

A close-up photograph of two hands, one larger and one smaller, cupping a vibrant green ribbon. The ribbon is looped and extends across the frame. The background is plain white.

**SEARLE**

Research in the service of mankind

# MENTAL WELLNESS

Empowering minds,  
Inspiring souls

QUARTERLY REPORT MARCH 2024

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# Company Information

## BOARD OF DIRECTORS

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

## BOARD OF AUDIT COMMITTEE

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

## BOARD OF HR & REMUNERATION COMMITTEE

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

## CHIEF FINANCIAL OFFICER

Mr. Mobeen Alam

## COMPANY SECRETARY

Mr. Zubair Razzak Palwala

## AUDITORS

A. F. Ferguson & Co.

## LEGAL ADVISORS

Mohsin Tayebaly & Co.

## BANKERS

Albaraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
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  
Summit Bank Limited

## REGISTERED OFFICE

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

## SHARE REGISTRAR

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

# Directors' Report to the Members

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

## Financial highlights

The company witnessed a growth of 12.48% in revenue compared to the previous year for the same period, largely driven by price increases. This resulted in a healthier gross profit margin of 47.87%, marking an improvement from the 45.69% margin in the preceding period.

However, despite these positive strides, the company experienced a decline in its profit after tax, which decreased by 82.6% to Rs 111.28 million. This decline can be primarily attributed to two key factors: the depreciation of the Pakistani currency and a consequential increase in the company's finance costs.

This combination of currency depreciation and heightened finance costs significantly impacted the company's bottom line, contributing to the substantial decline in profit after tax.

Following is the summary of financial results for the nine months ended March 31, 2024:

	March 31,	
	2024	2023
	(Rupees in thousand)	
Revenue	19,109,412	16,988,562
Cost of sales	(9,961,288)	(9,226,724)
<b>Gross Profit</b>	<b>9,148,124</b>	<b>7,761,838</b>
Operating expenses	(6,229,193)	(5,332,516)
Other operating expenses	(31,186)	(63,996)
Other income	149,504	753,760
<b>Profit from operations</b>	<b>3,037,249</b>	<b>3,119,086</b>
Finance cost	(2,670,199)	(2,340,660)
<b>Profit before tax</b>	<b>367,050</b>	<b>778,426</b>
Income tax expense	(255,774)	(139,005)
<b>Profit after taxation</b>	<b>111,276</b>	<b>639,421</b>

## EARNINGS PER SHARE

Basic earnings per share after taxation for the period is Rs. 0.22 (March 2023: Rs. 1.25). 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 March 31, 2024.

## FUTURE OUTLOOK

At Searle Pharmaceuticals, we're deeply committed to societal welfare, not just market growth. With a steadfast belief in the well-being of our communities, we strive to make a positive impact beyond business metrics.

Despite prevailing socio-economic challenges, we're dedicated to expanding our market share with integrity. Our enduring commitment to ethical practices ensures that every step we take is aligned with our core values and principles.

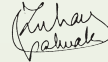
While facing hurdles such as exchange rate volatility, inflation, and rising commodity prices, we remain resilient. Our team's perseverance and commitment to our values drive us forward, inspiring innovative solutions to overcome obstacles.

Challenges are opportunities for innovation. With determination, we'll navigate these obstacles, emerging stronger and brighter. Together, we'll shape a better future for Searle and our communities.

For and on behalf of the Board



**Syed Nadeem Ahmed**  
Chief Executive Officer



**Zubair Razzak Palwala**  
Director

Karachi: April 30, 2024

## نی شیئر آمدنی

اس مدت کے لئے نیکیسیشن کے بعد بنیادی آمدنی فی شیئر 0.22 روپے ہے (مارچ 2023: 1.25 روپے)۔ کمپنی کی بنیادی آمدنی فی شیئر پر براہ راست کوئی اثرات مرتب نہیں ہوئے جیسا کہ کمپنی نے 31 مارچ 2024 کے مطابق عمومی شیئر زمین کوئی قابل منتقل کمی نہیں کی تھی۔

## مستقبل پر ایک نظر

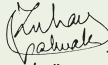
سرل فارما سیونیکل میں ہم نہ صرف مارکیٹ کی ترقی کے لیے بلکہ سماجی بہبود کے لیے پر عزم ہیں۔ اپنے معاشرے کی فلاح و بہبود پر پختہ یقین کے ساتھ، ہم کاروباری میٹرکس سے ہٹ کر مثبت اثر ڈالنے کی کوشش کرتے ہیں۔


موجودہ سماجی و اقتصادی چیلنجوں کے باوجود، ہم دیانتداری کے ساتھ اپنے مارکیٹ شیئر کو بڑھانے کے لیے وقف ہیں۔ اخلاقی طریقوں سے ہماری مستقل وابستگی اس بات کو یقینی بناتی ہے کہ وہ ہماری بنیادی اقدار اور اصولوں کے ساتھ ہم آہنگ ہو۔

شرح مبادلہ میں اتار چڑھاؤ، افراط زر، اور ایشیا کی بڑھتی ہوئی قیمتوں جیسی رکاوٹوں کا سامنا کرتے ہوئے، ہم لچکدار رہتے ہیں۔ ہماری ٹیم ثابت قدمی اور ہماری اقدار سے وابستگی ہمیں آگے بڑھاتی ہے، جو رکاوٹوں کو دور کرنے کے لیے اختراعی حل کو متاثر کرتی ہے۔

چیلنجز مدت طرازی کے مواقع ہیں عزم کے ساتھ، ہم ان رکاوٹوں کو نیوگیٹ کریں گے، جو مزید مضبوط اور روشن ہوں گے۔ مل کر، ہم سرل اور ہماری کمیونٹیز کے لیے ایک بہتر مستقبل کی تشکیل کریں گے۔

برائے اور بورڈ کی جانب سے

  
زبیر رزاق پال والا  
ڈائریکٹر

  
سید عدیم احمد  
چیف ایگزیکٹو آفیسر

کراچی: 30 اپریل 2024

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

ہم ہمسرت 31 مارچ 2024 کو ختم ہونے والے نو مہینوں کے لئے کمپنی کے غیر یکساں شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔ یہ مالیاتی حسابات انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ (IAS-34) عبوری مالیاتی رپورٹنگ کی شرائط کے مطابق تیار کیے گئے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیاں ایکٹ، 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے باب XII کے مطابق تیار کی گئی ہے۔

### مالیاتی جھلکیاں

کمپنی کاروبار نو گزشتہ سال کی اس مدت کے مقابلے میں 12.48 فیصد تک بڑھ گیا۔ اس اضافہ کی بنیادی وجہ ضروری ادویات کی قیمتوں میں اضافہ جو کہ حکومت کی طرف سے گزشتہ برس ۲۰۲۳ مئی میں کیا گیا۔

اس کے علاوہ Gross Profit کی شرح %45.69 سے بڑھ کر %47.87 ہو گئی اس اضافہ کی بنیادی وجہ اوپر بیان کی گئی قیمتوں میں اضافہ تھا۔

ان مثبت وجوہات کے باوجود کمپنی کا بعد از ٹیکس منافع 111.28 ملین ہو گیا۔ اس کمی کی بنیادی وجہ پاکستانی روپے کی قدر میں کمی اور فائنٹیل چینج میں اضافہ تھا۔

پچھلے سال شرح سود %15 سے بڑھ کر %22 ہو گئی تھی۔ البتہ اس سال شرح سود %22 پر برقرار رہی۔

31 مارچ 2024 کو ختم ہونے والے نو مہینوں کی مدت کے لئے مالیاتی نتائج درج ذیل کے مطابق ہیں:

2023	2024	
(پاکستانی روپے ہزاروں میں)		
16,988,562	19,109,412	آمدنی
(9,226,724)	(9,961,288)	فروخت کے اخراجات
<b>7,761,838</b>	<b>9,148,124</b>	مجموع آمدنی
(5,332,516)	(6,229,193)	آپریٹنگ اخراجات
(63,996)	(31,186)	دیگر آپریٹنگ اخراجات
753,760	149,504	دیگر آمدنی
<b>3,119,086</b>	<b>3,037,249</b>	آپریٹنگ سے آمدنی
(2,340,660)	(2,670,199)	مالیاتی اخراجات
<b>778,426</b>	<b>367,050</b>	منافع قبل از ٹیکس
(139,005)	(255,774)	انکم ٹیکس اخراجات
<b>639,421</b>	<b>111,276</b>	منافع بعد از ٹیکس



