویات کی قیمتوں کا ڈی ریگولیشن، کم شرح سود، اور مستحکم شرح مبادلہ نے کاروباری تسلسل کو بہتر بنایا ہے۔ ڈرگ ریگولیشن اتھارٹی آف پاکستان کی جانب سے 'Denosumab' انجکشن کی حالیہ منظوری سرل گروپ کے ہائی سیمیبلر سٹریٹجی میں ایک اور سنگ میل ہے، جو ہائی ٹیکنالوجی میں اس کی قیادت کو مزید مستحکم کرے گی۔

گروپ برآمدات، خاص طور پر غلیمی ممالک (GCC) اور CIS مارکیٹوں میں اپنی رفتار بڑھا رہا ہے۔ ساتھ ہی، سرل گروپ آپریشنل کارکردگی کو بڑھانے کے لیے ڈیجیٹل تھریپلی اور پائیداری کے اقدامات کو تیز کر رہا ہے۔

ہم اپنے شیئرز، ہولڈرز کے مسلسل اعتماد اور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ سرل گروپ تمام اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کے لیے پُر عزم ہے۔

بورڈ کے لیے اور اس کی جانب سے


ذہیر رزاق پال والا
ڈائریکٹر


طاہر احمد
چیف ایگزیکٹو آفیسر

کراچی: 26 فروری 2026

مجموعی ڈائریکٹرز رپورٹ برائے حصص یافتگان

ہم 31 دسمبر 2025 کو ختم ہونے والے نصف سال کے لیے گروپ کی مجموعی عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ یہ مالیاتی گوشوارے انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ 34 (IAS) - عبوری مالیاتی رپورٹنگ 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

گروپ کی آمدنی بڑھ کر 19.65 ارب روپے ہو گئی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد اضافہ ظاہر کرتی ہے۔ فروخت میں اس نمایاں نمو کی بنیاد مصنوعات کی بہتر دستیابی، سہولتی چین کی بہتری اور بہتر تیارٹی عملدرآمد پر ہے۔ مجموعی منافع نمایاں اضافے کے ساتھ 10.75 ارب روپے رہا، جبکہ مجموعی منافع کاراجن بڑھ کر 54.7 فیصد ہو گیا جو گزشتہ سال اسی مدت میں 48.0 فیصد تھا۔ یہ بہتری بنیادی طور پر قیمتوں میں اسٹریٹیجک تبدیلیوں اور مصنوعات کے بہترین تناسب کی وجہ سے ممکن ہوئی۔

مالیاتی اخراجات میں نمایاں کمی واقع ہوئی اور یہ گزشتہ سال کی اسی مدت کے 1,402 ملین روپے کے مقابلے میں کم ہو کر 541 ملین روپے رہ گئے ہیں۔ اس کمی کی بڑی وجہ شرح سود میں کمی اور SPL کی فروخت کے بعد طویل مدتی قرضوں کی ادائیگی ہے۔

اس کے نتیجے میں، گروپ نے 1,806 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا، جبکہ گزشتہ سال کی اسی مدت میں یہ منافع 69 ملین روپے تھا۔

ذیل میں 31 دسمبر 2026 کو ختم ہونے والے چھ ماہ کے مالیاتی نتائج کا خلاصہ پیش کیا جا رہا ہے:

اختتام پذیر نصف سال

31 دسمبر 2025 31 دسمبر 2024

(پاکستانی روپے ہزاروں میں)

14,994,862	19,654,684	گاہکوں کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی
(7,802,510)	(8,908,066)	فروخت کی لاگت
7,192,352	10,746,618	مجموعی منافع
(3,974,792)	(5,607,626)	تزیل کے اخراجات
(897,556)	(1,022,863)	انتظامی اخراجات
(28,101)	(325,855)	دیگر اخراجات
81,022	294,683	دیگر آمدنی
2,372,925	4,084,957	آپریٹنگ سے منافع
(1,402,107)	(541,484)	مالیاتی لاگت
970,818	3,543,473	لیویز اور انکم ٹیکس سے قبل منافع
(29,946)	-	لیویز - کم از کم ٹیکس اور حتمی ٹیکس
940,872	3,543,473	منافع قبل از ٹیکس
(176,119)	(1,737,097)	انکم ٹیکس کے اخراجات
764,753	1,806,376	سال کے دوران جاری کاروباری سرگرمیوں سے منافع
(695,400)	-	منتقل کاروباری سرگرمیوں سے ہونے والا منافع (تقصان) بعد از ٹیکس
69,353	1,806,376	منافع بعد از ٹیکس

