NOTICE

PSX/N-1188 September 28, 2026

FOR ALL CONCERNED

PLACEMENT OF DRAFT PROSPECTUS OF "SELMORE PHARMACEUTICALS LIMITED" ON PSX WEBSITE FOR SEEKING PUBLIC COMMENTS

Pakistan Stock Exchange Limited ("**PSX"**) is pleased to inform all concerned that **Selmore Pharmaceuticals Limited** (**"the Company"**) has applied for listing on the Main Board of PSX.

The total issue size of the Initial Public Offering comprises 48,611,112 Ordinary Shares having par value of PKR 10/- each using Book Building Method at a Floor Price of PKR 42/- per share. KTrade Securities Limited is the Lead Manager to the Issue.

Pursuant to Clause 3A.(2) of the Public Offering Regulations, 2017, the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of "**Public Comments on Draft Prospectus of Selmore Pharmaceuticals Limited**". Details about the Issue can be reviewed through the attached Draft Prospectus of the Company.

All concerned are requested to provide their written comments on the Draft Prospectus, if any, to PSX by emailing at **comments.draftprospectus@psx.com.pk** latest by **COB Monday, October 05, 2026.**

Syed Ahmad Abbas
Head of Business Development & Listing

Copy to:
1. The HOD, PMADD (SMD), SECP
2. Selmore Pharmaceuticals Limited
3. KTrade Securities Limited
4. PSX Website

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE & FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THESE REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE IF ANY, UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS PROSPECTUS, INCLUDING STATEMENTS REGARDING FUTURE RESULTS OF OPERATIONS AND FINANCIAL POSITION, BUSINESS STRATEGY AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, TIMELINES RELATING TO IMPLEMENTATION PLAN ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.

Selmore Pharmaceuticals Limited

PROSPECTUS FOR INITIAL PUBLIC OFFERING

Date and Place of Incorporation: 8th December 1998, Lahore, **Incorporation Number:** L09718 of 1998-99, **Registered & Corporate Office:** 82 R/1 Muhammad Ali Johar Town, Lahore, **Contact No:** +92-42-111773227, **Website:** https://selmorepharma.com/, **Email:** info@selmorepharma.com, **Contact Persons:** Mr. Imran Faiz (Chief Financial Officer), **Phone:** 042-111773227 (**Ext:** 143), **Email:** Imran@selmorepharma.com; Mr. Umair Bin Zekreya (Company Secretary), **Phone:** +92 302 4544997**, Email:** manager.accounts@selmorepharma.com,

Issue Size: The Issue consists of 48,611,112 Ordinary Shares (i.e. 37.80% of the total post-IPO paid up capital of Selmore Pharmaceutical Limited) of face value of PKR 10.00/- each.

Method of Offering: Book Building Method

Book Building Method and Floor Price: Seventy five percent (75%) of the Issue size i.e. 36,458,334 ordinary shares will be offered through Book Building Method at a Floor Price of PKR 42.00/- per share (including premium of PKR 32.00/- per share) with a maximum price band of up to 50% (PKR 63.00/- per share). Justification of premium is given under "Valuation section", i.e. Section 4(A). The bidders will be allowed to bid through Eligible Participants as per the procedure provided under Section 12.5 of the prospectus. The Strike Price shall be the price at which seventy five percent (75%) of the issue is subscribed however, the successful bidders will be allotted shares upon receipt of response of public subscription under retail portion of the issue.

Retail/General Public Portion: General Public portion of the Issue comprises of 12,152,778 ordinary shares (25% of the total issue) at the Strike Price. The retail portion of the public offer shall be fully underwritten.

Public Comments: Draft Prospectus was placed on PSX's website for seeking public comments starting from (..) to (..) and all public comments received were _______ by the Consultant to the Issue

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on (..) and will close at 3:00 pm on (..) BIDDING PERIOD DATES: From (..) to (..), From: 9:00 am to 5:00 pm

DATE OF PUBLIC SUBSCRIPTION: From (..) to (..) (both days inclusive)

Consultant to the Issue	Eligible Participants for Book Building	Retail Portion is Underwritten By
KASB | KTrade	Securities Brokers, Mutual Funds, Scheduled Banks and Development Finance Institutions that are clearing members of the NCCPL, and trading only brokers[1]	KASB | KTrade, DEL, SHERMAN

For retail portion/general public portion, investors can submit application(s) through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (**PES**) and CDC's Centralized E-PO system (**CES**). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com. There is no transaction limit on making payment through e- banking channels. 1Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. For details, please refer to Section 13.3 of the Prospectus.

Date of Publication of this Prospectus: (...)

Prospectus can be downloaded from the following websites: https://selmorepharma.com/, http://www.psx.com.pk, www.cdceipo.com and http://www.kasb.com

For Further Queries you may Contact

Selmore Pharmaceuticals Limited: Mr. Imran Faiz (Chief Financial Officer), **Phone: Phone:** 042-111773227 (**Ext:** 143) | **Email:** imran@selmorepharma.com | Mr. Umair Bin Zekreya (Company Secretary), **Phone:** +92 302 4544997**, Email:** manager.accounts@selmorepharma.com,

KTrade Securities Limited: Mr. Danish Deedar Ali (AVP – Corporate Finance & Advisory), **Phone:** +92-324-8229245, **Email:** Danish@kasb.com, | Mr. Syed Mustafa Kamal (Senior Analyst – Corporate Finance & Advisory), **Phone:** +92-323-4747479, **Email:** s.mustafa@kasb.com | Mr. Zain Mevawalla (Analyst – Corporate Finance & Advisory), **Phone:** +92-323-2455551, **Email:** zain@kasb.com,

Underwriters: Dawood Equities Limited: Mr. Abdul Aziz Habib, **Phone:** +92-322-75200 **Email:** Aziz@dawoodequities.com; Mr. Salman Yaqoob, **Phone:** 0331-8379449, **Email:** salman@dawoodequties.com, | **Sherman Securities (Pvt) Limited:** Mr. Sadiq Samin, **Phone:** +92-321-8244838, **Email:** sadiqsamin@shermansecurites.com; Mr. Sumair Samin, **Phone:** +92-308-9040000, **Email:** sumair@shermansecurities.com | **KTrade Securities Limited:** Mr. Danish Deedar Ali, **Phone:** +92-324-8229245, **Email:** Danish.ali@kasb.com; Mr. Syed Mustafa Kamal, **Phone:** +92-323-4747479, **Email:** s.mustafa@kasb.com;

The Company is proposed to be listed at the Pakistan Stock Exchange Limited

[1] Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

E-STAMP

ATTESTED

M.Khalil ur Rehman
Notary Public Lahore

ATTESTED

Oath Commissioner Lahore

UNDERTAKING

Date: August 20th 2026

WE, AIMAL AKBAR, THE CHIEF EXECUTIVE OFFICER; AND IMRAN FAIZ, THE CHIEF FINANCIAL OFFICER, OF SELMORE PHARMACEUTICALS LIMITED CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING;
5. ALL REQUIREMENTS OF THE SECURITIES ACT 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED; AND
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THIS PROSPECTUS.

FOR AND BEHALF OF **SELMORE PHARMACEUTICALS LIMITED**

Aimal Akbar	**Imran Faiz**
Chief Executive Officer	Chief Financial Officer

Note: This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Selmore Pharmaceuticals Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Selmore Pharmaceuticals Limited earlier published on (..)

Selmore Pharmaceuticals Limited

- FLOOR PRICE: PKR 42.00/- PER SHARE
- STRIKE PRICE: PKR [.]/- PER SHARE
- ISSUE PRICE: PKR [.]/- PER SHARE
- PRICE BAND (50.00% above the Floor Price): PKR 63.00/- PER SHARE

Underwriters to the retail portion of the issue if any

S.no	Name(s) of Underwriters	Number of Shares Underwritten	Amount Underwritten (at Floor Price of PKR 42.00/-)	Amount Underwritten (at Cap Price of PKR 63.00/)	Underwriting Fee (%)	Take-up Commission (%)
1	Dawood Equities Limited	7,291,667	306.25 Mn	459.38 Mn	1.00%	1.00%
2	Sherman Securities (Pvt) Limited	3,645,833	153.12 Mn	229.69 Mn		
3	KTrade Securities Limited	1,215,278	51.04 Mn	76.56 Mn		
	Total	**12,152,778**	**510.42 Mn**	**765.63 Mn**		

Category Wise Breakup of Successful Bidders

S.no	Category	No. Of Bidders	No. of Shares Provisionally Allocated
	Institutional Investors		
1	Commercial Banks		
2	Development Financial Institutions		
3	Mutual Funds		
4	Insurance Companies		
5	Investment Banks		
6	Employees' Provident / Pension Funds		
7	Leasing Companies		
8	Modarabas		
9	Securities Brokers		
10	Foreign Institutional Investors		
11	Any other Institutional Investors		
	Total Institutional Investors		
	Individual Investors		
12	Foreign Investors		
13	Local		
	Total Individual Investors		
	Grand Total		