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

		(Un-audited) March 31, 2024	(Audited) June 30, 2023
<b>ASSETS</b>	Note	(Rupees in '000)	
<b>Non-current assets</b>			
Property, plant and equipment	5	6,374,515	6,604,610
Investment properties - at cost		2,907,585	2,864,868
Intangible assets		29,523	40,399
Long-term investments - subsidiaries	6	26,066,718	18,816,311
Long-term loans		179	117
Long-term deposits		7,396	7,396
		<u>35,385,916</u>	<u>28,333,701</u>
<b>Current assets</b>			
Stock-in-trade		2,221,513	2,716,235
Trade receivables	7	10,295,929	11,570,051
Loans and advances	8	1,517,284	1,071,375
Trade deposits and short-term prepayments		151,498	156,539
Other receivables	9	975,525	4,524,797
Short-term investment - at amortised cost		100,000	100,000
Taxation - payments less provision		2,174,429	1,934,114
Tax refunds due from Government - Sales Tax		194,612	196,712
Cash and bank balances		113,268	196,782
		<u>17,744,058</u>	<u>22,466,605</u>
<b>Total assets</b>		<u><u>53,129,974</u></u>	<u><u>50,800,306</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Share Capital</b>			
Issued, subscribed and paid-up capital	10	5,114,945	3,900,659
<b>Capital Reserves</b>			
Share premium		9,085,133	6,049,419
Revaluation surplus on property, plant and equipment		3,592,917	3,717,069
<b>Revenue reserves</b>			
General reserve		280,251	280,251
Unappropriated profit		13,916,041	13,721,361
<b>Total equity</b>		<u>31,989,287</u>	<u>27,668,759</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		433,259	238,725
Employee benefit obligations		56,699	57,567
Long-term borrowings	11	4,189,449	5,917,063
Lease liabilities		75,430	78,702
		<u>4,754,837</u>	<u>6,292,057</u>
<b>Current liabilities</b>			
Trade and other payables	12	6,882,725	6,519,048
Short-term borrowings	13	9,274,737	10,092,552
Unpaid dividend	14	183,472	183,736
Unclaimed dividend		37,041	37,526
Current portion of lease liabilities		7,875	6,628
		<u>16,385,850</u>	<u>16,839,490</u>
<b>Total liabilities</b>		<u>21,140,687</u>	<u>23,131,547</u>
<b>Contingencies and commitments</b>	15		
<b>Total equity and liabilities</b>		<u><u>53,129,974</u></u>	<u><u>50,800,306</u></u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For the period ended March 31, 2024 - Unaudited

	Note	Quarter ended		Nine months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Note -----(Rupees in '000)-----					
Revenue from contracts with customers	16	5,786,361	6,135,976	19,109,412	16,988,562
Cost of sales		(2,948,884)	(3,316,731)	(9,961,288)	(9,226,724)
Gross profit		2,837,477	2,819,245	9,148,124	7,761,838
Distribution costs		(1,736,582)	(1,479,616)	(5,143,213)	(4,337,464)
Administrative expenses		(340,270)	(357,029)	(1,085,980)	(995,052)
Other expenses		10,781	(21,086)	(31,186)	(63,996)
Other income	17	30,896	54,692	149,504	753,760
Profit from operations		802,302	1,016,206	3,037,249	3,119,086
Finance cost		(862,563)	(852,741)	(2,670,199)	(2,340,660)
Profit before income tax		(60,261)	163,465	367,050	778,426
Taxation		(49,550)	(66,429)	(255,774)	(139,005)
Profit for the period		(109,811)	97,036	111,276	639,421
Other comprehensive income		-	-	-	-
Total comprehensive income		(109,811)	97,036	111,276	639,421
			(Re-stated)		(Re-stated)
Earnings per share - basic and diluted	18	(0.21)	0.19	0.22	1.25

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2024 - Unaudited

	Share capital	Advance received against issue of share capital	Capital reserve		Revenue reserves		Total reserves	Total
			Share premium	Revaluation surplus on Property, plant & equipment	General reserve	Unappropriated profits		
Rupees '000								
Balance as at July 01, 2022	3,120,527	-	6,049,419	3,592,613	280,251	13,994,648	23,916,931	27,037,458
Transfer of incremental depreciation for the period (net of deferred tax)	-	-	-	(116,393)	-	116,393	-	-
Total comprehensive income for the period	-	-	-	-	-	639,421	639,421	639,421
Balance as at March 31, 2023	<u>3,120,527</u>	<u>-</u>	<u>6,049,419</u>	<u>3,476,220</u>	<u>280,251</u>	<u>14,750,462</u>	<u>24,556,352</u>	<u>27,676,879</u>
<b>Balance as at July 01, 2023</b>	<b>3,900,659</b>	<b>-</b>	<b>6,049,419</b>	<b>3,717,069</b>	<b>280,251</b>	<b>13,721,361</b>	<b>23,768,100</b>	<b>27,668,759</b>
Subscription of shares against right issue of share capital	1,214,286	-	-	-	-	-	-	1,214,286
<b>Issuance cost against rights issue</b>	<b>-</b>	<b>-</b>	<b>3,035,714</b>	<b>-</b>	<b>-</b>	<b>(40,748)</b>	<b>2,994,966</b>	<b>2,994,966</b>
Transfer of incremental depreciation for the period (net of deferred tax)	-	-	-	(124,152)	-	124,152	-	-
Total comprehensive income for the period	-	-	-	-	-	111,276	111,276	111,276
<b>Balance as at March 31, 2024</b>	<b><u>5,114,945</u></b>	<b><u>-</u></b>	<b><u>9,085,133</u></b>	<b><u>3,592,917</u></b>	<b><u>280,251</u></b>	<b><u>13,916,041</u></b>	<b><u>26,874,342</u></b>	<b><u>31,989,287</u></b>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the period ended March 31, 2024 - Unaudited

		March 31, 2024	March 31, 2023
	Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19	8,678,470	4,058,045
Retirement benefit obligations paid		(4,918)	(3,314)
Finance cost paid		(2,630,989)	(2,104,845)
Income taxes paid		(301,555)	(531,096)
Long-term loans		(62)	95
Net cash generated from operating activities		5,740,946	1,418,885
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(112,538)	(243,993)
Proceeds from disposal of property, plant and equipment		90	3,848
Purchase of investment properties		(100,594)	(162,268)
Investment / Acquisition in subsidiary		(7,250,407)	-
Net cash used in investing activities		(7,463,448)	(402,413)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(749)	(2,001)
Repayment of salary refinancing		-	(133,875)
Repayment of long-term borrowings		(1,566,225)	(1,218,175)
Advance received against issue of share capital net of issuance cost		4,209,252	-
Payment against lease liabilities		(11,450)	(13,831)
Net cash from financing activities		2,630,828	(1,367,882)
<b>Net increase in cash and cash equivalents</b>		<b>908,326</b>	<b>(351,410)</b>
Cash and cash equivalents at the beginning of the period		(7,781,495)	(7,566,126)
<b>Cash and cash equivalents at the end of the period</b>	20	<b>(6,873,169)</b>	<b>(7,917,536)</b>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# Notes to the Unconsolidated Condensed Interim Financial Statements

## For the period ended March 31, 2024 - Unaudited

### 1. THE COMPANY AND ITS OPERATIONS

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

International Brands (Private) Limited is the Parent Company, which holds 56.13% (March 31, 2023: 56.32%) shareholding in the Company. This holding % includes 8,387,267 shares which are held in lieu of 5% withholding tax under section 236M of the Income Tax Ordinance, 2001. The shareholder has filed a petition against such provision and the case is pending before the Honorable High Court.

1.2 Following are the subsidiary companies:

	Principal place of business	Effective %age of holding	
		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
<b>Listed Company</b>			
- IBL HealthCare Limited		74.19%	74.19%
<b>Unlisted Companies</b>			
- Searle Pakistan Limited	Pakistan	90.61%	90.61%
- Searle Pharmaceuticals (Private) Limited		100.00%	100.00%
- Searle Laboratories (Private) Limited		100.00%	100.00%
- Searle Biosciences (Private) Limited		100.00%	100.00%
- IBL Future Technologies (Private) Limited		100.00%	100.00%
- Searle IV Solutions (Private) Limited		100.00%	-
- Stellar Ventures (Private) Limited		100.00%	-
- Mycart (Private) Limited *		50.00%	-
- IBL Frontier Markets (Private) Limited *		100.00%	-
- Prime Health (Private) Limited *		100.00%	-
- 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 Company.

\* Mycart (Private) Limited, IBL Frontier Markets (Private) Limited, and Prime Health (Private) Limited are the subsidiaries of Stellar Ventures (Private) Limited being the 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.