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
ASSETS	Note	(Rupees in '000)	
Non-current assets			
Property, plant and equipment	5	10,998,094	11,149,935
Right-of-use asset		39,001	43,830
Investment properties		6,234,482	6,277,433
Intangibles		3,998,936	4,006,006
Deferred tax asset		1,675,791	1,616,811
Long-term loans		95	61
Long-term deposits		10,824	12,744
		22,957,223	23,106,820
Current assets			
Inventories	6	6,636,120	5,253,512
Trade Receivables	7	13,867,873	11,600,590
Loans and advances		2,109,535	746,726
Trade deposits and short-term prepayments		404,850	319,216
Other receivables	9	4,406,381	5,029,809
Short-term investment at amortised cost		-	100,000
Taxation - payments less provision		689,498	2,059,124
Tax refunds due from government - Sales tax		250,361	317,038
Cash and bank balances	10	1,020,345	398,751
		29,384,963	25,824,766
Total assets		52,342,186	48,931,586
EQUITY AND LIABILITIES			
EQUITY			
Issued, subscribed and paid-up capital		5,882,187	5,114,945
Share premium		9,085,133	9,085,133
Unappropriated profit		12,622,822	11,430,588
General reserve		280,251	280,251
Revaluation surplus on property, plant and equipment		6,013,526	6,178,180
Attributable to owners of The Searle Company Limited - Holding Company		33,883,919	32,089,097
Non-controlling interests		821,641	803,687
		34,705,560	32,892,784
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	96,554	46,067
Employee benefit obligations		59,099	58,380
Lease liability		51,127	57,514
		206,780	161,961
Current liabilities			
Trade and other payables	13	9,485,734	7,695,075
Short-term borrowings	14	7,614,260	7,857,916
Contract liabilities		76,996	71,577
Unpaid dividend		14,022	196,363
Unclaimed dividend		225,904	43,884
Current portion of lease liability		12,930	12,026
		17,429,846	15,876,841
Total liabilities		17,636,626	16,038,802
Contingencies and commitments			
	15		
Total equity and liabilities		52,342,186	48,931,586

The annexed notes from 1 to 25 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 half year ended December 31, 2025 - Unaudited

	Note	Quarter ended		Half year ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		(Rupees in '000)		(Rupees in '000)	
Revenue from contract with customers	16	9,957,413	7,370,678	19,654,684	14,994,862
Cost of sales		(4,455,096)	(3,642,731)	(8,908,066)	(7,802,510)
Gross profit		5,502,317	3,727,947	10,746,618	7,192,352
Distribution costs		(2,764,244)	(2,165,121)	(5,607,626)	(3,974,792)
Administrative expenses		(530,655)	(499,880)	(1,022,863)	(897,556)
Other operating expenses		(200,913)	10,017	(325,855)	(28,101)
Other income	17	255,287	41,196	294,683	81,022
Profit from operations		2,261,792	1,114,159	4,084,957	2,372,925
Finance cost		(253,077)	(646,881)	(541,484)	(1,402,107)
Profit before levies and income tax		2,008,715	467,278	3,543,473	970,818
Levies - minimum tax and final tax		20,045	(9,169)	-	(29,946)
Profit before income tax		2,028,760	458,109	3,543,473	940,872
Taxation	18	(1,136,536)	19,083	(1,737,097)	(176,119)
Profit from continuing operations		892,224	477,192	1,806,376	764,753
Discontinued operations:					
Profit from discontinued operations – net of tax		-	(836,372)	-	(695,400)
Profit for the period		892,224	(359,180)	1,806,376	69,353
Profit is attributable to:					
Owners of the Parent Company - continuing operations		891,740	474,714	1,794,822	755,048
Owners of the Parent Company - discontinued operations		-	(844,926)	-	(717,191)
		891,740	(370,212)	1,794,822	37,857
Non-controlling interests - continuing operations		484	2,478	11,554	9,705
Non-controlling interests - discontinued operations		-	8,554	-	21,791
		484	11,032	11,554	31,496
Basic & diluted earnings per share			(Restated)		(Restated)
From continuing operations		1.52	0.81	3.05	1.28
From discontinued operations	19	-	(1.44)	-	(1.22)
		1.52	(0.63)	3.05	0.06