GLOSSARY OF TECHNICAL TERMS

ACT	Securities Act, 2015
AMC	Asset Management Company
API	Active Pharmaceutical Ingredients
ASEAN	Association of Southeast Asian Nations
Bn	Billion
BOI	Board of Investment
BVPS	Book Value Per Share
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized e-IPO System
CEO	Chief Executive Officer
Commission/SECP	The Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CSR	Corporate Social Responsibility
CTI	Consultant to the Issue
CY	Calendar Year
DFI	Development Finance Institution
DML	Drug Manufacturing License
DRAP	Drug Regulatory Authority of Pakistan
EPC	Engineering, Procurement, and Construction
EPS	Earnings Per Share
EU-GMP	European Union – Good Manufacturing Practice
FY	Financial Year
GDP	Gross Domestic Product
GM	General Manager
GMP	Good Manufacturing Practices
GoP	Government of Pakistan
HVAC	Heating, Ventilation & Air Conditioning
IPO	Initial Public Offering
ISO	International Organization for Standardization
KW	Kilo Watt
LC	Letter of Credit
LG	Letter of Guarantee
MENA	Middle East and North Africa
Mn	Million
MT	Metric Tonnes
MY	Marketing Year
NCCPL	National Clearing Company of Pakistan Limited
NCSS	National Clearing & Settlement System
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
P.A.	Per Anum
PBS	Pakistan Bureau of Statistics
PIC/S	Pharmaceutical Inspection Co-operation Scheme
PKR or Rs.	Pakistan Rupee(s)
PPE	Property, Plant & Equipment
PSX / Securities Exchange	Pakistan Stock Exchange Limited
QA	Quality Assurance

QC	Quality Control
SBP	State Bank of Pakistan
SELMORE	Selmore Pharmaceuticals Limited
SEZ	Special Economic Zones
SFDA	Saudi Food and Drug Authority
SFT	Square Feet
TO Brokers	Trading Only Brokers
UIN	Unique Identification Number
USD	United States Dollar
USFDA	United States Food & Drug Authority
WHO-cGMP	World Health Organization – Current Good Manufacturing Practices

DEFINITIONS

Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money paid by a Bidder which is equivalent to the product of the Bid Price and the number of shares.
Anthelmintic (dewormers)	Is a type of medication used to kill or expel parasitic worms from the bodies of humans and animals
Antibacterial Agents	Antibacterial Agents are substances that kill bacteria or stop them from growing and reproducing
Antibiotics	Medicines used to prevent and treat bacterial infections in animals.
Anticoccidials	Compounds or drugs used to prevent or treat coccidiosis, a common and damaging intestinal parasitic disease caused by protozoa of the genus *Eimeria* in poultry and livestock.
Antiparasitic	A substance or medication that kills parasites or stops them from growing.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Selmore Pharmaceuticals Limited at a price at or above the floor price, including upward revisions thereto. **An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 50% of the Floor Price.** **Please refer to Section 12.2 for details.**
Bid Amount	The amount equal to the product of the number of shares Bid for and the Bid price.
Bid Price	The price at which bid is made for a specified number of shares.
Bid Revision	The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation10(2)(iii) of the PO Regulations **As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.** **As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.**
Bidder	An Eligible Investor who makes bids for shares in the Book Building process.
Bidding Period	The period during which bids for subscription of shares are received. The Bidding Period shall be of two days, from ______, 2026 to ________, 2026 both days inclusive (daily from 9:00 a.m. to 5:00 p.m.)
Book Building	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.

Book Building Portion	The part of the total Issue allocated for subscription through the Book Building
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Cap Price	The maximum price, being 50% above the Floor Price, at which a prospective Bidder may place a bid for shares under the Book Building process.
Company	Selmore Pharmaceuticals Limited (the **"Company"** or **"SELMORE"** or the **"Issuer"**)
Commission	Securities & Exchange Commission of Pakistan (**"SECP"**)
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein.
Consultant to the Issue / Lead Manager	Any person licensed by the Commission to act as Consultant to the Issue and/ or the Lead Manager. **KTrade Securities Limited** has been appointed as Consultant to the Issue and/ or Lead Manager by the Issuer.
Cytotoxic APIs	These APIs are primarily associated with cancer treatments, where their ability to damage or kill cells is used therapeutically
Designated Institution	Includes the securities exchange, central depository and clearing company to provide Book Building System for conducting Book Building;
Digestive Tonic	A natural herbal or fermented liquid remedy used to support gut health, stimulate digestion, and soothe stomach discomfort.
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.
E-IPO platform	"E-IPO Platform" means an electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels. **Retail investors shall be able to participate in the public subscription through only the E-IPO platforms provided by CDC and PSX.** The Following systems are available for e-IPO: • **PSX's E-IPO System (PES):** To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES. 1 Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. There is no transaction limit on making payment through e – banking channels.

For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, https://eipo.psx.com.pk, 24 hours a day during the subscription period which will close at 11:59 PM on (...)

- **Centralized e-IPO System (CES):** To facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES. There is no transaction limit on making payment through e – banking channels. For making application though CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

  In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account

  Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

  For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt, Senior Manager – Operations, at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

	Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at 11:59 PM on (...). **IPO Facilitation Account (IFA):** Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.
Eligible Investor	An Individual or Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000 (Two Million Rupees only).
Eligible Participant for Book Building (Eligible Participant)	Eligible Participant shall include securities brokers (Trading and Clearing, Trading and Self-Clearing, and Trading Only), mutual funds, scheduled banks, and development finance institutions (DFIs) that are clearing member of NCCPL. Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients. Provided further that in case of Trading Only Securities Broker, Professional clearing member shall collect the margin money from the bidders and deposit the same with NCCPL.
Expectorants	Medicines that help loosen and thin mucus (phlegm) in the respiratory tract, making it easier for animals to cough up and clear excess mucus.
Floor Price	In case of book building means the minimum price per share set by the Issuer in consultation with Consultant to the Issue. For this Issue, Floor Price is PKR 42.00/- per share.
GDP	Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
General Public	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors
Insecticides	Products used to kill or control harmful insects and other external parasites that infest animals or their surroundings.
Initial Public Offer (IPO)	Initial Public Offering or IPO means first time offer of securities to the general public.
Institutional Investors	Any of the following entities: (i) A financial institution;

	(ii) A company as defined in the Companies Act, 2017; (iii) An insurance company established under the Insurance Ordinance, 2000; (iv) A securities broker; (v) A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; (vi) A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; (vii) A private fund established under Private Fund Regulations, 2015; (viii) Any employee's fund established for the benefit of employees; (ix) Any other fund established under any special enactment; (x) A foreign company or any other foreign legal person; and (xi) Any other entity as specified by the Commission.
Issue	The public offer of securities to the general public or a class thereof by an Issuer. This Issue consists of 48,611,112 Ordinary Shares representing 37.80% of total post-IPO paid-up capital having floor price of PKR 42.00/- per share.
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Strike Price will be the Issue Price.
Issuer	Selmore Pharmaceuticals Limited ("SELMORE" or the "Company" or the "Issuer"
Joint Procedures	The procedures notified by the Securities Exchange and NCCPL for Book Building
Key Employees	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.
Limit Bid	A bid placed by the bidder at a maximum price that he is willing to pay for shares under the Book Building method
Limit Price	The maximum price (up to 50% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'. The aforementioned regulations can be found at the following link; https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-February-09-2026.pdf
Liver Tonic	A herbal or nutritional supplement claimed to protect, cleanse, or improve the health and function of the liver.
Lyophilized API	An active pharmaceutical ingredient that has been freeze-dried into a solid powder to protect its chemical structure and extend its shelf life.
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. Eligible participants shall collect the margin money from the bidders and deposit the same with the NCCPL. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant

	Provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment. Eligible Participants that are Banks, Development Finance Institutions, and Mutual Funds shall be allowed to participate in the book building with 0% margin money for proprietary trade. Provided that the Banks and Development Finance Institutions shall provide standing instruction to the NCCPL to directly debit the bank account in case of default; and Mutual Funds shall provide irrevocable Undertaking from the Trustee.
Minimum Bid Size	The Bid amount equal to Two Million Rupees (PKR 2,000,000/-).
NSAID	NSAID stands for nonsteroidal anti-inflammatory drug, a common class of medicines used to reduce pain, lower fever, and decrease inflammation.
Ordinary Shares	Ordinary Shares of Selmore Pharmaceuticals Limited having face value of PKR 10.00/- each.
Pelletized APIs	An Active Pharmaceutical Ingredient (API) that has been processed into small, uniform pellets or granules.
Pharmacovigilance	The process of monitoring medicines after they are being used to identify, assess and prevent any harmful side effects or safety problems.
PO Regulations	The Public Offering Regulations, 2017. https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673&refresh=68c2b70f425cc1757591311
Price Band	Floor Price with an upper limit of 50% above the Floor Price, i.e. PKR 42.00/- and PKR 63.00/-, allowing Bidder to make Bid at Floor Price or within the Price Band.
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a Company or body corporate or entity, other than deposits invited by a bank and certificate of investments and certificate of deposits issued by non-banking finance companies;
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period. The bidding shall remain open for at least two working days. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
Related Employees	Related Employees mean such employees of the Issuer and the Consultant to the Issue, who are involved in the Issue. Please refer to Section 3A (vii) for further details.

Restorative Medicines	Substances, treatments, or healthcare approaches that help the body rebuild strength, repair damaged tissues, and return to a state of natural health and normal physiological function.
Sanitary Equivalence	An importing country accepts an exporting country's different health and safety rules as equal because they achieve the same required level of protection.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees Two Million (PKR 2,000,000/-).
Steroids	Medicines that mimic or influence naturally occurring steroid hormones in animals. They are primarily used to reduce inflammation, control allergic reactions, and manage certain immune-related conditions.
Strike Price	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations 2017, at which the shares are Issued to the successful bidders.
Supplement to the Prospectus	The Supplement to the Prospectus shall be published within One (1) working day of the close of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.
Technical Dossier	A comprehensive collection of documents submitted to regulatory bodies or stakeholders to prove a product's safety, quality, and compliance with industry standards.