# Notes to the Unconsolidated Condensed Interim Financial Statements

## For the period ended March 31, 2024 - Unaudited

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017

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

2.1.2 These unconsolidated condensed interim financial statements does not include all the information required for full financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.

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

#### 2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.

#### 2.3 Functional and presentation currency

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

### 3. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.

#### 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, 2023. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain standards, amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

## Notes to the Unconsolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

#### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
- 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, 2023.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2023.

	(Unaudited)	(Audited)
	March 31,	June 30,
	2024	2023
	(Rupees in '000)	

#### 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1	5,984,586	6,286,725
Capital work-in-progress - at cost	334,612	257,795
Right-of-use assets	55,317	60,090
	<u>6,374,515</u>	<u>6,604,610</u>

- 5.1 Details of additions in operating assets including transfers from capital work-in-progress during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000)			
Leasehold Land	4,817	2,937	-	(452,937)
Building on leasehold land	16,336	58,201	-	-
Plant and machinery	7,627	65,582	-	-
Furniture & fittings	185	1,265	-	-
Vehicles	-	7,426	-	-
Office equipment	15,567	31,739	(23)	(403)
	-	-	-	-
	<u>44,532</u>	<u>167,150</u>	<u>(23)</u>	<u>(453,340)</u>

	(Unaudited)	(Audited)
	March 31,	June 30,
	2024	2023
	(Rupees in '000)	

#### 6. LONG-TERM INVESTMENTS

Subsidiary companies - at cost - note 6.1 & 6.2	<u>26,066,718</u>	<u>18,816,311</u>
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## Notes to the Unconsolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

- 6.1** The Board of Directors of the Company in their meeting held on May 25, 2023, resolved to acquire the 100% shareholding of Searle IV Solutions (Private) Limited (Searle IV) from IBL Operations (Private) Limited (IBL OPS) - a related party of the Company. The valuation of Searle IV was conducted by KPMG Taseer Hadi & Co. and they arrived at a value of Rs. 3,500 million.

The said transaction has been approved by the shareholders in the extra ordinary general meeting held on July 26, 2023. The shareholders authorised the Company to acquire 5,400,000 ordinary shares, having face value of Rs. 100 each of Searle IV, constituting 100% of the issued and paid up share capital of Searle IV from IBL OPS for an aggregate amount of Rs. 3,500 million. The said transaction is funded from the right issue being offered by the Company as disclosed in note 10.2 to these unconsolidated condensed interim financial statements.

- 6.2** Further, the Board of Directors of the Company in their meeting held on October 03, 2022, resolved to acquire the 100% shareholding of Stellar Ventures (Private) Limited (SVPL) from Universal Ventures (Private) Limited (UVPL) - a related party of the Company, at a valuation to be determined and negotiated by the management of the Company with UVPL on arms length basis, to be adjusted against Company's receivable balance, subject to due diligence and approval of the shareholders under the provisions of Section 199 of the Companies Act, 2017. On May 23, 2023, the Company obtained valuation of SVPL amounting to Rs. 3,750 million from KPMG Taseer Hadi & Co.

The said transaction has been approved by the shareholders in the extraordinary general meeting held on July 26, 2023 and the shareholders authorized the Company to acquire 12,100,000 ordinary shares, having face value of Rs. 10 each of SVPL constituting 100% of the issued and paid up share capital of SVPL from UVPL for an aggregate amount of Rs. 3,750 million. The said transaction is settled against the receivable from UVPL.

	(Unaudited)	(Audited)
	March 31,	June 30,
	2024	2023
<b>7 TRADE RECEIVABLES</b>		
		(Rupees in '000)
Considered good		
- Export receivables - secured	802,108	442,573
- Due from related parties, unsecured	9,025,048	10,818,800
- others - unsecured	654,096	494,001
	10,481,252	11,755,374
Less: allowance for expected credit losses	(185,323)	(185,323)
	10,295,929	11,570,051

### 8. LOANS AND ADVANCES

- 8.1** These include advances to Searle Biosciences (Private) Limited, Searle IV Solutions (Private) Limited and Prime Health (Private) Limited, wholly owned subsidiaries amounting to Rs. 766.80 million (June 30, 2023: Rs. 313.71 million) Rs 216.59 million (June 30, 2023: Nil) and and Rs 7.4 million (June 30, 2023: Nil) respectively. These are provided for the purpose of financial assistance and are settled in the ordinary course of business.



## Notes to the Unconsolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	(Rupees in '000)	
<b>9. OTHER RECEIVABLES</b>		
<b>Receivables from related parties</b>		
Due from parent company & associated companies		
International Brands (Private) Limited against:		
Expenses	55,618	43,231
Rental income	50,315	38,634
Group relief	58,040	58,040
	<b>163,973</b>	139,905
Due from subsidiary companies:		
IBL Healthcare Limited against:		
Expenses	844	4,333
Royalty	19,934	46,941
Rental income	1,564	4,540
Searle Pakistan Limited against:		
Dividend income	-	28,951
Rental income	2,396	-
Searle Biosciences (Private) Limited against:		
Dividend income	-	43,000
Facility Management Fee	120,000	170,000
Expenses	242,244	25,661
Searle IV Solutions (Private) Limited against Expenses	60,097	-
IBL Frontier Markets (Private) Limited against expenses	52,444	47,890
Nextar Pharma (Private) Limited against expenses	30,883	13,107
	<b>530,406</b>	384,423
Due from associated companies		
IBL Operations (Private) Limited against:		
Expenses	2,922	2,306
Rental income	3,341	3,781
IBL Unisys (Private) Limited against:		
Rental income	1,675	719
Expenses	1,308	408
IBL Logistics (Private) Limited against rental income	1,692	1,692
Universal Ventures (Private) Limited against:		
Sale of subsidiary	86,452	3,326,859
Sale of land	-	510,000
Due from other related party:		
United Retail (SMC-Private) Limited against:		
Expenses	-	1,384
Universal Retail (Private) Limited against:		
Rental income	23,788	18,437
Expenses	82,440	71,626
	<b>203,618</b>	3,937,212
Surplus arising under retirement benefit fund	5,250	5,250
<b>Receivables from other than related parties</b>		
Others, considered good	72,278	58,007
	<b>975,525</b>	4,524,797



**Notes to the Unconsolidated Condensed Interim Financial Statements**  
For the period ended March 31, 2024 - Unaudited

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	(Rupees in '000)	
<b>12. TRADE AND OTHER PAYABLES</b>		
Creditors	1,247,847	1,399,761
Bills payable in foreign currency	1,696,629	1,762,126
Payable to related parties	769,649	1,310,955
Royalty payable	15,929	24,352
Accrued liabilities	2,010,944	1,266,508
Payable to provident fund	82,812	14,961
Advance from customers - unsecured	82,057	96,043
Accrued mark-up	506,734	476,651
Taxes deducted at source and payable to statutory authorities	299,328	48,538
Workers' Profit Participation Fund	19,912	22,008
Workers' Welfare Fund	20,681	21,422
Other liabilities	130,203	75,723
	<u>6,882,725</u>	<u>6,519,048</u>
<b>13. SHORT-TERM BORROWINGS</b>	-	
<b>Secured borrowings</b>		
<b>Conventional</b>		
Running finance facility - note -13.1	984,918	1,631,532
<b>Islamic</b>		
Running Musharaka	6,001,519	6,346,745
Current portion of long-term borrowings - note -13.1.1	2,088,300	1,914,275
	<u>8,089,819</u>	<u>8,261,020</u>
	9,074,737	9,892,552
<b>Unsecured</b>		
Borrowing from IBL Future Technologies (Private) Limited - note 13.2	200,000	200,000
	<u>9,274,737</u>	<u>10,092,552</u>

## Notes to the Unconsolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

**13.1** The Company has entered into running finance under mark-up arrangements from various banks amounting to Rs. 7,730 million (June 30, 2023: Rs. 8,100 million) which include financing facilities obtained under Islamic mode amounting to Rs. 6,350 million (June 30, 2023: Rs. 6,350 million). The arrangements are secured jointly by registered mortgage of Rs. 2,025 million (June 30, 2023: Rs. 2,025 million) of immovable property together with joint pari passu charge on all current assets of the Company to the extent of Rs. 11,940 million (June 30, 2023: Rs. 11,940 million).

**13.1.1** The rates of mark-up ranged between 22.46% to 23.96% (June 30, 2023: 11.99% to 24.48%) per annum.

**13.2** This represents interest free loan obtained from IBL Future Technologies (Private) Limited - wholly owned subsidiary and is repayable on demand.

#### 14. UNPAID DIVIDEND

**14.1** This includes dividend on bonus shares withheld pertaining to 115 shareholders on which stay order from the Honorable High Court of Sindh has been obtained.