The annexed notes from 1 to 25 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 half year ended December 31, 2025 - Unaudited

	Capital reserves		Revenue reserves		Sub-Total reserves	Non-Controlling interest	Total	
	Share capital	Share premium account	Revaluation surplus on Property, plant & equipment	General reserve				Unappropriated profits
	(Rupees in '000)							
Balance as at July 01, 2024 - (Audited)	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								
- Profit after tax	-	-	-	-	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, 2025 - (Unaudited)	<u>5,114,945</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>
Balance as at July 01, 2025 - (Audited)	5,114,945	9,085,133	6,178,180	280,251	11,430,588	26,974,152	803,687	32,892,784
Total comprehensive income for the period								
- Profit after tax	-	-	-	-	1,794,822	1,794,822	11,554	1,806,376
- Other comprehensive loss - net of tax	-	-	-	-	-	-	-	-
	-	-	-	-	1,794,822	1,794,822	11,554	1,806,376
Transfer of incremental depreciation - net of deferred tax	-	-	(135,063)	-	135,063	-	-	-
Transfer of revaluation surplus on disposal of vehicle held at revaluation model to unappropriated profit	-	-	(29,591)	-	29,591	-	-	-
Contribution from non controlling interest as a non-redeemable convertible loan	-	-	-	-	-	-	6,400	6,400
Transactions with owners								
Bonus shares issued during the period in the ratio of 15 shares for every 100 shares held	767,242	-	-	-	(767,242)	(767,242)	-	-
Balance as at December 31, 2025 - (Unaudited)	<u>5,882,187</u>	<u>9,085,133</u>	<u>6,013,526</u>	<u>280,251</u>	<u>12,622,822</u>	<u>28,001,732</u>	<u>821,641</u>	<u>34,705,560</u>

The annexed notes from 1 to 25 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 half year ended December 31, 2025 - Unaudited

		December 31, 2025	December 31, 2024
	Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	20	2,080,608	2,712,111
Employee benefit obligations paid		(1,981)	-
Finance cost paid		(546,516)	(1,697,860)
Income tax paid		(426,451)	(394,116)
Interest income received		-	5,505
(Increase) / decrease in long-term deposits		1,920	-
Lease rentals paid		(10,465)	(20,542)
Decrease / (increase) in long-term loans and advances		(34)	761
Net cash generated from operating activities		1,097,081	605,859
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(301,838)	(180,763)
Sale proceeds on disposal of property, plant and equipment		17,645	35
Additions to investment properties		(4,204)	(13,023)
Net cash used in investing activities		(288,397)	(193,751)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(321)	(428)
Non - redeemable convertible loan		6,400	-
Proceeds/(Repayment) of borrowings		50,487	(875,547)
Proceeds from short-term financing		75,000	-
Repayment of running musharaka		(322,274)	-
Net cash generated from / (used in) financing activities		(190,708)	(875,975)
Net increase in cash and cash equivalents		617,976	(463,867)
Cash and cash equivalents at beginning of the period		(896,455)	(2,141,539)
Cash and cash equivalents at end of the period	21	(278,479)	(2,605,406)

The annexed notes from 1 to 25 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, 2025 - 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 manufacturing 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 52.33% (December 31, 2024: 50.25%) shareholding in the Company. This holding percentage includes 9,645,357 shares which are held in lieu of 5% withholding tax under section 236M and 307,801,776 shares which are held in lieu of 10% withholding tax under section 236Z of the Income Tax Ordinance, 2001. The shareholder has filed a petition against such provision and the case is currently pending before the Honorable High Court.