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1. APPROVALS, CONSENTS AND LISTING ON SECURITIES EXCHANGE

1.1. APPROVALS OF THE SECURITIES EXCHANGE AND COMISSION OF PAKISTAN

Approval of the Securities Exchange and Commission (collectively referred to as the **"Regulators"**) under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Selmore Pharmaceuticals Limited (**"SELMORE"** or the **"Company"**) for the issue, circulation and publication of this offering document (hereinafter referred to as the **"Prospectus"**) vide their respective letters, bearing Letter Nos ____ dated (...) and [Letter No.] dated _____, respectively.

Disclaimer:

(a) THE SECURITIES EXCHANGE AND THE COMMISSION HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC/INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

(b) THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY THE SECURITIES EXCHANGE AND COMMISSION.

(c) THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY THE SECURITIES EXCHANGE AND COMMISSION, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF THE EXCHANGE AND COMMISSION.

(d) IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY THE SECURITIES EXCHANGE AND COMMISSION AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

(e) THE SECURITIES EXCHANGE AND COMMISSION DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND/OR MISTAKES, FOR DECISIONS AND/OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

(f) SECURITIES EXCHANGE AND COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARDS TO THEM BY THE COMPANY IN THIS PROSPECTUS.

(g) ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.2. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH REGISTRAR OF COMPANIES

Selmore Pharmaceuticals Limited has filed with the Registrar of Companies as required under Section 57 (1) of The Companies Act, 2017 a copy of this Prospectus signed by all the Directors of the Company.

1.3. LISTING ON PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

In accordance with Section 69 of the Companies Act, 2017, any allotment made on the basis of this Prospectus shall be void if such permission has not been applied for within seven (7) days after the first issue of this Prospectus or, having been applied for, is not granted within twenty-one (21) days from the closing of the subscription lists (or within such extended period, not exceeding forty-two (42) days, as may within the said twenty-one (21) days be notified by PSX).

If permission to deal in and quote the shares is not granted within the above period, the Company shall forthwith refund, without surcharge, all money received from applicants in pursuance of this Prospectus. If any such money is not repaid within eight (8) days after the Company becomes liable to repay it, the Directors shall be jointly and severally liable to repay that money from the expiration of the eighth day together with a surcharge at the rate of two percent (2%) per month or part thereof and shall, in addition, be liable to a penalty of Level 3 on the standard scale as prescribed under the Act.

All monies received from applicants shall be deposited and kept in a separate bank account in a scheduled bank until the Company is no longer liable to repay such amounts under sub-section (2) of Section 69. In the event of default in complying with this requirement, the Company and every officer who authorizes or permits the default shall be liable to a penalty of Level 2 on the standard scale in accordance with the provisions of the Act.

2. SUMMARY OF THE PROSPECTUS

2.1. PRIMARY BUSINESS OF SELMORE PHARMACEUTICALS LIMITED & THE INDUSTRY IN WHICH IT OPERATES

Selmore Pharmaceuticals Limited (the “Company” or “SELMORE”) was incorporated in Pakistan on December 08, 1998, under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company commenced commercial operations in 2002 after obtaining license to manufacturing drugs registered under the Drugs Act, 1976 from Central Licensing & Registration Board, Ministry of Health, Government of Pakistan. The Company is principally engaged in the manufacturing, marketing, and distribution of veterinary medicines and animal healthcare products for the livestock and poultry sectors.

The Company maintains a diversified portfolio of veterinary pharmaceuticals and animal healthcare products, including antibacterial agents, anthelmintics (dewormers), antiparasitic, anticoccidials, NSAIDs, hormones, liver tonics, restorative medicines, digestive tonics, insecticides, antibiotics, steroids, expectorants, and growth promoters. These products are designed for the prevention and treatment of animal diseases and the improvement of livestock productivity. These products are available in various dosage forms, including injectables, drenches, oral suspensions, water-soluble powders, solutions, sprays, and nutritional supplements, to meet the requirements of veterinarians, dairy farms, poultry farms and livestock breeders among others.

SELMORE operates a state-of-the-art manufacturing facility in Lahore, spanning approximately 166,464 square feet, equipped with quality control and production systems designed in accordance with international manufacturing standards. The Company is ISO-certified and follows WHO-cGMP compliant manufacturing practices to ensure product quality, safety and consistency.

The Company’s business model focuses on providing cost-effective and quality veterinary formulations while continuously expanding its product portfolio through research, development and innovation.

Over the years, SELMORE has established itself as one of the leading national veterinary pharmaceutical manufacturers in Pakistan through continuous product development and market expansion initiatives. In addition to its domestic operations, the Company has established an export presence across multiple international markets, including Afghanistan, Kazakhstan, South Korea, Kuwait, Nepal, Nigeria, Oman, Qatar, Saudi Arabia, Syria, Lebanon, Jordan, Iraq, Iran, Chad, Peru and Vietnam.

The Company also maintains pharmacovigilance practices, which involve monitoring the safety, quality, and performance of its veterinary pharmaceutical products after their sale in the market. This enables the Company to address customer feedback and product-related issues in a timely manner while maintaining product quality standards.

The Company operates within Pakistan’s veterinary pharmaceutical industry, which forms an important segment of the broader healthcare and agriculture sectors. The industry supports the country’s dairy, meat, and poultry value chain by providing medicines, vaccines, feed supplements, and disease management solutions essential for animal health and food security. Growth in the sector is primarily driven by increasing demand for protein consumption, expansion of commercial dairy and poultry farming, rising awareness regarding animal healthcare, and improvements in livestock management practices.

The veterinary pharmaceutical industry in Pakistan is regulated by the Drug Regulatory Authority of Pakistan (“DRAP”).

2.2. SPONSORS OF SELMORE PHARMACEUTICAL LIMITED

S.No.	Name of Sponsor
1	Mr. Akbar Ali
2	Mr. Aimal Akbar
3	Mr. Adil Akbar
4	Mrs. Seerat Fatima
5	Mrs. Shazia Akbar

**Source: Company*

***Mrs. Shazia Akbar is the spouse of Mr. Akbar Ali. Mr. Aimal Akbar, Mr. Adil Akbar, and Mrs. Seerat Fatima are their children.*

2.3. SALIENT FEATURES OF THE ISSUE

The Issue comprises of 48,611,112 Ordinary Shares of SELMORE of face value of PKR 10.00/- each, which constitutes 37.80% of the post-IPO paid-up capital of the Company.

Of the 48,611,112 ordinary shares, 75% (seventy-five percent) i.e. 36,458,334 Ordinary Shares will be offered through the book building process at a floor price of PKR 42.00/- per share with a price band of 50% above the floor price i.e. PKR 63.00/- per share.

The bidders shall be allowed to place bids for seventy-five percent (75%) of the offer size i.e. 36,458,334 Ordinary Shares, and the strike price shall be the price at which 75% of the offer is subscribed. Successful bidders will be allotted 75% of the issue size i.e. 36,458,334 Ordinary Shares, with the remaining 25% i.e. 12,152,778 being offered to retail investors at the strike price determined through the book building process. The retail portion shall be fully underwritten, with Dawood Equities Limited, Sherman Securities (Pvt) Limited and KTrade Securities Limited acting as the underwriters to the issue.

Provided that allocation to the retail portion shall be increased as follows, in case the retail portion is oversubscribed, and there shall be corresponding decrease in the allocation to book building investors:

Oversubscription of retail portion	Increase in allocation of retail portion
5 times but less than 10 times	5%
10 times and greater	10%

The proceeds from the IPO at Floor Price of PKR 42.00/- per share are expected to raise PKR 2,041,666,704/- however at the cap price of PKR 63.00/- per share the Company is expected to receive PKR 3,062,500,056/-.

2.4. PRE & POST ISSUE SHAREHOLDING

The pattern of shareholding (Pre and Post IPO) of SELMORE is as follows:

Shareholders	Designation	Pre-Issue Shareholding		Post-Issue Shareholding	
		No. Of Shares	Shareholding (%)	No. Of Shares	Shareholding (%)
Sponsors & Directors:					
Mr. Akbar Ali	Chairman	42,400,000	53.00%	42,400,000	32.97%
Mr. Aimal Akbar	CEO/ Executive Director	13,600,000	17.00%	13,600,000	10.57%
Mr. Adil Akbar	Non-Executive Director	8,000,000	10.00%	8,000,000	6.22%
Mrs. Seerat Fatima	Non-Executive Director	8,000,000	10.00%	8,000,000	6.22%
Mrs. Shazia Akbar	Executive Director	7,999,992	10.00%	7,999,992	6.22%
Mrs. Nadia Ishtiaq	Independent Director	4	0.00%	4	0.00%
Mr. Ayaz Dawood	Independent Director	4	0.00%	4	0.00%
Total (A)		**80,000,000**	**100.00%**	**80,000,000**	**62.20%**
Public Offering (B)		**-**	**-**	**48,611,112**	**37.80%**
Total C=(A+B)		**80,000,000**	**100.00%**	**128,611,112**	**100.00%**

**Source: Company*

- *Mrs. Shazia Akbar is the spouse of Mr. Akbar Ali. Mr. Aimal Akbar, Mr. Adil Akbar, and Mrs. Seerat Fatima are their children.*

2.5. PRINCIPAL PURPOSE OF THE ISSUE & UTILIZATION OF IPO PROCEEDS

The principal purpose of the Issue is to finance the Company’s two strategic projects, comprising the establishment of a new veterinary pharmaceutical formulation plant and the Company’s first Active Pharmaceutical Ingredients (API) manufacturing facility.