**14.2** This also includes dividend amounting to Rs. 37.15 million, due to unavailability of IBAN numbers.

#### 15. CONTINGENCIES AND COMMITMENTS

##### 15.1 Contingencies

There has been no significant change in the status of contingencies as reported in the note 28 of annual audited financial statements of the Company for the year ended June 30, 2023.

##### 15.2 Commitments

The facility for opening letters of credit and guarantees as at March 31, 2024, amounted to Rs. 2,650 million (June 30, 2023: Rs. 3,065 million) of which the amount remaining unutilised as at period ended March 31, 2024, amounted to Rs. 1,689 million (June 30, 2023: Rs. 1,128.23 million).

<b>March 31,</b>	<b>March 31,</b>
<b>2024</b>	<b>2023</b>
(Rupees in '000)	

#### 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross sales		
Local sale of goods	19,383,875	17,119,734
Export sales	1,819,917	1,849,513
	21,203,792	18,969,247
Toll manufacturing	2,146	70,285
	21,205,938	19,039,532
Sales tax	(40,645)	(146,967)
	21,165,293	18,892,565
Less:		
Discounts, rebates and allowances	(1,172,456)	(1,105,317)
Sales return	(883,425)	(798,686)
	(2,055,881)	(1,904,003)
	19,109,412	16,988,562

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended March 31, 2024 - Unaudited

	March 31, 2024	March 31, 2023
	(Rupees in '000)	
<b>17. OTHER INCOME</b>		
<b>Income from financial assets - related parties</b>		
<b>Dividend income - subsidiary companies:</b>		
- IBL HealthCare Limited	-	46,811
- Searle Biosciences (Private) Limited	-	107,000
- Searle Pakistan Limited	-	409,502
	-	<u>563,313</u>
<b>Income from financial assets - others</b>		
Interest Income from Term Finance Certificates	17,731	8,562
<b>Income from non - financial assets</b>		
Rental income from investment property	63,879	57,874
Gain on disposal of property, plant and equipment	67	60,622
Government grant	-	8,571
Facility Management Fee - Searle Biosciences (Private) Limited	50,000	40,000
Scrap sales	17,827	14,818
	<u>131,773</u>	181,885
	<u>149,504</u>	<u>753,760</u>
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>18. BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit for the period (Rupees in thousands)	111,276	639,421
Weighted average number of outstanding shares at the end of period (in thousand) - Restated	511,494	511,494
		(Re-stated)
Basic and diluted earnings per share (Rupees)	0.22	1.25

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended March 31, 2024 - Unaudited

	March 31, 2024	March 31, 2023
	(Rupees in '000)	
<b>19. CASH GENERATED FROM OPERATIONS</b>		
Profit before income tax	367,050	778,426
<b>Add adjustments for non-cash charges and other items</b>		
Depreciation	400,487	400,608
Gain on disposal of property, plant and equipment	(67)	(60,508)
Amortisation of intangible assets	10,875	14,363
Amortisation of transaction cost	12,636	12,636
Provision for retirement benefits obligation	4,050	4,100
Finance cost	2,661,072	2,330,611
Interest on lease liability	9,425	10,048
Government grant recognised in income	-	(8,571)
Profit before working capital changes	3,465,528	3,481,713
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Inventories	494,722	(101,530)
Trade and othe receivables	1,274,122	(2,896,277)
Loans and advances	(445,909)	(209,190)
Trade deposits and short-term prepayments	5,041	(64,404)
Refund due from Government - sales tax - net	2,100	30,536
	4,879,348	(3,240,865)
Increase / (decrease) in current liabilities		
Trade and other payables	333,594	3,813,209
Contract liabilities	-	3,988
	706,700	3,817,197
Cash flows generated from operations	8,678,470	4,058,045

## Notes to the Unconsolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

	March 31, 2024	March 31, 2023
<b>20. CASH AND CASH EQUIVALENTS</b>	(Rupees in '000)	
Cash and bank balances	113,268	80,663
Running finance under markup arrangements - note 13.1	(6,986,437)	(7,998,199)
	<u>(6,873,169)</u>	<u>(7,917,536)</u>

#### 21. SEGMENT INFORMATION

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

#### 22. TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions between the Company and related parties:

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

Nature of relationship	Nature of transactions	March 31, 2024	March 31, 2023
		(Rupees in '000)	
Parent company	- Corporate service charges	99,000	99,000
	- Rent income	13,345	12,089
	- Income from provision of amenities	10,723	8,846
	- Reimbursement of expenses	-	3,329
	- Issuance of right shares	3,254,963	-
Subsidiaries	- Revenue	381,426	619,331
	- Purchase of consumables	441,259	310,128
	- Purchased of material	27,691	-
	- Dividend income	-	563,313
	- Royalty	18,656	-
	- Advance against financial assistance	747,678	-
	- Reimbursement of expenses	95,827	134,293
	- Rent income	19,575	9,982
	- Income from Provision of Amenities	1,967	2,720
	- Management Fees	50,000	40,000
	- Others	4,956	13,218

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the period ended March 31, 2024 - Unaudited

Nature of relationship	Nature of transactions	March 31,	March 31,
		2024	2023
		(Rupees in '000)	
Associated companies			
	- Revenue	16,366,510	12,374,898
	- Salaries and wages	14,240	9,050
	- Purchases	7,245	11,575
	- Carriage and duties	156,683	199,314
	- Discounts claimed	284,342	271,821
	- Rent expense	38,868	55,950
	- Rent income	32,032	40,753
	- Income from Provision of Amenities	85,833	37,468
	- Stock claims	434,330	421,524
	- Internet services	8,608	7,072
	- Canteen Facilities	-	4,727
	- Donations	49,808	42,833
	- Incentives to field force staff	4,493	14,567
	- Repair & maintenance	2,504	4,803
	- Merchandise expense	29,802	24,776
	- Sale of land	-	510,000
	- Acquisition of subsidiaries	7,250,407	-
	- Others	33,966	342
Staff retirement benefits			
	- Contributions to Provident Fund	159,752	134,380
	- Benefits paid	92,723	76,427
Key management			
employees			
compensation	- Salaries and other employee benefits	228,578	212,596
	- Contributions to Provident Fund	21,815	19,424



## Notes to the Unconsolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

**22.1** The status of outstanding balances with related parties as at March 31, 2024 is included in the respective notes to the financial statements.

**23. CORRESPONDING FIGURES**

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

**24. 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 April 30, 2024.



Chief Executive



Director



Chief Financial Officer

# Consolidated Financial Statements

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

# Directors' Report to the Members

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

## Financial highlights

The company experienced a significant increase in revenue, representing a substantial 9.2% growth compared to the same period last year. The increase in revenue was mainly driven from the price increase.

However, due to the adverse macroeconomic conditions i.e. significant devaluation of Rupee, increased interest rates, skyrocketing inflation with substantial increase in fuel & utilities prices, profitability of the company has shrunk.

In the preceding year, the policy rate had risen from 15% to 22% over time. In contrast, during the current period, the impact of heightened finance costs was particularly pronounced, as the policy rate remained at 22% for the entirety of the period.

Following is the summary of financial results for the nine months ended March 31, 2024:

	March 31,	
	2024	2023
	(Rupees in thousand)	
Revenue	28,853,629	26,425,153
Cost of sales	(17,933,583)	(15,579,415)
<b>Gross Profit</b>	<b>10,920,046</b>	<b>10,845,738</b>
Operating expenses	(8,079,487)	(6,717,060)
Other operating expenses	(35,255)	(127,826)
Other income	206,800	254,648
<b>Profit from operations</b>	<b>3,012,104</b>	<b>4,255,500</b>
Finance cost	(3,149,810)	(2,717,112)
<b>Profit before tax</b>	<b>(137,706)</b>	<b>1,538,388</b>
Income tax expense	(458,335)	(596,911)
<b>Profit after taxation</b>	<b>(596,041)</b>	<b>941,477</b>

## EARNINGS PER SHARE

Basic earnings per share after taxation for the period was Rs. (1.11) (March 2023: Rs. 1.64). 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 March 31, 2024.

## FUTURE OUTLOOK

At Searle Pharmaceuticals, we're deeply committed to societal welfare, not just market growth. With a steadfast belief in the well-being of our communities, we strive to make a positive impact beyond business metrics.

Despite prevailing socio-economic challenges, we're dedicated to expanding our market share with integrity. Our enduring commitment to ethical practices ensures that every step we take is aligned with our core values and principles.