Following are the subsidiary companies:

	Principal place of business	Percentage of effective holding	
		December 31, 2025 (Unaudited)	June 30, 2025 (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 IV Solutions (Private) Limited		100.00%	100.00%
- Stellar Ventures (Private) Limited		100.00%	100.00%
- IBL Frontier Markets (Private) Limited *		100.00%	100.00%
- Prime Health (Private) Limited *		100.00%	100.00%
- Mycart (Private) Limited *		50.00%	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:

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

- 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.

- 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, 2025.

2.1.3 Functional and presentation currency

These consolidated 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 Rupees except where stated otherwise.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

- 3.1** The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements of the Company as at and for the year ended June 30, 2025.

3.2 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, 2025. However, these do not have any significant impact on the Group's financial reporting.

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

There is a new standard and amendments that will be applicable to the Group for its annual periods beginning on or after January 1, 2026. The new standard refers to IFRS 18 Presentation and Disclosure in the Financial Statements with an applicability date of January 1, 2027. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability and are applicable effective January 1, 2026. The Group's management at present is in the process of assessing the full impacts of the new standard and the amendments to IFRS 7 and IFRS 9 and expects to complete the assessment shortly.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of the consolidated 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 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 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 Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

The significant judgements 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, 2025.

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, 2025.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	(Rupees in '000)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 5.1	10,507,886	10,815,552
Capital work-in-progress - at cost	490,208	334,383
	10,998,094	11,149,935
5.1 Additions - operating fixed assets (at cost)		
Building on leasehold land	2,658	22,194
Plant and machinery	230	8,036
Office equipment	35,943	3,712
Furniture and fittings	552	1,342
Vehicles	73,808	-
Air conditioning systems	2,719	18,915
	115,910	54,199

5.2 Net book value of disposals during the period is Rs. 30.37 million (December 31, 2024: Nil).

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	(Rupees in '000)	
6. INVENTORIES		
Raw materials	2,634,775	1,969,479
Packing materials	1,096,295	1,022,242
Stores and spares	265,470	283,679
Work-in-process	378,383	247,217
Finished goods	2,261,197	1,730,895
	6,636,120	5,253,512

Notes to the Consolidated Condensed Interim Financial Statements
For the half year ended December 31, 2025 - Unaudited

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
7 TRADE RECEIVABLES		
Considered good		
- Export receivables, secured	1,032,870	844,040
- Due from related parties, unsecured	9,350,600	8,702,668
- Others, unsecured	3,710,027	2,279,506
	14,093,497	11,826,214
Less: Provision for doubtful receivables	(225,624)	(225,624)
	13,867,873	11,600,590
8 LOANS AND ADVANCES		
Advances to:		
Secured		
- employees against salaries & operating activities	309,461	132,092
Unsecured		
- advance to associated companies	22,758	-
- suppliers	1,432,679	488,339
- against imports	336,950	120,474
Other advances	7,687	5,731
	-	90
Current portion of long-term loans to employee	-	90
	2,109,535	746,726
9 OTHER RECEIVABLES - considered good		
Receivables from related parties		
Due from Ultimate Parent Company and associated companies:		
- International Brands (Private) Limited	370,679	295,971
- IBL Operations (Private) Limited	170,221	160,125
- Universal Ventures (Private) Limited	200,644	200,044
- Mywater (Private) Limited	-	3,584
- IBL Unisys (Private) Limited	1,633	1,892
	743,177	661,616
Due from other related party:		
- United Retail (SMC- Private) Limited	115,654	80,020
- Universal Retail (SMC- Private) Limited	231,713	182,684
	347,367	262,704
Surplus arising under retirement benefit fund	5,250	5,250
Receivables from other than related parties		
Noventa Pharma (Private) Limited against:		
Sale of subsidiary	2,624,054	3,550,917
Others, considered good	686,533	549,322
	4,406,381	5,029,809