The existing veterinary pharmaceutical formulation plant will be relocated to a new site and replaced with a modern manufacturing facility equipped with advanced machinery and production lines, which will enhance the Company's overall formulation manufacturing capacity. While the proposed API manufacturing facility will produce active pharmaceutical ingredients for both human and veterinary medicines, enabling backward integration, reducing reliance on imported raw materials, and supporting the Company's long-term growth and business diversification strategy.

The total project cost is estimated at PKR 4,410.94 million and will be financed through a combination of the Company's internal cash flows, debt financing, and proceeds from the proposed IPO. Formulation plant cost is estimated at PKR 2,445.99 million while API plant cost is estimated at PKR 1,964.94 million.

The Company intends to raise PKR 2,041.67 million through an Initial Public Offering ("IPO") at a Floor Price of PKR 42.00/- per share. The IPO proceeds will contribute approximately 46.29% of the total estimated project cost of PKR 4,410.94 million, with the remaining funding requirement to be met through a combination of internal cash flows and debt financing.

Out of the total IPO proceeds, PKR 1,868.45 million will be allocated towards the establishment of a new state-of-the-art veterinary pharmaceutical formulation manufacturing facility. The proceeds will be utilized to finance capital expenditures, including building & civil works, procurement & installation of plant & machinery, and electrical, mechanical, & HVAC installations. The land for the formulation facility, located at Plot Nos. 62-B, 63-B, and 64-B, Quaid-e-Azam Business Park, Sheikhupura, has been provisionally allotted to the Company by the Punjab Industrial Estates Development and Management Company (PIEDMC), with a portion of the land acquisition cost already funded through the Company's internal cash flows, while the remaining balance is expected to be financed through the same source. Construction of the new formulation manufacturing facility is expected to commence following the IPO, with commercial operations anticipated to begin at the start of the fourth quarter of FY28.

The remaining PKR 173.22 million of the IPO proceeds will be utilized for the Company's API manufacturing plant. The Company has already acquired the project land, located at Plot No. 14-B, Quaid-e-Azam Business Park, Sheikhupura, through internal cash flows. Building and civil works have commenced, and orders for plant and machinery have been placed. These expenditures have been financed through a combination of internal cash flows and bank borrowings. Of the IPO amount allocated to the API project, PKR 173.22 million will be utilized for electrical, mechanical & HVAC installations and related infrastructure. The API plant is expected to commence commercial operations at the start of the first quarter of FY28.

For more details, please visit Section 4 of this prospectus.

2.5.1. Sources of Funding

The total project cost of PKR 4,410.94 million will be financed through a combination of SELMORE's internal cash flows, bank financing, and proceeds from the IPO. The following table presents the detailed funding structure for the projects.

Particulars	Amount (PKR)	Percentage (%)
IPO Proceeds	2,041,666,704	46.29%
Internal Cash flows	1,273,252,522	28.87%
Bank Financing	1,096,015,973	24.85%
Total	**4,410,935,199**	**100.00%**

**Source: Company*

For more details, please visit Section 4 of this prospectus.

2.5.2. Utilization of IPO Proceeds

The table below presents the utilization of the IPO proceeds.

Particulars	Amount (PKR)	Percentage (%)
Veterinary Formulation Plant		
Building & Civil Works	591,895,330	28.99%
Production Machinery	741,512,810	36.32%
QC Equipment & Microbiology Laboratory Equipment	174,429,101	8.54%
Electric, Mechanical & HVAC Installations	360,609,463	17.66%
Total Veterinary Formulation Plant - (A)	**1,868,446,704**	**91.52%**
API Plant		
Electric, Mechanical & HVAC Installations	173,220,000	8.48%

Total API Plant – (B)	**173,220,000**	**8.48%**
Total – (A+B)	**2,041,666,704**	**100.00%**

**Source: Company*

For more details, please visit Section 4 of this prospectus

2.5.3. Utilization Of Excess IPO Funds

If the strike price is set above the Floor Price of PKR 42.00/- per share, any additional funds raised will be utilized for the following purposes, depending on the prevailing market conditions, interest rates and Company's operational requirements:

- To meet working capital requirements for newly established API manufacturing facility.
- To meeting working capital requirements for veterinary formulation manufacturing facility.
- To repay the bank loans availed for the construction of API manufacturing facility.

2.6. JUSTIFICATON GIVEN BY THE LEAD MANAGER/CONSULTANT TO THE ISSUE IN FAVOR OF FLOOR PRICE OF PKR 42.00/- PER SHARE MAY BE SEEN AT SECTION 4A OF THE PROSPECTUS, TITLED VALUATON SECTION

Justification given by the Consultant to the Issue in favor of Floor Price of PKR 42.00/- per share may be seen under Section 4A of the Prospectus titled, 'Valuation Section'.

2.7. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

No qualified opinion was given on the financial statements of the Company during the last three financial years, i.e. 6MFY26, FY25, FY24, FY23, by the Company's Auditors, i.e. Kamran & Co. Chartered Accountants.

2.8. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.7 FOR FURTHER DETAILS AND RATIO ANALYSIS)

Key Financial Highlights (PKR)		FY23 (Audited)	FY24 (Audited)	FY25 (Audited)	6MFY26 (Audited)	9MFY26 (Unaudited)
1	Share Capital	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
2	Net Worth	840,394,771	952,073,965	833,674,923[2]	1,063,408,445	1,187,926,372[3]
3	Sales (net)[4]	3,065,705,404	3,249,859,971	4,744,759,394	3,362,478,083	5,017,394,482
4	Gross Margin[5]	30.64%	29.63%	33.49%	34.36%	33.74%
5	Operating (EBIT) Margin[6]	10.65%	9.37%	9.06%	12.96%	13.48%
6	Profit After Tax	138,401,339	83,899,065[7]	192,266,612	237,309,985	361,827,912
7	Profit After Tax Margin	4.51%	2.58%	4.05%	7.06%	7.21%[8]
8	Earnings Per Share – Corresponding Period[9]	69.20	41.95	96.13	118.65	18.09[10]

[2] Net Worth declined in FY25 primarily due to the distribution of dividends.
[3] Net Worth increased significantly in 9MFY26, mainly driven by growth in retained earnings.
[4] Net Sales recorded significant growth in FY25 and 9MFY26, supported by increased sales volumes and favorable pricing dynamics.
[5] Gross Margin = Gross Profit / Net Sales. Gross Margins improved significantly in FY25 and 9MFY26, due to enhanced cost efficiencies and improved product pricing.
[6] Operating (EBIT) Margin = Operating Profit (EBIT) / Net Sales. Operating Margin improved significantly in 9MFY26, primarily due to the growth in Net Sales outpacing the increase in operating expenses.
[7] Profit After Tax declined in FY24 compared to FY23, primarily due to higher operating expenses, increased finance costs, and a higher effective tax rate.
[8] Profit After Tax Margin improved, primarily driven by the improvement in Gross and Operating Margins.
[9] Earnings per Share (EPS) for the corresponding period is calculated by dividing the Profit After Tax for the period by the number of outstanding shares at the end of the respective period.
[10] EPS for 9MFY26 declined primarily due to the increase in the number of outstanding shares following a 1-for-10 share split approved through a special resolution passed on 14 January 2026. As a result, the number of outstanding shares increased from 2.0 million to 20.0 million, thereby reducing EPS despite the increase in Profit After Tax.

9	Earnings Per Share – Adjusted[11]	1.73	1.05	2.40	2.97	4.52
10	BVPS - Corresponding Period[12]	420.20	476.04	416.84	531.70	59.40[13]
11	BVPS - Adjusted[14]	10.50	11.90	10.42	13.29	14.85
12	Total Borrowings[15]	698,946,421	672,241,591	741,760,854	1,133,307,714	1,143,008,861
13	Total Debt-to-Equity Ratio[16]	83.2%	70.6%	89.0%	106.6%	96.22%
14	Cashflow from Operations	73,101,522	187,892,759	271,129,332	161,743,492	418,998,544
15	No of Shares	2,000,000	2,000,000	2,000,000	2,000,000	20,000,000

**Source: Company Financials*

2.9. LEGAL PROCEEDINGS

SELMORE has no pending legal proceedings as of 31st March 2026.

NOTE: THERE ARE NO PENDING LITIGATIONS AGAINST THE COMPANY, SPONSORS, SUBSTANTIAL SHAREHOLDERS AND DIRECTORS.

2.10. RISK FACTORS

For all key risk factors related to the Company including Business, Operational, Finance, Legal and Other Risks, that may have an impact on the Company, its business operations and the IPO, please refer to Section 5 of the Prospectus.

2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

The related party transactions undertaken by SELMORE during the three financial years are provided here under. All transactions are carried out on an arm's length basis.

S.No.	Related Party	Basis of Relationship	Nature of Transaction	FY23	FY24	FY25
1	Mr. Akbar Ali	CEO**	Remuneration	4,800,000	5,280,000	5,808,000
			Advances Given (net)	92,860,912	-	24,412,771
2	Ms. Shazia Akbar	Directors	Remuneration	2,880,000	3,000,000	3,300,000
			Advances Given	-	500,000	(500,000)
3	Executives	Executives	Remuneration	65,326,800	79,380,000	70,510,800
4	Pharmasol (Pvt.) Limited	Common shareholding & Directorship	Net Receipts – Sale and Purchase of Excipients	14,852,887	10,613,304	33,925,017
			Long term loan	-	-	150,000,000

**Source: Company Financials*

***Pursuant to the Annual General Meeting held on 28 October 2025, Mr. Akbar Ali resigned as the Chief Executive Officer of the Company, and Mr. Aimal Akbar was appointed as the new Chief Executive Officer. Subsequently, Mr. Akbar Ali was appointed as the Chairman of the Company.*

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[11] Adjusted EPS is calculated by dividing the Profit After Tax for the period by the adjusted number of outstanding shares of 80,000,000 ordinary shares, as certified in the Auditor's Certificate on Paid-up Capital dated September 04th, 2026 reflecting the post-share split and bonus share capital.