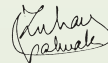
While facing hurdles such as exchange rate volatility, inflation, and rising commodity prices, we remain resilient. Our team's perseverance and commitment to our values drive us forward, inspiring innovative solutions to overcome obstacles.

Challenges are opportunities for innovation. With determination, we'll navigate these obstacles, emerging stronger and brighter. Together, we'll shape a better future for Searle and our communities.

For and on behalf of the Board



**Syed Nadeem Ahmed**  
Chief Executive Officer



**Zubair Palwala**  
Director

Karachi: April 30, 2024

## فی شیئر آمدنی

اس مدت کے لئے ٹیکسیشن کے بعد بنیادی آمدنی فی شیئر (1.11) روپے ہے (مارچ 2023: 1.64 روپے)۔ کمپنی کی بنیادی آمدنی فی شیئر پر براہ راست کوئی اثرات مرتب نہیں ہوئے جیسا کہ کمپنی نے 31 مارچ 2024 کے مطابق عمومی شیئر ز میں کوئی قابل منتقل کمی نہیں کی تھی۔

## مستقبل پر ایک نظر

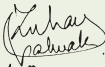
سرل فارماسیوٹیکل میں ہم نہ صرف مارکیٹ کی ترقی کے لیے بلکہ سماجی بہبود کے لیے پر عزم ہیں۔ اپنے معاشرے کی فلاح و بہبود پر پختہ یقین کے ساتھ، ہم کاروباری میٹرکس سے ہٹ کر مثبت اثر ڈالنے کی کوشش کرتے ہیں۔


موجودہ سماجی و اقتصادی چیلنجز کے باوجود، ہم دیانتداری کے ساتھ اپنے مارکیٹ شیئر کو بڑھانے کے لیے وقف ہیں۔ اخلاقی طریقوں سے ہماری مستقل وابستگی اس بات کو یقینی بناتی ہیں وہ ہماری بنیادی اقدار اور اصولوں کے ساتھ ہم آہنگ ہو۔

شرح مبادلہ میں اتار چڑھاؤ افراط زر اور ایشیا کی بڑھتی ہوئی قیمتوں جیسی رکاوٹوں کا سامنا کرتے ہوئے، ہم لچکدار رہتے ہیں۔ ہماری ٹیم ثابت قدمی اور ہماری اقدار سے وابستگی ہمیں آگے بڑھاتی ہے، جو رکاوٹوں کو دور کرنے کے لیے اختراعی حل کو متاثر کرتی ہے۔

چیلنجز مدت طرازی کے مواقع ہیں عزم کے ساتھ، ہم ان رکاوٹوں کو نیوگیٹ کریں گے، جو مزید مضبوط اور روشن ہوں گے۔ مل کر، ہم سرل اور ہماری کیونینٹیز کے لیے ایک بہتر مستقبل کی تشکیل کریں گے۔

برائے اور بورڈ کی جانب سے

  
زبیر رازا پال وال  
ڈائریکٹر

  
سید مدیم احمد  
چیف ایگزیکٹو آفیسر

کراچی: 30 اپریل 2024

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

ہم ہمسرت 31 مارچ 2024 کو ختم ہونے والے نو مہینوں کے لئے ہولڈنگ کمپنی کی ایشیائی عبوری مالیاتی معلومات پیش کر رہے ہیں۔ یہ مالیاتی حسابات انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ (IAS-34) عبوری مالیاتی رپورٹنگ کی شرائط کے مطابق تیار کیے گئے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، 2017 کے سیکشن 227 اور اسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے باب XII کے مطابق تیار کی گئی ہے۔

### مالیاتی جھلکیاں

کمپنی کے ریونیو میں 2.42 بلین کا اضافہ ہوا اور 28.85 بلین روپے تک پہنچ گیا جو کہ گذشتہ برس کے نو ماہ کے عرصہ کے مقابلے میں 9.2% زیادہ ہے۔ اس اضافہ کی بنیادی وجہ ضروری ادویات کی قیمتوں میں اضافہ جو کہ حکومت کی طرف سے گذشتہ برس ۲۰۲۳ مئی میں کیا گیا۔

تاہم، منفی معاشی حالات یعنی روپے کی قدر میں نمایاں کمی، شرح سود میں اضافہ، لہندھن اور یوٹیلیٹیز کی قیمتوں میں خاطر خواہ اضافے کے ساتھ آسان چھوٹی افراط زر کی وجہ سے کمپنی کے منافع میں کمی ہو گئی ہے۔

پچھلے سال، پالیسی شرح بتدریج 15 فیصد سے 22 فیصد تک بڑھ گئی تھی۔ اس کے برعکس، موجودہ دور میں بڑھی ہوئی فنانس کی لاگت کا اثر خاص طور پر واضح ہوا، کیونکہ پالیسی کی شرح پوری مدت کے لیے 22% پر برقرار رہی۔

31 مارچ 2024 کو ختم ہونے والے نو مہینوں کی مدت کے لئے مالیاتی نتائج درج ذیل کے مطابق ہیں:

2023	2024	
(پاکستانی روپے ہزاروں میں)		
26,425,153	28,853,629	آمدنی
(15,579,415)	(17,933,583)	فروخت کے اخراجات
<b>10,845,738</b>	<b>10,920,046</b>	مجموعی آمدنی
(6,717,060)	(8,079,487)	آپریٹنگ اخراجات
(127,826)	(35,255)	دیگر آپریٹنگ اخراجات
254,648	206,800	دیگر آمدنی
<b>4,255,500</b>	<b>3,012,104</b>	آپریٹنگ سے آمدنی
(2,717,112)	(3,149,810)	مالیاتی اخراجات
<b>1,538,388</b>	<b>(137,706)</b>	منافع قبل از ٹیکس
(596,911)	(458,335)	انکم ٹیکس اخراجات
<b>941,477</b>	<b>(596,041)</b>	منافع بعد از ٹیکس

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

		(Un-audited) March 31 2024	(Audited) June 30, 2023
	Note	(Rupees in '000)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	13,641,836	10,192,835
Right-of-use asset	7	55,260	60,090
Investment properties		3,492,853	3,348,598
Intangibles	8	18,747,472	16,153,388
Long-term loans and advances		179	117
Long-term deposits		33,177	30,798
		<u>35,970,777</u>	<u>29,785,826</u>
<b>Current assets</b>			
Inventories		5,196,533	6,975,694
Trade Receivables	9	18,336,498	16,443,847
Loans and advances	11	2,241,460	1,202,905
Trade deposits and short-term prepayments		217,368	196,941
Accrued markup		-	420
Other receivables	10	1,118,264	4,757,130
Short-term investment at amortised cost		115,772	115,772
Taxation - payments less provision		2,900,769	2,438,330
Tax refunds due from government - Sales tax		248,607	265,706
Cash and bank balances		242,645	313,244
		<u>30,617,916</u>	<u>32,709,989</u>
<b>Total assets</b>		<u><b>66,588,693</b></u>	<u><b>62,495,815</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12	5,114,945	3,900,659
Advance received against issue of share capital		-	-
Share premium		9,085,133	6,049,419
Unappropriated profit		13,661,324	14,143,280
General reserve		280,251	280,251
Revaluation surplus on property, plant and equipment		5,444,237	5,568,389
		<u>33,585,890</u>	<u>29,941,998</u>
Attributable to owners of The Searle Company Limited - Holding Company		1,900,456	1,734,434
Non-controlling interests		<u>35,486,346</u>	<u>31,676,432</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	14	4,189,449	5,917,063
Deferred tax liabilities		866,749	706,960
Employee benefit obligations		92,367	78,707
Long term lease liability		75,430	78,702
		<u>5,223,995</u>	<u>6,781,432</u>
<b>Current liabilities</b>			
Trade and other payables	15	13,616,242	9,922,915
Short-term borrowings	16	9,701,910	11,737,581
Current portion of long-term borrowings		2,088,300	1,914,275
Contract liabilities		143,882	184,249
Unpaid dividend		270,371	227,669
Unclaimed dividend		44,147	44,634
Current portion of long-term lease liability		13,500	6,628
		<u>25,878,352</u>	<u>24,037,951</u>
<b>Total liabilities</b>		<u><b>31,102,347</b></u>	<u><b>30,819,383</b></u>
<b>Contingencies and commitments</b>			
<b>Total equity and liabilities</b>	17	<u><b>66,588,693</b></u>	<u><b>62,495,815</b></u>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