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
10. CASH AND BANK BALANCES		
Cash in hand:		
- local currency	425	1,271
- foreign currency	3,729	4,610
	<u>4,154</u>	<u>5,881</u>
Cheques in hand	607,400	-
With banks in:		
Islamic		
- current accounts - local currency	50,477	78,044
Conventional		
- current accounts - local currency	342,020	302,252
- current accounts - foreign currency	16,294	12,574
	<u>358,314</u>	<u>314,826</u>
	<u>1,020,345</u>	<u>398,751</u>

	(Unaudited) December 31, 2025	(Audited) June 30, 2025		(Unaudited) December 31, 2025	(Audited) June 30, 2025
11. Authorised share capital					
(Number of shares)					
	<u>700,000,000</u>	700,000,000	Ordinary shares of Rs. 10 each	<u>7,000,000</u>	<u>7,000,000</u>
Issued, subscribed and paid up capital					
(Number of shares)					
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
426,597,661		349,873,498	Shares allotted as bonus shares	4,265,978	3,498,736
<u>588,218,587</u>		<u>511,494,424</u>		<u>5,882,187</u>	<u>5,114,945</u>

12. LONG-TERM BORROWINGS

Islamic

Diminishing musharika

<u>96,554</u>	<u>46,067</u>
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Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

- 12.1** During the period, the Parent Company obtained diminishing musharakah financing of Rs. 75 million from First Habib Modaraba for acquisition of two Mercedes-Benz vehicles each amounting to Rs. 36.51 million and Rs. 37.30 million. The facilities carry profit at 3-month KIBOR plus 1% (with a minimum of 5%) and are repayable over a five-years term through a monthly buy-out of Musharakah units.

These arrangements are secured through hypothecation over the financed vehicles, comprehensive takaful assigned to the Modaraba, and retention of vehicle title in the name of First Habib Modaraba until full settlement.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
13. TRADE AND OTHER PAYABLES		
Creditors	3,739,317	2,787,911
Salaries and benefits payable	-	4,462
Bills payable in foreign currency	1,357,283	1,414,453
Royalty payable	64,709	59,187
Accrued liabilities	2,415,520	1,718,433
Payable to provident fund	39,440	165,274
Taxes deducted at source and payable to statutory authorities	1,053,776	947,309
Accrued markup	221,036	231,050
Workers' Profit Participation Fund	234,174	51,089
Workers' Welfare Fund	88,112	72,346
Other liabilities	272,367	243,561
	9,485,734	7,695,075

14. SHORT-TERM BORROWINGS

Secured borrowings

Conventional:

Running finance under mark-up arrangements - note 14.1	1,298,824	1,295,206
Short-term finance facility	375,000	300,000
	1,673,824	1,595,206

Islamic:

Running musharaka - note 14.1 to 14.1.1	5,903,716	6,236,996
Current portion of long term borrowings - note 21	25,309	14,303
	5,929,025	6,251,299

Unsecured borrowings

IBL Holding (Private) Limited	11,411	11,411
	7,614,260	7,857,916

- 14.1** The Company has entered into running finance under mark-up arrangements from various banks amounting to Rs. 7,650 million (June 30, 2025: Rs. 7,650 million) which include financing facilities obtained under Islamic mode amounting to Rs. 6,350 million (June 30, 2025: Rs. 6,350 million). The arrangements are secured jointly by a registered mortgage of Rs. 1,937.5 million (June 30, 2025: 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, 2025: Rs. 11,095.83 million).

- 14.1.1** The rates of mark-up ranged between 12.27% to 13.64% (June 30, 2025: 12.33% to 21.83%) per annum.

The rates of profit ranged between 11.50% to 13.64% (June 30, 2025: 12.08% to 22.72%) per annum.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

14.2 During the period, the Parent Company availed a Short-Term Finance (STF) Facility of Rs. 500 million from Pak-China Investment Company Limited to meet its working capital requirements. The facility is available for up to one year, with each tranche having a maximum tenor of 120 days. Mark-up is payable at the relevant KIBOR plus a negotiated spread and is settled at the maturity of each tranche. The facility is secured by a joint pari passu hypothecation charge over current and fixed assets amounting to Rs. 541.67 million, and an equitable mortgage charge of Rs. 125 million over property located at Plot F-319, S.I.T.E., Karachi, aggregating to total security of Rs. 666.67 million. Until completion of charge upgradation, utilization of the facility remains restricted to 75% of the approved limit.