[12] Book Value per Share (BVPS) for the corresponding period is calculated by dividing the total equity at the end of the respective period by the number of outstanding shares at the end of that period.

[13] BVPS for 9MFY26 declined primarily due to the increase in the number of outstanding shares following a 1-for-10 share split approved through a special resolution passed on 14 January 2026. As a result, the number of outstanding shares increased from 2.0 million to 20.0 million, thereby reducing BVPS despite the increase in Total Equity/ Net Worth.

[14] Adjusted BVPS is calculated by dividing the total equity/ net worth at the end of the period by the adjusted number of outstanding shares of 80,000,000 ordinary shares, as certified in the Auditor's Certificate on Paid-up Capital dated September 04th, 2026 reflecting the post-share split and bonus share capital.

[15] Total Borrowings comprise long-term loans from directors, long-term borrowings from financial institutions, long-term lease liabilities, long-term loans from related parties, short-term borrowings, and the current portion of long-term borrowings and lease liabilities.

[16] Total Debt-to-Equity Ratio = Total Borrowings / Total Equity (Net Worth). The ratio increased significantly in 6MFY26 and 9MFY26 as the Company availed additional long-term borrowings to finance the construction of buildings and civil works, as well as the procurement of plant and machinery for a new API Plant.

3. OVERVIEW, HISTORY & PROSPECTS

3.1. COMPANY HISTORY AND OVERVIEW

Particular	Selmore Pharmaceuticals Limited ("SELMORE")
Incorporation Number	L09718 of 1998-99
Date of Incorporation & Place	08th December 1998, Lahore
Date of Conversion to Public Limited Company	12th September 2025
Date of Commencement of Business	Not applicable as Company was incorporated as a Private Limited Company.

Selmore Pharmaceutical Limited ("SELMORE", the "Company" or the "Issuer") is one of the leading veterinary pharmaceutical Companies in Pakistan, committed to achieving and maintaining market leadership in the veterinary healthcare industry. The Company operates with a strong vision of securing the top market share in all product categories while sustaining leadership through continuous innovation, quality enhancement, and operational excellence.

The Company specializes in the manufacturing of high-quality veterinary pharmaceuticals and has established a strong reputation in both domestic and international markets through adherence to international quality standards and modern manufacturing practices.

Company History

The origins of the business date back to 1992, when Mr. Akbar Ali, Director and Chairman of BOD of the Company, commenced operations in the pharmaceutical sector through Punjab Pharma, primarily engaged in institutional supplies of human pharmaceuticals. Leveraging his experience in the pharmaceutical industry, Mr. Akbar Ali identified growth opportunities in Pakistan's veterinary healthcare sector and initiated efforts to establish international collaborations for the import and distribution of veterinary medicines.

In 1995, Mr. Akbar Ali successfully entered into an arrangement with a renowned South Korean veterinary pharmaceutical manufacturer and obtained sole agency rights for Pakistan. Consequently, veterinary pharmaceutical operations were launched under the name "Selmore Agencies" in November 1995. At the time, the local market was predominantly occupied by European brands; however, through sustained marketing efforts, product quality, and effective distribution strategies, the business rapidly gained market acceptance and emerged among the leading veterinary pharmaceutical companies in Pakistan within a relatively short period.

In view of the changing dynamics of the pharmaceutical sector and increasing demand for locally manufactured veterinary medicines, the sponsors initiated the establishment of a domestic manufacturing facility. In 1998, land measuring approximately four acres was acquired for the development of a modern pharmaceutical manufacturing plant. The project was subsequently incorporated under the name Selmore Pharmaceuticals (Pvt.) Ltd., with the objective of manufacturing veterinary pharmaceutical products in accordance with international quality standards.

In 2002, the Ministry of Health, Government of Pakistan, granted the manufacturing license for veterinary medicines to the Company. Notably, SELMORE became one of the first veterinary pharmaceutical companies in Pakistan to receive "A Grade Inspection Report" from the inspection panel of the Ministry of Health, Government of Pakistan reflecting the quality and compliance standards of its manufacturing facility.

The Company has continuously focused on strengthening its quality management systems and operational standards. In 2009, SELMORE became the one of the first veterinary pharmaceutical companies in Pakistan to obtain Integrated Management System certifications for ISO 9001 and ISO 14001. The ISO 9001 certification demonstrates the Company's commitment towards quality management system while ISO 14001 certification demonstrates the Company's commitments toward environmental management and sustainable manufacturing practices.

Initially, the Company's manufacturing facility comprised the following 04 formulation production sections:

- Oral Liquid Section;
- General Oral Powder Section;
- General Liquid Injectable Section;

- Bolus

Past Expansion and Diversification:

As part of its long-term growth strategy and commitment to expanding its veterinary pharmaceutical product portfolio, the Company has continuously invested in enhancing its manufacturing capabilities and introducing specialized production facilities.

The first major expansion was undertaken in 2014 with the introduction of a dedicated penicillin product portfolio. To support the manufacturing of these products, the Company established three specialized production sections comprising the Dry Powder Injectable Penicillin Section, Liquid Injectable Penicillin Section, and Oral Powder Penicillin Section. This expansion enabled the Company to broaden its therapeutic offerings and strengthen its position in Pakistan's veterinary pharmaceutical market.

In 2016, the Company further expanded its manufacturing capabilities by establishing dedicated Aerosol and Hormone Injectable production sections, thereby diversifying its product portfolio and strengthening its ability to address evolving veterinary healthcare requirements.

Building on this foundation, the Company undertook a significant capacity enhancement and product diversification initiative in 2022. In response to increasing demand from the livestock and poultry sectors, the Company established dedicated Liquid Injectable Cephalosporin and Dry Powder Injectable Cephalosporin production sections. To accommodate these facilities, a new manufacturing block spanning approximately 30,082 square feet was constructed at the existing manufacturing premises. The expansion was aimed at increasing production capacity, broadening the Company's product portfolio, and supporting the development of advanced veterinary pharmaceutical formulations.

During the same year, the Company further diversified its manufacturing operations through the establishment of External Preparation Powder and External Preparation Liquid sections for the production of topically and externally administered veterinary medicines. The newly established production sections received the requisite manufacturing approvals from the Drug Regulatory Authority of Pakistan ("DRAP") in 2022. In the same year the Company further expanded its Liquid Injectable Section by adding another production line.

Continuing its expansion trajectory, the Company introduced a dedicated Steroid Liquid Injectable production section and further enhanced the capacity of its Oral Liquid section in 2024 to meet growing market demand. The newly established production section and expanded facility received the requisite manufacturing approval from the Division of Drug Licensing, DRAP.

Through these successive expansions, the Company has transformed its manufacturing operations from an initial four (04) production sections to a diversified and integrated manufacturing platform capable of producing a broad range of veterinary pharmaceutical formulations. Currently, the Company operates sixteen (16) specialized production sections and have a diversified portfolio of 421 products, registered with DRAP, serving both livestock and poultry segments across Pakistan and international markets.

Formulation Brand Portfolio

SELMORE maintains a diversified product portfolio catering to livestock and poultry healthcare requirements. The Company manufactures a broad range of veterinary formulations including injectables, drenches, oral suspensions, water-soluble powders, solutions, sprays, and nutritional supplements. Its products cover multiple therapeutic categories including antibacterial agents, antiparasitic, anticoccidials, NSAIDs, hormones, liver tonics, restorative medicines, digestive tonics, insecticides, antibiotics, steroids, expectorants, and growth promoters.

The Company's major livestock product portfolio includes formulations such as Loxin, Hepasel, Penacort, Ketoject, Oxyfen-LA, Selmox LA, Colimoxin, and Multimino-V, Punch Drench, and Scour-X while the poultry division includes products such as Colimoxin, Hi-Amprol, Neflox, Solomox, Tilcosin, Clavet, Enroxsel, Neosel-72, Tribactral Forte, Lincospira, and Vitaglo.

Manufacturing Facility

SELMORE's existing veterinary pharmaceutical formulation manufacturing facility is located at 36 KM, Multan Road, Adda Bath, Lahore. The facility is spread over approximately 166,464 square feet, with a covered area of approximately 75,566 square feet.

The Company operates a modern, WHO-cGMP compliant manufacturing plant equipped with advanced production and quality control infrastructure for the manufacture of veterinary pharmaceutical products. The facility has been designed and developed in accordance with internationally recognized quality standards, enabling the Company to consistently produce high-quality veterinary medicines that meet the requirements of both domestic and international markets.

Global Reach

Over the years, the Company has developed a significant international presence and export network. SELMORE exports veterinary pharmaceutical products to various international markets including Afghanistan, Kazakhstan, South Korea, Kuwait, Nepal, Nigeria, Oman, Qatar, Saudi Arabia, Syria, Lebanon, Jordan, Iraq, Iran, Chad, Peru and Vietnam. The Company was also one of the first veterinary pharmaceutical manufacturers in Pakistan to export veterinary medicines to South Korea and Nepal.