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

For the period ended March 31, 2024 - Unaudited

	Note	Quarter ended		Nine months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in '000)					
Revenue from contract with customers	18	8,768,341	9,569,239	28,853,629	26,425,153
Cost of sales		(5,572,920)	(5,824,711)	(17,933,583)	(15,579,415)
Gross profit		3,195,421	3,744,528	10,920,046	10,845,738
Distribution costs		(2,184,082)	(2,020,419)	(6,590,355)	(5,594,058)
Administrative expenses		(583,084)	(399,836)	(1,489,132)	(1,123,002)
Other operating expenses		8,295	(29,438)	(35,255)	(127,826)
Other income	19	67,516	128,904	206,800	254,648
Profit from operations		504,066	1,423,739	3,012,104	4,255,500
Finance cost		(995,088)	(1,042,861)	(3,149,810)	(2,717,112)
Profit before income tax		(491,022)	380,878	(137,706)	1,538,388
Income tax expense		(113,543)	(145,553)	(458,335)	(596,911)
Profit for the year		(604,565)	235,325	(596,041)	941,477
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(604,565)	235,325	(596,041)	941,477
<b>Profit is attributable to:</b>					
Owners of the The Searle Company Limited - Holding Company		(687,836)	207,729	(565,360)	836,310
Non-controlling interests		(46,163)	27,596	(30,681)	105,167
		(733,999)	235,325	(596,041)	941,477
Basic and diluted earnings per share (Rupees)	20	(1.34)	0.41	(1.11)	1.64
			(Restated)		(Restated)

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

  
Chief Executive

  
Director

  
Chief Financial Officer



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the period ended March 31, 2024 - Unaudited

		March 31, 2024	March 31, 2023
	Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	21	10,991,460	3,119,567
Employee benefit obligations paid		688	(5,177)
Finance cost paid		(3,144,157)	(2,397,726)
Income tax paid		(760,985)	(1,138,311)
Interest income received		420	2,234
(Increase) / decrease in long-term deposits		(2,379)	(3,014)
Lease rentals paid		(12,583)	(14,575)
Decrease / (increase) in long-term loans and advances		(62)	95
Net cash generated from operating activities		7,072,402	(436,907)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(326,749)	(356,359)
Acquisition of subsidiaries - net		(7,265,291)	-
Sale proceeds on disposal of property, plant and equipment		1,599	516,616
Additions to investment properties		(202,131)	(140,932)
Net cash used in investing activities		(7,792,572)	19,325
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		42,215	401,909
(Repayment) / Proceeds of borrowings		(1,566,225)	(1,172,588)
Proceeds against issue of share capital net of issuance cost		4,209,252	-
Repayment of demand finance facility/salary refinancing		-	(133,875)
Net cash generated from / (used in) financing activities		2,685,242	(904,554)
<b>Net increase in cash and cash equivalents</b>		<b>1,965,072</b>	<b>(1,322,136)</b>
Cash and cash equivalents at beginning of the period		(11,424,337)	(9,063,156)
<b>Cash and cash equivalents at end of the period</b>	22	<b>(9,459,265)</b>	<b>(10,385,292)</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended March 31, 2024 - Unaudited

	Share capital	Advance received against issue of share capital	Capital reserves		Revenue reserves		Sub-Total reserves	Non-Controlling interest	Total
			Share premium account	Revaluation surplus on Property, plant & equipment	General reserve	Unappropriated profits			
(Rupees in '000)									
Balance as at July 01, 2022	3,120,527	-	6,049,419	5,173,186	280,251	14,040,214	25,543,070	2,027,714	30,691,311
Total comprehensive income for the period	-	-	-	-	-	836,310	836,310	105,167	941,477
<b>Transactions with owners</b>									
Transaction with NCI						362,267	362,267	(362,267)	-
Issue of bonus shares	780,132	-	-	-	-	(780,132)	-	-	-
Dividend pertaining to non-controlling interests	-	-	-	-	-	-	-	(56,402)	(56,402)
Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-
	780,132	-	-	-	-	(417,865)	362,267	(418,669)	(56,402)
Transfer of incremental depreciation - net of deferred tax	-	-	-	(116,393)	-	116,393	-	-	-
Land disposal	-	-	-	(49,500)	-	49,500	-	-	-
Balance as at March 31, 2023	<u>3,900,659</u>	<u>-</u>	<u>6,049,419</u>	<u>5,007,293</u>	<u>280,251</u>	<u>14,624,552</u>	<u>26,741,647</u>	<u>1,714,212</u>	<u>31,576,386</u>
Balance as at July 01, 2023	3,900,659	-	6,049,419	5,568,389	280,251	14,143,280	26,041,339	1,734,434	31,676,432
Total comprehensive income for the period	-	-	-	-	-	(565,360)	(565,360)	(30,681)	(596,041)
<b>Transactions with owners</b>									
Advance received against issue of share capital	-	-	-	-	-	-	-	-	-
Issuance cost against rights issue	1,214,286	-	3,035,714	-	-	(40,748)	2,994,966	-	4,209,252
Acquisition of subsidiary	-	-	-	-	-	-	-	(165,070)	(165,070)
Non-redeemable convertible loan - note 13	-	-	-	-	-	-	-	361,773	361,773
	1,214,286	-	3,035,714	-	-	(40,748)	2,994,966	196,703	4,405,955
Transfer of incremental depreciation - net of deferred tax	-	-	-	(124,152)	-	124,152	-	-	-
Balance as at March 31, 2024	<u>5,114,945</u>	<u>-</u>	<u>9,085,133</u>	<u>5,444,237</u>	<u>280,251</u>	<u>13,661,324</u>	<u>28,470,945</u>	<u>1,900,456</u>	<u>35,486,346</u>

The annexed notes from 1 to 26 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 period ended March 31, 2024 - Unaudited

### 1. LEGAL STATUS AND OPERATIONS

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

International Brands (Private) Limited is the Parent Company, which holds 56.13% (March 31, 2023: 56.32%) shareholding in the Company. This holding % includes 8,387,267 shares which are held in lieu of 5% withholding tax under section 236M of the Income Tax Ordinance, 2001. The shareholder has filed a petition against such provision and the case is pending before the Honorable High Court.

Following are the subsidiary companies:

	Principal place of business	Effective %age of holding	
		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
<b>Listed Company</b>			
- IBL HealthCare Limited		74.19%	74.19
<b>Unlisted Companies</b>			
- Searle Pakistan Limited	Pakistan	90.61%	90.61%
- Searle Pharmaceuticals (Private) Limited		100.00%	100.00%
- Searle Laboratories (Private) Limited		100.00%	100.00%
- Searle Biosciences (Private) Limited		100.00%	100.00%
- IBL Future Technologies (Private) Limited		100.00%	100.00%
- Searle IV Solutions (Private) Limited		100.00%	-
- Stellar Ventures (Private) Limited		100.00%	-
- IBL Frontier Markets (Private) Limited *		100.00%	-
- Prime Health (Private) Limited *		100.00%	-
- Mycart (Private) Limited *		50.00%	-
- Nextar Pharma (Private) Limited *		87.20%	87.20%

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

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

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

# Notes to the Consolidated Condensed Interim Financial Statements

## For the period ended March 31, 2024 - Unaudited

**2.1.2** These consolidated condensed interim financial statements does not include all the information required for full financial statements and should be read in conjunction with the audited annual Consolidated financial statements of the Company as at and for the year ended June 30, 2023.

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

### **2.2 Basis of measurement**

These condensed interim Consolidated financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual Consolidated financial statements of the Company for the year ended June 30, 2023.

### **2.3 Functional and presentation currency**

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

### **2.1 Changes in accounting standards, interpretations and pronouncements**

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Group's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2023. However, these will not have any impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

### **3. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES**

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Group for the year ended June 30, 2023.

### **4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

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

Judgements and estimates made by the management in the preparation of this consolidated condensed interim financial information are the same as those that were applied to the annual audited consolidated financial statements as at and for the year ended June 30, 2023.

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, 2023.

### **5. BUSINESS COMBINATION**

#### **5.1 Acquisition of Searle IV Solutions (Private) Limited**

On August 31, 2023, the Company acquired 100% paid up share capital of Searle IV Solutions (Private) Limited (Searle IV), engaged in manufacture and sale of intravenous solutions and other pharmaceutical products, from IBL Operations (Private) Limited (IBL Ops) - related party. The said acquisition was approved by Board of Directors in its meeting held on May 25, 2023 for the total consideration amounting to Rs. 3,500 million. Moreover, the acquisition was also approved by the shareholders in Extra-Ordinary General Meeting (EOGM) held on July 26, 2023.

## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

#### 5.1.1 Assets acquired and liabilities transferred at the time of acquisition:

At the acquisition date, the identifiable assets acquired and liabilities assumed have provisionally been recognised. The management is in the process of determining the fair values of acquired assets and liabilities.