14.3 IBL HealthCare Limited has obtained running musharakah facilities from commercial banks amounting to Rs. 439 million (June 30, 2025: Rs. 439 million) out of which the amount unavailed at the period ended was Rs. 8.12 million (June 30, 2025: Rs. 302.64 million). Rates of profit range from one month KIBOR plus 1% (June 30, 2025: one month KIBOR plus 1%) to three months KIBOR plus 1.5% (June 30, 2025: three month KIBOR plus 1.5%) per annum. These facilities have been secured by way of hypothecation of first pari passu charge over present and future current assets amounting to Rs. 585 million (June 30, 2025: Rs. 585 million).

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 Group for the year ended June 30, 2025 except as disclosed below in notes 15.1.1 and 15.1.2.

15.1.1 As disclosed in note 38.2 to the annual consolidated financial statements for the year ended June 30, 2025, the parent Company had been contesting the validity and applicability of levy under section 4B before Sindh High Court. However, the Federal Constitutional Court of Pakistan, through its judgment dated 27 January 2026, has upheld section 4B as intra vires, confirming that the levy is constitutionally valid and continues to apply.

15.1.2 Consequently, in view of the above judgement the Parent Company has recorded a liability amounting to Rs. 18.38 million as disclosed in these unconsolidated condensed interim financial statements - refer note 19.1.

However the Parent Company has recorded a liability computed on the basis of the Company's filed income tax returns, whereas the tax authorities had issued notices for recoverability of super tax for tax years 2015 to 2019 amounting to Rs. 403.25 million on the basis of amended taxable income. However the Company has not provided for the full amount on the basis of the following contentions:

1. Taxability of exempt intercorporate dividend income in light of stay obtained from the Honourable High Court of Sindh refer - note 30.1.4 annual financial statements for the year ended June 30, 2025.
2. Erroneous additions made in the notices received.
3. Status of the pending appeal of the Company before the appellate authorities.

The Parent Company expects a favorable outcome based on the advice of its legal and tax consultant.

15.2 Commitments

15.2.1 The facility for opening letters of credit and guarantees as at December 31, 2025 amounted of the Parent Company to Rs. 3,250 million (June 30, 2025: Rs. 3,265 million) of which the amount remaining unutilised as at period ended December 31, 2025 amounted to Rs. 1,424.06 million (June 30, 2025: Rs. 1,180 million).

15.2.2 The facility for opening letter of credit and guarantee of IBL HealthCare Limited as at December 31, 2025 amounted to Rs. 900 million (June 30, 2025: Rs. 900 million) and Rs. 40 million (June 30, 2025:Rs. 20 million) of which the amount remaining unutilised at the end of year was Rs. 489.94 million (June 30, 2025: Rs. 246.27 million) and Rs. 18.81 million (June 30 2025: Rs. 2.43 million) respectively.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

	(Unaudited)	
	December 31, 2025	December 31, 2024
	(Rupees in '000)	
16. REVENUE FROM CONTRACT WITH CUSTOMERS		
Gross sales		
Local sales	19,674,179	15,889,409
Export sales	1,945,087	1,338,387
	<u>21,619,266</u>	<u>17,227,796</u>
Toll manufacturing	8,541	2,408
	<u>21,627,807</u>	<u>17,230,204</u>
Sales tax	(415,922)	(398,112)
	<u>21,211,885</u>	<u>16,832,092</u>
Less:		
Discounts, rebates and allowances	(1,450,817)	(1,438,640)
Sales returns	(106,384)	(398,590)
	<u>(1,557,201)</u>	<u>(1,837,230)</u>
	<u>19,654,684</u>	<u>14,994,862</u>
17. OTHER INCOME		
Income from financial assets		
Exchange gain	6,469	-
Interest income on Term Finance Certificate	-	9,406
Rental income from investment properties	54,821	47,339
Gain on disposal of property, plant and equipment	-	35
Scrap sales	34,540	17,010
Unwinding of deferred consideration and interest on delayed payments	195,057	-
Others	3,796	7,232
	<u>288,214</u>	<u>71,616</u>
	<u>294,683</u>	<u>81,022</u>
18. TAXATION		
Current		
- For the year	1,502,714	176,119
- Prior year charge - note 19	293,363	-
Deferred tax	(58,980)	-
	<u>1,737,097</u>	<u>176,119</u>
19. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the period	1,794,822	(Re-stated) 37,857
Weighted average number of outstanding shares at the end of the period (in thousand)	588,219	588,219
Basic and diluted earnings per share (Rupees)	<u>3.05</u>	<u>0.06</u>