The Company's export performance and contribution to Pakistan's pharmaceutical sector have received industry recognition. Selmore Pharmaceuticals Limited was awarded the "Pharma Export Summit & Awards (PESA)" in the years 2021, 2023, 2024 and 2025, by the Pakistan Pharmaceutical Manufacturers Association (PPMA) in recognition of its export achievements. The Company also received recognition at the 5th Lahore Chamber of Commerce and Industry (LCCI) Export Trophy Awards 2022.

3.2. PATTERN OF SHAREHOLDING

The pattern of shareholding (Pre and Post IPO) of SELMORE is as follows:

Shareholders	Designation	Pre-Issue Shareholding		Post-Issue Shareholding	
		No. Of Shares	Shareholding (%)	No. Of Shares	Shareholding (%)
Sponsors & Directors:					
Mr. Akbar Ali	Chairman	42,400,000	53.00%	42,400,000	32.97%
Mr. Aimal Akbar	CEO/ Executive Director	13,600,000	17.00%	13,600,000	10.57%
Mr. Adil Akbar	Non-Executive Director	8,000,000	10.00%	8,000,000	6.22%
Mrs. Seerat Fatima	Non-Executive Director	8,000,000	10.00%	8,000,000	6.22%
Mrs. Shazia Akbar	Executive Director	7,999,992	10.00%	7,999,992	6.22%
Mrs. Nadia Ishtiaq	Independent Director	4	0.00%	4	0.00%
Mr. Ayaz Dawood	Independent Director	4	0.00%	4	0.00%
Total (A)		**80,000,000**	**100.00%**	**80,000,000**	**62.20%**
Public Offering (B)		-	-	**48,611,112**	**37.80%**
Total C=(A+B)		**80,000,000**	**100.00%**	**128,611,112**	**100.00%**

**Source: Company*

- *Mrs. Shazia Akbar is the spouse of Mr. Akbar Ali. Mr. Aimal Akbar, Mr. Adil Akbar, and Mrs. Seerat Fatima are their children.*

3.3. REVENUE DRIVERS

The Company generates revenue through the manufacturing and sale of veterinary pharmaceuticals in both domestic and export markets. SELMORE's product portfolio is primarily divided into two principal segments: Livestock and Poultry. The Livestock segment represents the largest share of the Company's revenue base, contributing an average of 74.14% of total sales over the last three years. However, the Poultry segment has demonstrated strong growth in recent periods, accounting for 35.20% of total sales during 9MFY2026, compared to its average contribution of 25.86% over the last three years.

The Livestock segment recorded a compound annual growth rate (CAGR) of 21.85% between FY2023 and FY2025, reflecting sustained demand across the Company's livestock product portfolio. During the same period, the Poultry segment expanded at a higher CAGR of 31.57%, driven by increasing market penetration and growing demand for poultry healthcare products.

Overall, the Company's total sales increased at a CAGR of 24.43% from FY2023 to FY2025, demonstrating the strength of its product portfolio, continued growth across both business segments, and its expanding presence in domestic and international markets.

	FY23 (PKR Mn)	% of Total Sales	FY24 (PKR Mn)	% of Total Sales	FY25 (PKR Mn)	% of Total Sales	9MFY26 (PKR Mn)	% of Total Sales
Livestock	2,285.12	74.19%	2,517.12	77.08%	3,392.72	71.15%	3,261.10	64.80%
Poultry	794.85	25.81%	748.66	22.92%	1,375.84	28.85%	1,771.16	35.20%
Total Sales**	**3,079.97**	**100.00%**	**3,265.79**	**100.00%**	**4,768.56**	**100.00%**	**5,032.26**	**100.00%**

**Source: Company*

***Net of sales tax.*

The Revenue Drivers for the Company are as follows:

Strong Brand Equity:

Over more than two decades of operations, SELMORE has established itself as a trusted name in Pakistan's veterinary pharmaceutical industry. The Company's reputation is supported by its consistent focus on product quality, manufacturing excellence, and regulatory compliance, as evidenced by its Certificate of Current Good Manufacturing Practices (cGMP) issued by DRAP, along with ISO 9001:2015 and ISO 14001:2015 certifications. These certifications, together with its diversified portfolio and long-standing relationships with veterinarians, distributors, and farmers, reinforce SELMORE's strong brand recognition and customer confidence.

Robust Distribution Network:

The Company's brand strength is supported by its diversified veterinary pharmaceutical portfolio and a robust nationwide distribution network covering all major livestock and poultry-producing regions of Pakistan. Its distribution network, comprising 308 distributors, together with a dedicated field sales force of 333 professionals, plays a vital role in enhancing brand visibility, ensuring timely product availability, and strengthening relationships with veterinarians, distributors, and livestock and poultry farmers. This extensive market presence reinforces customer confidence and supports the Company's long-term growth.

Expansion in Livestock Population as a Key Catalyst:

Pakistan possesses one of the world's largest livestock resources, with a population exceeding 237 million heads of cattle, buffalo, sheep, goats, and camels in FY26 as compared to 176 million in FY15, representing a steady growth of 2.76% per annum (CAGR). Complemented by a poultry sector of approximately 2,474 million birds in FY2026 as compared to 932 million in FY15, growing at an annual rate of 9.28%[17]. This expanding animal base is driving a widening addressable market for veterinary pharmaceuticals. This steady growth underpins consistent demand and positions the Company to benefit from sector expansion.

Continuous Expansion of Product Portfolio Driving Revenue Growth:

The Company has consistently expanded its product portfolio in line with evolving animal healthcare needs through the introduction of new therapeutic categories, dosage forms, and specialized manufacturing capabilities. Starting with four production sections in the general category, the Company has progressively expanded its manufacturing footprint by establishing additional production sections, including dedicated facilities for specialized pharmaceutical products such as penicillin and cephalosporin formulations. As a result, SELMORE's portfolio has grown to more than 421 veterinary pharmaceutical products, enabling the Company to serve a broader customer base, diversify its revenue streams, and strengthen its competitive position. The table below summarizes the Company's key manufacturing expansions over the years

Sr. No	Production Section (Veterinary)	Category	Year of Commencement
1	Bolus	General	2002

[17] https://www.finance.gov.pk/survey/chapter_26/2_Agriculture.pdf

2	Aerosol	General	2016
3	Oral Liquid I	General	2002
4	Oral Powder	General	2002
5	Liquid Injection	Steroid	2024
6	Oral Powder	Penicillin	2014
7	Dry Powder Injection	Penicillin	2014
8	Liquid Injection	Penicillin	2014
9	Liquid Injection	Hormone	2016
10	Liquid Injection	Cephalosporin	2022
11	Dry Powder Injection	Cephalosporin	2022
12	Liquid Injection Vials I	General	2002
13	Liquid Injection Vials II	General	2022
14	External Liquid Preparation	Topical	2022
15	External Powder Preparation	Topical	2022
16	Oral Liquid II	General	2024

**Source: Company*

Backward Integration through API Manufacturing:

The Company is also pursuing backward integration through the establishment of an Active Pharmaceutical Ingredient (API) manufacturing facility. Pakistan remains heavily reliant on imported APIs, primarily from China, India, and South Korea[18], creating a significant opportunity for domestic manufacturers. The proposed API facility is expected to position the Company as a local supplier to pharmaceutical manufacturers, enabling it to tap into a large and growing market, diversify its revenue streams, and create a new long-term source of revenue beyond its existing formulation business. In addition, limited in-house production of selected APIs is expected to enhance supply chain resilience by reducing reliance on imports for key raw materials.

Export Potential:

Expanding into international markets allows the Company to diversify its customer base and increase its sales potential. The Company is well positioned to benefit from the rapidly growing global veterinary pharmaceutical market, which is valued at USD 29.0 billion in 2024 and is projected to reach USD 46.12 billion by 2032, reflecting a CAGR of 6.07%[19].

Currently, the Company exports its products to Afghanistan, Kazakhstan, South Korea, Kuwait, Nepal, Nigeria, Oman, Qatar, Saudi Arabia, Syria, Lebanon, Jordan, Iraq, Iran, Chad, Peru and Vietnam. In FY25, the export revenue stood at PKR 343.86 Mn, contributing around 7.13% of total revenues.

Furthermore, the new formulation manufacturing facility is being designed and constructed in accordance with internationally recognized regulatory standards and guidelines, including PIC/S, EU GMP, US FDA, and SFDA requirements. This strategic investment will significantly strengthen the company's regulatory compliance framework and enhance its capability to access and expand into highly regulated international markets, including the United States, Europe, MENA, and ASEAN regions, with minimal regulatory barriers.

3.4. COST DRIVERS

The major cost drivers of the Company are as follow:

Raw Material and Packaging Material:
The Company's cost structure is primarily driven by raw materials (APIs and excipients) and packaging materials, which collectively accounted for approximately 82.66% and 85.93% of the total Cost of Goods Manufactured ("COGM") in FY2024 and FY2025, respectively.

[18] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Pharmaceuticals%20-%20July%2726_1782993494.pdf
[19] https://www.fortunebusinessinsights.com/industry-reports/veterinary-drugs-market-100171

A significant portion of the Company's raw materials is imported, representing approximately 84.5% and 87.6% of total raw material purchases in FY2024 and FY2025, respectively. Key raw materials include Ascorbic Acid (Vitamin C), Tylosin Tartrate, Tilcosin Phosphate, Fructose, Methyl Paraben Sodium, Trichlorfon, and Vitamin A Palmitate, among others. As the Company relies heavily on imported raw materials, primarily from China, its procurement costs are exposed to fluctuations in international API prices as well as volatility in the USD/PKR exchange rate.