The provisional values of assets and liabilities acquired are as follows:

	Rupees in '000
Property, plant and equipment	869,939
Inventories	238,393
Trade and other receivables	156,565
Trade deposits and prepayments	76,353
Cash and bank balances	12,386
<b>Total assets</b>	<b>1,353,636</b>
Deferred taxation	24,838
Trade and other payables	393,322
Short-term borrowings - secured	30,000
<b>Total liabilities</b>	<b>448,160</b>
<b>Provisional value of net assets acquired</b>	<b>905,476</b>
<b>5.1.2 Net Cash outflow on acquisition of Stellar Ventures (Private) Limited - Group</b>	
Consideration paid in cash and cash equivalents	3,500,000
Add: Cash and cash equivalent balances acquired	17,614
Net Cash outflow on acquisition	<b>3,517,614</b>
This has resulted in recognition of goodwill as follows:	
	Rupees in '000
Fair value of consideration	3,500,000
Provisional value of net assets acquired	(905,476)
Goodwill arising on acquisition - refer note 5.1.2	<b>2,594,524</b>

5.1.2 As stated in note 5.1.1, these values may be adjusted within a period of one year subsequent to the completion of fair value exercise.

#### 5.2 Acquisition of Stellar Ventures (Private) Limited

On August 31, 2023, the Company acquired 100% paid up share capital of Stellar Ventures (Private) Limited - Group (SVPL) from Universal Ventures (Private) Limited (UVPL) - related party. The said acquisition was approved by Board of Directors in its meeting held on October 3, 2022 for the total consideration amounting to Rs. 3,750 million. Moreover, the acquisition was also approved by the shareholders in Extra-Ordinary General Meeting (EOGM) held on July 26, 2023.

## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

#### 5.2.1 Assets acquired and liabilities transferred at the time of acquisition:

At the acquisition date, the identifiable assets acquired and liabilities assumed have provisionally been recognised. The management is in the process of determining the fair values of acquired assets and liabilities.

The provisional values of assets and liabilities acquired are as follows:

	Rupees in '000
Property, plant and equipment	2,296,580
Long-term investments	1,453,827
Cash and bank balances	2,730
<b>Total assets</b>	<b>3,753,137</b>
Trade and other payables	2,730
<b>Total liabilities</b>	<b>2,730</b>
<b>Provisional value of net assets acquired</b>	<b>3,750,407</b>
<hr/>	
<b>5.2.2 Net Cash outflow on acquisition of Stellar Ventures (Private) Limited - Group</b>	
Consideration paid in cash and cash equivalents	3,750,407
Less: Cash and cash equivalent balances acquired	(2,730)
Net Cash outflow on acquisition	3,747,677
<hr/>	
<b>5.2.3 Goodwill</b>	
	Rupees in '000
Goodwill arising from the acquisition has been recognised as follows:	
Total consideration paid to UVPL for SVPL - Group acquisition	3,750,407
Provisional value of net assets acquired	(3,750,407)
Goodwill arising on acquisition - refer note 5.2.4	-
<hr/>	

**5.2.4** As stated in note 5.2.1, these values may be adjusted within a period of one year subsequent to the completion of fair value exercise.

**5.2.5** At acquisition of SVPL - Group as per note 5.2, the Group's effective shareholding in Prime Health (Private) Limited, IBL Frontier Markets (Private) Limited and Mycart (Private) Limited is 100%, 100% and 50% respectively.

## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

	(Unaudited) March 31 2024	(Audited) June 30, 2023
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		(Rupees in '000)
Operating assets - note 6.1	13,312,022	9,991,265
Capital work-in-progress - at cost	329,814	201,570
	<u>13,641,836</u>	<u>10,192,835</u>
<b>6.1 Additions - operating fixed assets (at cost)</b>		
Leasehold Land	4,817	253
Building on leasehold land	20,615	3,893
Plant and machinery	48,626	9,498
Office equipment	3,718	2,427
Furniture & fittings	7,005	-
Computer equipment	246	-
Vehicles	277	277
Air conditioning systems	9,909	-
	<u>95,213</u>	<u>16,348</u>
<b>6.2 Disposals - operating fixed assets (at net book value)</b>		
Leasehold land	-	452,937
Plant and machinery	1,996	-
Furniture & fittings	174	-
Office equipment	23	403
	<u>2,193</u>	<u>453,340</u>
<b>6.3 Additions - capital work-in-progress (at cost)</b>		
Land	-	300
Building on leasehold land	87,313	38,837
Plant and machinery	222,136	106,986
Office equipment	944	2,077
Air conditioning systems	23,918	37,170
	<u>334,311</u>	<u>185,370</u>
<b>7. RIGHT-OF-USE ASSET</b>		
Opening net book value	60,090	69,750
Depreciation for the period - note 7.1	(4,830)	(9,660)
Net book value as at	<u>55,260</u>	<u>60,090</u>
<b>7.1</b>	Depreciation expense on right-of-use asset has been charged to cost of sales.	
<b>8. INTANGIBLES</b>		
Operating intangible assets	65,777	66,217
Market authorisation rights	2,200,000	2,200,000
Trademarks / brands	2,500,000	2,500,000
Goodwill - note 8.1	13,981,695	11,387,171
	<u>18,747,472</u>	<u>16,153,388</u>

## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

- 8.1 This represents goodwill pertaining to Nextar Pharma (Private) Limited, Searle Pakistan Limited and upon acquisition of subsidiaries. Refer note 5.

	(Unaudited) March 31 2024	(Audited) June 30, 2023
(Rupees in '000)		
<b>9 TRADE RECEIVABLES</b>		
Considered good		
- Export receivables, secured	877,913	594,975
- Due from related parties, unsecured	15,588,390	15,017,751
- Others, unsecured	2,087,538	1,038,364
	18,553,841	16,651,090
Less: Provision for doubtful receivables	(217,343)	(207,243)
	18,336,498	16,443,847
<b>10 OTHER RECEIVABLES</b>		
<b>Receivables from related parties</b>		
Due from Ultimate Parent Company and associated companies:		
- International Brands (Private) Limited	163,973	139,905
- IBL Operations (Private) Limited	6,263	6,087
- Universal Ventures (Private) Limited	86,452	3,836,859
- IBL Frontier Market (Private) Limited	-	47,890
- IBL Logistics (Private) Limited	1,692	1,692
- IBL Unisys (Private) Limited	2,983	1,127
	261,363	4,033,560
Due from other related party:		
- United Retail (SMC- Private) Limited	106,228	2,523
- Universal Retail (SMC- Private) Limited	-	91,327
	106,228	93,850
Surplus arising under retirement benefit fund	5,250	5,250
<b>Receivables from other than related parties</b>		
Others, considered good	745,423	624,470
	1,118,264	4,757,130
<b>11 LOANS AND ADVANCES - considered good</b>		
Advances to:		
Secured		
- employees for operating activities	282,844	140,295
- employees against salaries	48,430	40,925
Unsecured		
- advance to Universal Ventures (Private) Limited	1,400	1,400
- suppliers	1,632,911	903,132
- against imports	134,934	108,895
- against LC margin	-	1,833
Other advances	140,784	6,296
	2,241,303	1,202,776
Current portion of long-term loans to employee	157	129
	2,241,460	1,202,905



## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

#### 12. SHARE CAPITAL

Authorised share capital			(Unaudited)	(Audited)
(Unaudited)	(Audited)		March 31	June 30,
2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
<u>700,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each	<u>7,000,000</u>	<u>6,000,000</u>

#### Issued, subscribed and paid up capital

(Number of shares)				
<u>161,596,926</u>	40,168,355	Shares allotted for consideration paid in cash	<u>1,615,969</u>	401,683
<u>24,000</u>	24,000	Shares allotted for consideration other than cash	<u>240</u>	240
<u>349,873,498</u>	349,873,498	Shares allotted as bonus shares	<u>3,498,736</u>	3,498,736
<u>511,494,424</u>	<u>390,065,853</u>		<u>5,114,945</u>	<u>3,900,659</u>

#### 13. NON-REDEEMABLE CONVERTIBLE LOAN

MyCart (Private) Limited (MPL) entered into a convertible loan agreement on January 09, 2019 addendum dated January 01, 2022 with total facility amounting to Rs. 400 million of which unutilized balance as on March 31, 2024 was Rs. 42.57 million. The loan is unsecured and is interest free. It is convertible into equity of MPL at a conversion ratio of Rs. 10 per share at any time at the option of the lender.