Notes to the Consolidated Condensed Interim Financial Statements
For the half year ended December 31, 2025 - Unaudited

	(Unaudited)	
	December 31, 2025	December 31, 2024
	(Rupees in '000)	
20. CASH GENERATED FROM OPERATIONS		
Profit before income tax	3,543,473	360,226
Add / (less): Adjustments for non-cash charges and other items		
Depreciation on property, plant and equipment	423,311	446,336
Depreciation on investment property	47,155	62,093
Depreciation on right-of-use-asset	4,829	15,321
Loss/(gain) on disposal of property, plant and equipment	12,723	(35)
Amortisation	7,070	11,924
Provision for retirement benefits obligation	2,700	10,477
Impairment loss on investment in a subsidiary	-	927,463
Interest income	-	(5,505)
Finance cost	536,502	1,621,791
Interest on lease liability	4,982	6,112
Amortisation of transaction cost	-	18,424
Provision for doubtful receivable	-	10,100
Profit before working capital changes	4,582,745	3,484,727
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Inventories	(1,382,608)	145,637
Trade receivables	(2,267,283)	(381,302)
Loans and advances	(1,362,809)	(370,867)
Trade deposits and short-term prepayments	(85,634)	(40,419)
Short-term investment at amortised cost	100,000	-
Tax refunds due from government - Sales tax	66,677	29,382
Other receivables	623,428	(376,602)
	(4,308,229)	(994,171)
Increase / (decrease) in current liabilities		
Trade and other payables	1,800,673	(77,205)
Contract liabilities	5,419	298,760
Cash generated from operations	2,080,608	2,712,111
21. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,020,345	816,059
Short term running finances - note 14	(1,298,824)	(3,421,465)
	(278,479)	(2,605,406)

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

22. SEGMENT INFORMATION

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

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
(Rupees in '000)		
23. DISCLOSURES RELATING TO SHARIAH COMPLIANCE		
Disclosures in relation to the statement of financial position - Liability		
Short-term financing as per Islamic mode	5,929,025	6,251,299
Long-term financing as per Islamic mode	96,554	46,067
Mark-up accrued on conventional loan	48,204	48,258
Mark-up accrued on Islamic loan	172,832	182,792
Disclosures in relation to the statement of financial position - Assets		
Shariah-compliant bank balances - note 10	50,477	78,044
Disclosures required in relation to the statement of profit or loss and other comprehensive income		
Revenue earned from a Shariah compliant business segment	19,654,684	14,994,862
Exchange (gain) / loss	3,879	(11,098)
Profit paid on Islamic mode of financing	404,335	1,262,074
Break-up of other income excluding profits in bank deposits and TDRs		
Shariah compliant income:		
Scrap sales	34,540	17,010
Rental income from investment property	54,821	47,339
Loss / (gain) on disposal of property, plant and equipment	12,723	(35)
Shariah non-compliant income		
Interest Income from Term Finance Certificates - note 18	-	9,406
Unwinding of deferred consideration and interest on delayed payments	195,057	-

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

23.1 Relationship with shariah compliant financial institutions

Islamic Banks

The Parent Company has facilities with Al-Baraka Bank (Pakistan) Limited for Istisna finance and letter of credit amounting to Rs. 400 million and Rs. 800 million respectively.