Salaries, Wages and Benefits:

Salaries, wages, and employee benefits represent the second-largest production expense incurred by the Company. The Company requires a skilled workforce to operate and maintain its manufacturing facility, ensure quality control, and support production and packaging operations. These costs accounted for 4.61%% of total cost of goods manufactured ("COGM") in FY25, compared to 5.30% in FY24.

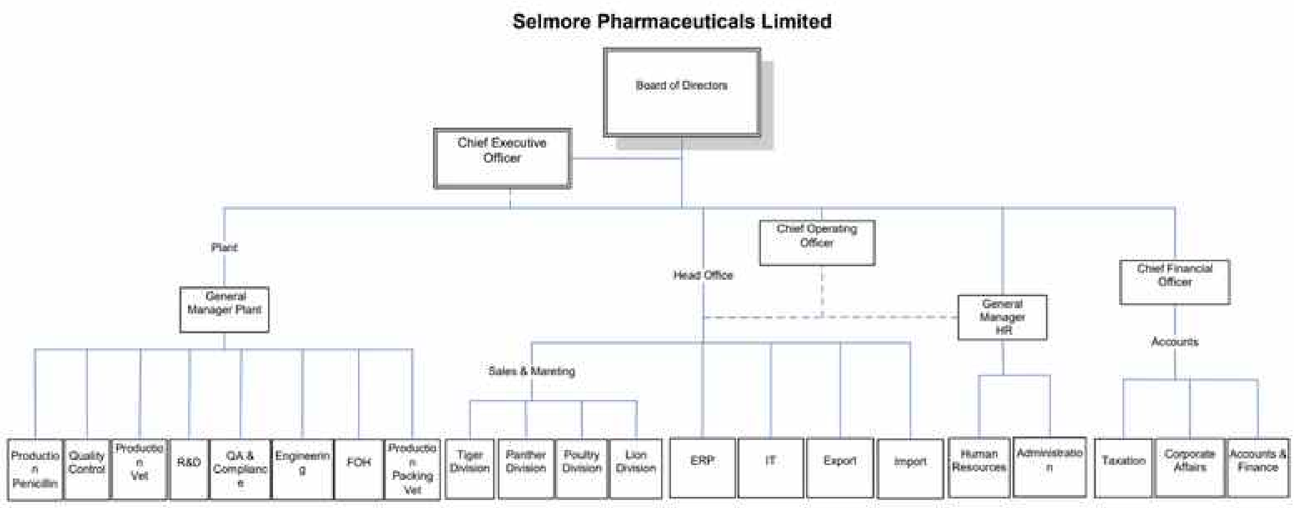
Fuel & Power:

Fuel and power expense represents one of the Company's key production costs, as electricity and fuel are essential for operating manufacturing equipment, utility systems, clean room environments, and quality control laboratories. These utilities support various production processes, including formulation, blending, filling, sterilization, packaging, and temperature-controlled storage, making fuel and power an integral component of the Company's manufacturing operations. Fuel and power expense accounted for 2.01% of the total Cost of Goods Manufactured ("COGM") in FY2025, compared to 2.17% in FY2024.

Business Promotion and Advertisement Expense:

Business promotion and advertisement expense represents a significant component of the Company's operating expenses, reflecting its continued investment in strengthening brand awareness, promoting its veterinary pharmaceutical products, and expanding its market presence. These expenses primarily include promotional campaigns, participation in industry exhibitions and seminars, veterinarian engagement programs, farmer educational awareness and other sales promotion initiatives aimed at supporting product adoption and driving sales growth. Business promotion and advertisement expense accounted for 10.30% of net revenue in FY2025, compared to 6.72% in FY2024.

3.5. COMPANY ORGANOGRAM



**Source: Company*

3.6. MAJOR EVENTS IN THE HISTORY OF THE ISSUER

Year	Events
1998	Incorporated as a Private Limited Company.
2000	Obtained No Objection Certificate (NOC) from the Central Licensing & Registration Boards, Ministry of Health, GoP, for establishing a pharmaceutical manufacturing unit.
2001	Manufacturing plant layout plan approved by Central Licensing & Registration Boards, Ministry of Health, GoP
2002	Granted license to manufacture drugs registered under the Drugs Act, 1976 from Central Licensing & Registration Board, Ministry of Health Government of Pakistan.
2007	Commenced exports with the first international shipment to the Kingdom of Oman.
2014	Launched the first expansion with establishment of Penicillin Section to diversify product portfolio.
2021	SELMORE was awarded the “Pharma Export Summit & Awards (PESA)”
2022	Constructed a new production block and received approval for four additional sections i.e. 2 sections of Cephalosporin and 2 sections of External Preparations. Furthermore, the Company enhanced the existing capacity of Liquid Injectable Section.
	Fifth Lahore Chambers of Commerce Export Trophy Award Received by SELMORE
2023	Initiated backward integration by commencing work on SELMORE’s own Active Pharmaceutical Ingredient (API) manufacturing unit. Acquired 4.26 acres of land at Quaid-e-Azam Business Park, Sheikhupura. SELMORE was also awarded the “Pharma Export Summit & Awards (PESA)”
2024	SELMORE was awarded the “Pharma Export Summit & Awards (PESA)”
	The Company enhanced its existing capacity of Oral Liquid Section by adding second production line.
2025	SELMORE was awarded the “Pharma Export Summit & Awards (PESA)”

**Source: Company*

3.7. LOCATION OF PLANT & PRODUCTION CAPACITY

The Company’s existing manufacturing facility is located at 36 KM, Multan Road, Adda Bath, Lahore, and comprises a total land area of 166,464 square feet, including a covered area of 75,566 square feet.

To support its future growth and expansion plans, the Company has acquired approximately 6 acres of land at Plot Nos. 62-B, 63-B, and 64-B, Quaid-e-Azam Business Park, Sheikhupura. Following the IPO, this land will be utilized for the development of a new veterinary formulation manufacturing facility, which will replace the Company’s existing formulation plant.

In addition, the Company has acquired approximately 4.26 acres of land at Plot No. 14-B, Quaid-e-Azam Business Park, Sheikhupura, for the establishment of its first Active Pharmaceutical Ingredients (API) manufacturing facility.

3.7.1. Veterinary Formulation Facility (Pre-IPO Capacity)

The Company has the following installed production capacities across its various production sections:

Sections	Capacity per Shift (Liters/Kg)	Pack Size	Capacity (Units)
Steroid Injectable Section	400 Liters	10ml	40,000 units/shift
	400 Liters	50ml	8,000 units/shift
	400 Liters	100ml	4,000 units/shift
General Oral Liquid Injection	2,000 Liters	100ml	20,000 units/shift
	2,000 Liters	120ml	16,666 units/shift
	2,000 Liters	150ml	13,333 units/shift
	4,000 Liters	500ml	8,000 units/shift
	4,000 Liters	1,000ml	4,000 units/shift
Oral Liquid – II Section	2,000 Liters	100ml	20,000 units/shift
	2,000 Liters	120ml	16,666 units/shift
	2,000 Liters	150ml	13,333 units/shift

	4,000 Liters	500ml	8,000 units/shift
	4,000 Liters	1,000ml	4,000 units/shift
General Oral Powder Section	200 Kg	10gm-20gm	20,000 units/shift
	500 Kg	100gm	5,000 units/shift
	500 Kg	500gm	1,000 units/shift
	500 Kg	1,000gm	500 units/shift
Aerosol Section	400 Liters	120ml	3,200 units/shift
	400 Liters	150ml	2,666 units/shift
	400 Liters	211ml	1,895 units/shift
Liquid Injectable Penicillin Section	1,000 Liters	50ml	20,000 units/shift
	1,000 Liters	100ml	10,000 units/shift
Dry Powder Injectable Penicillin Section	50 kg	2.5gm	20,000 units/shift
	50 kg	5gm	10,000 units/shift
Oral Powder Penicillin Section	500 Kg	500gm	1,000 units/shift
	500 Kg	1,000gm	500 units/shift
	1,000 Kg	25kg	40 units/shift
Hormone Injectable Section	40 Liters	2ml	20,000 units/shift
	100 Liters	5ml	20,000 units/shift
	100 Liters	10ml	10,000 units/shift
Liquid Injectable Cephalosporin Section	200 Liters	20ml	20,000 units/shift
	500 Liters	50ml	10,000 units/shift
	500 Liters	100ml	5,000 units/shift
Dry Injectable Cephalosporin Section	50 Kg	2.5gm	20,000 units/shift
	50 Kg	5gm	10,000 units/shift
Liquid Injectable-I Section	500 Liters	50ml	10,000 units/shift
	500 Liters	100ml	5,000 units/shift
Liquid Injectable-II Section	400 Liters	10ml	40,000 units/shift
	1,000 Liters	50ml	20,000 units/shift
	1,000 Liters	100ml	10,000 units/shift
	1,000 Liters	250ml	4,000 units/shift
	1,000 Liters	500ml	2,000 units/shift
External Preparation Liquid Section	400 Liters	100ml	4,000 units/shift
	2,000 Liters	1,000ml	2,000 units/shift
External Preparation Powder Section	500 Kg	500gm	1,000 units/shift
	500 Kg	1,000gm	500 units/shift
	400 Kg	05-20gm	8,000 units/shift
	500 Kg	100gm	5,000 units/shift