(Unaudited)	(Audited)
March 31	June 30,
2024	2023
(Rupees in '000)	

#### 14. LONG-TERM BORROWINGS

##### Islamic

Musharaka Facility - note 14.1

<u>4,189,449</u>	<u>5,917,063</u>
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- 14.1 The Parent Company obtained a musharaka facility from Habib Bank Limited (Musharaka Agent) for a period of 7 years with a repayment grace period of two years. The Parent Company is required to repay the amount of the loan in quarterly installments, starting from September 2022. This facility carries a mark-up of three months KIBOR plus 1.35%.

## Notes to the Consolidated Condensed Interim Financial Statements

For the period ended March 31, 2024 - Unaudited

	(Unaudited) March 31 2024	(Audited) June 30, 2023
<b>15. TRADE AND OTHER PAYABLES</b>		(Rupees in '000)
Creditors	3,657,109	2,531,113
Payable under group relief	22,652	22,652
Salaries and benefits payable	-	72
Bills payable in foreign currency	4,058,103	2,675,773
Royalty payable	15,929	24,352
Accrued liabilities	4,494,015	3,610,439
Payable to provident fund	92,334	24,768
Payable for compensated absences	-	14,633
Provision for gas infrastructure	5,933	9,485
Accrued markup	658,061	686,427
Taxes deducted at source and payable to statutory authorities	319,867	62,096
Workers' Profit Participation Fund	19,912	62,080
Workers' Welfare Fund	66,446	94,111
Other liabilities	205,881	104,914
	<u>13,616,242</u>	<u>9,922,915</u>
<b>16. SHORT-TERM BORROWINGS</b>		
<b>Secured borrowings</b>		
<b>Conventional:</b>		
Running finance under mark-up arrangements - note 16.1	2,295,267	2,586,254
Short-term advance	-	500,000
	<u>2,295,267</u>	<u>3,086,254</u>
<b>Islamic:</b>		
Running musharaka - note 16.1 to	7,406,643	8,651,327
	<u>9,701,910</u>	<u>11,737,581</u>

**16.1** The Parent Company has entered into running finance under mark-up arrangements from various banks amounting to Rs. 7,730 million (June 30, 2023: Rs. 8,100 million) which include financing facilities obtained under Islamic mode amounting to Rs. 6,350 million (June 30, 2023: Rs. 6,350 million). The arrangements are secured jointly by registered mortgage of Rs. 2,025 million (June 30, 2023: Rs. 2,025 million) of immovable property together with joint pari passu charge on all current assets of the Company to the extent of Rs. 11,940 million (June 30, 2023: Rs. 11,940 million).

**16.1.1** The Parent Company rates of mark-up ranged between 22.46% to 23.96% (June 30, 2023: 11.99% to 24.48%) per annum.

**16.2** IBL HealthCare has obtained running musharakah facilities from various banks amounting to Rs. 439 million (June 30, 2023: Rs. 339 million) out of which the amount un availed at the March 31, 2024, was Rs. 218 million (June 30, 2023: Rs. 48.44 million). Rates of profit range from one month KIBOR plus 1% (June 30, 2023: one month KIBOR plus 1%) to three months KIBOR plus 1.5% (June 30, 2023: 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, 2023: Rs. 400 million).

**16.3** Searle Pakistan Limited (SPL) has obtained facility Dubai Islamic Bank Pakistan Limited amounting to Rs. 550 million carrying markup rate at KIBOR plus 1.75% (June 2023: KIBOR plus 1.75%) per annum, repayable within one year. The facility is secured by way of joint pari passu hypothecation charge over stock and receivables of the Company amounting to Rs. 733.33 million (at 25% margin) for funded exposure and Rs. 50 million for non-funded exposure (at nil margin).

**16.4** SPL has also obtained facility from Faysal Bank Limited amounting to Rs. 427.75 million carrying markup rate at KIBOR plus 0.75% (June 2023: KIBOR plus 0.75%) per annum repayable within one year. The facility is secured by way of joint pari passu hypothecation charge over stock and receivables of the Company amounting to Rs. 493.33 million and ranking a charge of Rs. 200 million (at nil margin) for non funded exposure and Rs. 133.33 million (at 25% margin) for funded exposure.



## Notes to the Consolidated Condensed Interim Financial Statements

For the period ended March 31, 2024 - Unaudited

	March 31, 2024	March 31, 2023
	(Rupees in '000)	
<b>19. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Exchange gain	-	81,188
Interest income on Term Finance Certificate	17,741	8,566
	17,741	89,754
<b>Income from non - financial assets</b>		
Insurance claim recovery		
Rental income from investment properties	66,563	58,409
Gain on disposal of property, plant and equipment	1,490	63,049
Scrap sales	25,426	20,727
Government grant	-	9,728
Others	95,580	12,981
	189,059	164,894
	206,800	254,648
	<b>(Unaudited)</b>	
	March 31, 2024	March 31, 2023
	(Rupees in '000)	
<b>20. BASIC AND DILUTED EARNINGS PER SHARE</b>		
		(Re-stated)
(Loss)/profit for the period	(565,360)	836,310
Weighted average number of outstanding shares at the end of the period (in thousand)	511,494	511,494
Basic and diluted earnings per share (Rupees)	(1.11)	1.64

## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

	March 31, 2024	March 31, 2023
<b>21. CASH GENERATED FROM OPERATIONS</b>		
	(Rupees in '000)	
Profit before income tax	(137,706)	1,538,388
<b>Add / (less): Adjustments for non-cash charges and other items</b>		
Depreciation on property, plant and equipment	579,178	456,620
Depreciation on investment property	57,876	58,724
Depreciation on right-of-use-asset	4,830	14,905
Gain on disposal of property, plant and equipment	571	(62,935)
Amortisation	11,733	20,217
Provision for retirement benefits obligation	10,317	7,255
Deferred Income - Government grant	-	(9,791)
Interest income	-	(803)
Finance cost	3,123,718	2,706,320
Interest on lease liability	13,456	10,792
Amortisation of transaction cost	12,636	12,636
Provision for doubtful receivable	10,100	-
Profit before working capital changes	<b>3,686,709</b>	4,752,328
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Inventories	1,779,161	332,670
Trade receivables	(1,902,751)	(5,920,920)
Loans and advances	(1,038,555)	(594,006)
Trade deposits and short-term prepayments	(20,427)	(70,202)
Accrued markup	420	-
Tax refunds due from government - Sales tax	17,099	26,453
Other receivables	3,638,866	(380,023)
Increase / (decrease) in current liabilities	<b>2,473,813</b>	(6,606,028)
Trade and other payables	4,871,305	4,973,267
Contract liabilities	(40,367)	-
Cash generated from operations	<b>10,991,460</b>	3,119,567
<b>22. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	242,645	294,203
Short term running finances - note 16	(9,701,910)	(10,679,495)
	<b>(9,459,265)</b>	(10,385,292)

## Notes to the Consolidated Condensed Interim Financial Statements

### For the period ended March 31, 2024 - Unaudited

#### 23. SEGMENT INFORMATION

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

#### 24. TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions between the Group and related parties

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

Nature of relationship	Nature of transactions	March 31,	March 31,
		2024	2023
		(Rupees in '000)	
Ultimate parent company	- Corporate service charges	114,750	99,000
	- Rent income	13,345	12,089
	- Income from provision of amenities	10,723	8,846
	- Reimbursement of expenses	-	3,329
	- Issuance of right shares	3,254,963	-
Associated companies	- Revenue	23,935,636	12,374,898
	- Salaries and wages	14,240	9,050
	- Purchases	7,245	11,575
	- Carriage and duties	183,592	199,314
	- Discounts claimed	546,693	271,821
	- Rent expense	61,368	55,950
	- Rent income	34,716	40,753
	- Stock claims	541,161	421,524
	- Internet services	8,608	7,072
	- Income from provision of amenities	85,833	37,468
	- Donation	49,808	42,833
	- Incentives to field force staff	4,493	14,567
	- Repair and maintenance	2,504	4,803
	- Merchandise expense	48,218	24,776
- Others	33,966	342	
- Sale of land	-	510,000	
- Acquisition of subsidiaries	7,250,407	-	
Staff retirement benefits	- Contributions to Provident Fund	159,752	134,380
	- Benefits paid	92,723	76,427
Key management employees compensation	- Salaries and other employee benefits	228,578	212,596
	- Contributions to Provident Fund	21,815	19,424

# Notes to the Consolidated Condensed Interim Financial Statements

## For the period ended March 31, 2024 - Unaudited

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

### 25. CORRESPONDING FIGURES

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

### 26. 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 April 30, 2024.



Chief Executive



Director



Chief Financial Officer

**SEARLE**

**THE SEARLE COMPANY LIMITED**

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