The Parent Company has facilities with Meezan Bank Limited for Running Musharakah and Letter of Credit amounting to Rs. 700 million and Rs. 400 million respectively.

The Parent Company has facilities with Askari Bank Limited for Running Musharakah and letter of credit amounting to Rs. 375 million and Rs. 250 million respectively.

The Parent Company has facilities with Bank Alfalah Limited for Running Musharakah and letter of credit amounting to Rs. 500 million and Rs. 800 million respectively.

The Parent Company has facilities with Soneri Bank Limited for Running Musharakah and letter of credit amounting to Rs. 300 million and Rs. 200 million respectively.

The Parent Company has facilities with Faysal Bank Limited for Running Musharakah, letter of credit and letter of guarantees amounting to Rs. 100 million, Rs. 650 million and Rs. 50 million respectively.

The Parent Company has facilities with Bank AL Habib Limited for Istisna finance and letter of credit amounting to Rs. 250 million and Rs. 250 million respectively.

The Parent Company has facilities with Dubai Islamic Bank Limited for Running Musharakah, letter of credit and letter of guarantees amounting to Rs. 700 million, Rs. 210 million and Rs. 90 million respectively.

The Parent Company has facilities with Habib Bank Limited for Running Musharakah, Islamic Export Refinance Scheme (IERS), letter of credit and letter of guarantees amounting to Rs. 850 million, Rs. 350 million, Rs. 500 million and Rs. 15 million respectively.

IBL HealthCare Limited has facilities with Habib Bank Limited for running musharakah and letter of credits amounting to Rs. 139 million and Rs. 300 million respectively.

IBL HealthCare Limited has facilities with Soneri Bank Limited for running musharakah, letter of credit and bank guarantee amounting to Rs. 300 million, Rs. 200 million and Rs. 40 million respectively.

IBL HealthCare Limited has facilities with Al Baraka Bank for letter of credit amounting to Rs. 150 million.

IBL HealthCare Limited has facilities with National Bank of Pakistan for letter of credit, and letter of credit (Sight) amounting to Rs. 150 million and Rs. 100 million.

Window Takaful Operators

The Parent Company has Takaful relationship with Jubilee General Insurance Company Limited.

IBL HealthCare Limited has obtained various takaful policies from multiple takaful operators including life insurance from IGI Life Insurance Limited, Medical insurance from IGI Life Insurance Limited - Window Takaful, All Risk Contents, Property all risks, Cash in Transit, Cash in Hand, Marine import and in-transit insurance from Jubilee General Insurance Company Limited - Window Takaful.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

24. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP 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 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	(Unaudited)	
		December 31, 2025	December 31, 2024
(Rupees in '000)			
Parent company	- Corporate service charges	46,800	65,760
	- Rent income	10,917	9,743
	- Income from provision of amenities	7,910	7,520
	- Advance against coporate charges	160,000	-
Staff retirement benefits	- Contributions to provident fund	137,109	117,822
	- Benefits paid	62,083	93,562
Associated companies	- Revenue	14,022,365	10,799,049
	- Salaries and wages	7,274	20,826
	- Purchases of property, plant and equipment	3,543	-
	- IT Services	34,893	-
	- Carriage and duties	40,483	207,278
	- Discounts claimed	430,096	360,543
	- Rent expense	55,943	48,308
	- Rent income	31,014	24,125
	- Stock claims	270,048	278,522
	- Internet services	3,977	29,397
	- Income from provision of amenities	77,017	78,905
	- Donations	10,607	19,152
	- Incentives to field force staff	11,289	-
	- Incentive of field force	11,289	-
	- Repair & maintenance	153	1,208
	- Reimbursement of expenses	532	-
- Merchandise expense	24,282	8,410	
- Advances to associates	22,758	-	
- Others	6,072	11,510	
Key management employees	- Salaries and other employee benefits	293,319	292,869
	- Compensation	20,546	19,374

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

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2025 - Unaudited

25. 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 26, 2026.



Chief Executive



Director



Chief Financial Officer

SEARLE

THE SEARLE COMPANY LIMITED

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