**Source: Company*
*** Production estimates are based on an assumed shift length of 8 hours per day.*

3.7.2. Veterinary Formulation Facility (Post-IPO)

Sections	Capacity per Shift (Liters/Kg)	Pack Size	Capacity (Units)
Steroid Injectable Section	600 Liters	10ml	60,000 units/shift
	1,200 Liters	50ml	24,000 units/shift
	1,200 Liters	100ml	12,000 units/shift
General Oral Liquid Injection	6,000 Liters	100ml	60,000 units/shift
	6,000 Liters	150ml	39,999 units/shift
	12,000 Liters	250ml	48,000 units/shift
	12,000 Liters	500ml	24,000 units/shift
	12,000 Liters	1000ml	12,000 units/shift
Oral Liquid – 2 Section	6,000 Liters	100ml	60,000 units/shift
	12,000 Liters	1,000ml	12,000 units/shift
General Oral Powder Section	1,440 kg	12gm	120,000 units/shift
	1,500 kg	100gm	15,000 units/shift
	3,000 kg	500gm	6,000 units/shift
	3,000 kg	1,000gm	3,000 units/shift
	3,000 kg	5 kg	600 units/shift
Aerosol Section	1,200 Liters	125ml	9,600 units/shift
	1,200 Liters	150ml	7,998 units/shift
	1,200 Liters	200ml	6,000 units/shift
	1,200 Liters	211ml	5,685 units/shift
Liquid Injectable Penicillin Section	1,500 Liters	50ml	30,000 units/shift
	1,500 Liters	100ml	15,000 units/shift
Dry Powder Injectable Penicillin Section	90 kg	3 gm	30,000 units/shift
	150 kg	5gm	30,000 units/shift
	225 kg	7.5gm	30,000 units/shift
Oral Powder Penicillin Section	3,000kg	1,000gm	3,000 units/shift
	3,000kg	5kg	600 units/shift
Hormone Injectable Section	150 Liters	2ml	75,000 units/shift
	150 Liters	2.5ml	60,000 units/shift
	150 Liters	5ml	30,000 units/shift
	300 Liters	10ml	30,000 units/shift
	300 Liters	20ml	15,000 units/shift
Liquid Injectable Cephalosporin Section	200 Liters	20ml	20,000 units/shift
	500 Liters	50ml	10,000 units/shift
	500 Liters	100ml	5,000 units/shift
Dry Injectable Cephalosporin Section	50 kg	2.5gm	20,000 units/shift
	50 kg	5gm	10,000 units/shift
Liquid Injectable-I Section	1,500 Liters	50ml	30,000 units/shift

	1,500 Liters	100ml	15,000 units/shift
Liquid Injectable-II Section	1,500 Liters	10ml	150,000 units/shift
	1,500 Liters	20ml	75,000 units/shift
	3,000 Liters	50ml	60,000 units/shift
	3,000 Liters	100ml	30,000 units/shift
	3,000 Liters	250ml	12,000 units/shift
	3,000 Liters	500ml	6,000 units/shift
	3,000 Liters	450ml	6,666 units/shift
External Preparation Liquid Section	1,500 Liters	30ml	49,998 units/shift
	1,500 Liters	100ml	15,000 units/shift
	3,000 Liters	1,000ml	3,000 units/shift
External Preparation Powder Section	600kg	10gm	60,000
	1,500 kg	100gm	15,000
	3,000 kg	1kg	3,000

**Source: Company*

3.7.3. API Facility (Post-IPO)

Sections	Capacity (Tonnes Per Annum)
Human General APIs	400
Veterinary General APIs	250
Cytotoxic APIs	50
Pelletized APIs	300
Lyophilized APIs	225
Total	**1,225**

**Source: Company*

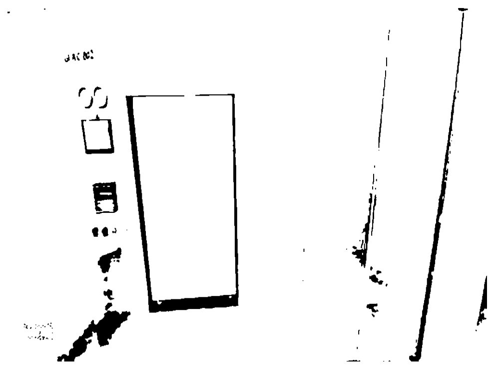
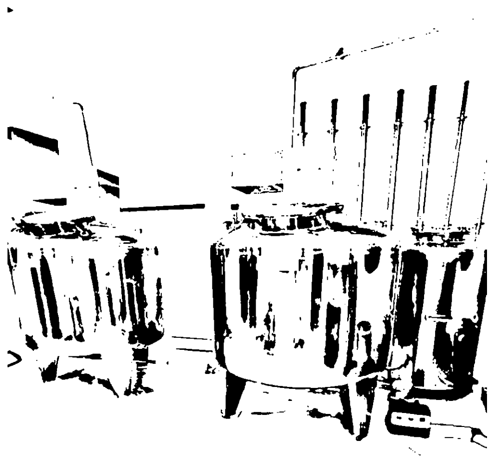
3.8. INFRASTRUCTURE OVERVIEW

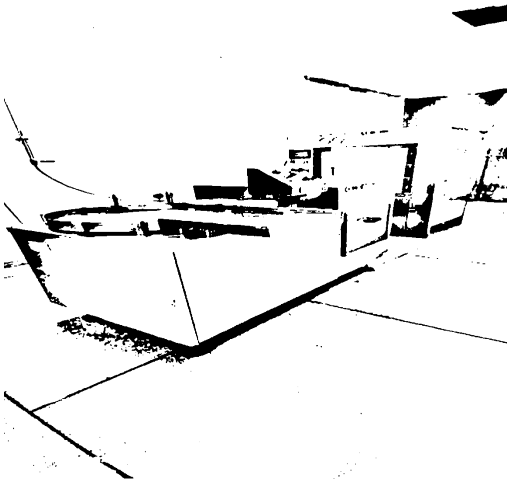
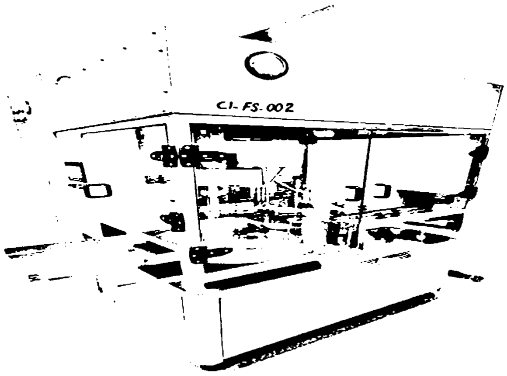
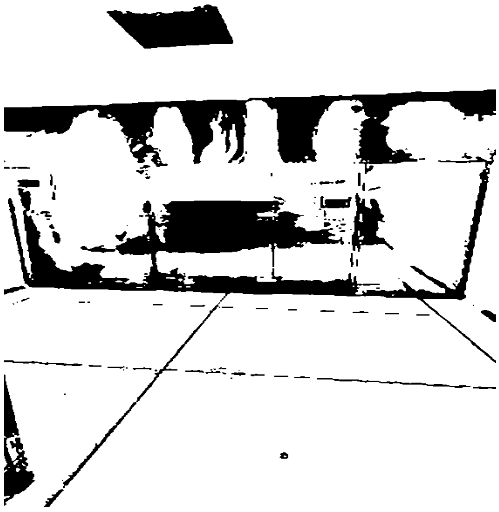
SELMORE operates a modern manufacturing facility designed in compliance with WHO-cGMP guidelines and the requirements of the Drug Regulatory Authority of Pakistan (DRAP). The Company's manufacturing infrastructure comprises multiple specialized production sections, each dedicated to specific dosage forms and therapeutic categories.

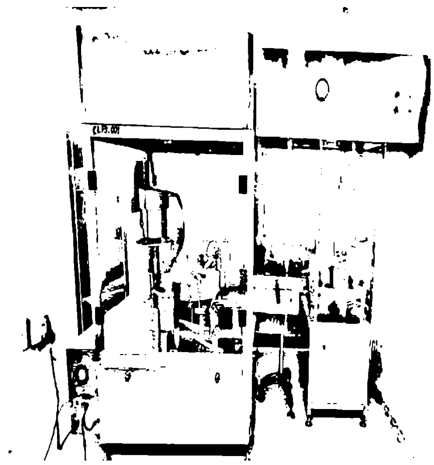
The facility includes segregated production areas for General Liquid Injectables, Steroid Injectables, Hormone Injectables, Cephalosporin Products, Penicillin Products, External Preparations, General Oral Powders, General Oral Liquids, and Aerosols. These dedicated sections are designed to ensure product integrity, prevent cross-contamination, and support compliance with stringent quality and regulatory standards.

To further maintain environmental control and manufacturing integrity, each production section is equipped with independent Air Handling Units (AHUs) and filtration systems, providing controlled operating conditions and ensuring contamination-free manufacturing across all product categories.

Infrastructure Overview			
Sr. No	**Machine Name**	**Description**	**Picture**
1	Manufacturing and Storage Vessel of Oral Liquid	Stainless steel vessel used for preparation, mixing, homogenization, and temporary storage of oral liquid formulations before filling.	
2	Oral Liquid 1000 ML Filling Machine	Fills large-volume oral liquid products into 1000 ML bottles accurately and hygienically.	
3	Manufacturing Vessel of Liquid Injection General	Stainless steel vessel used for the preparation, mixing, and homogenization of general liquid injectable formulations under controlled conditions before transfer for sterile filtration and aseptic filling.	

4	Liquid Injection Filling Line of General Injection	Automated aseptic filling line used for accurate filling of general liquid injectable formulations into sterile vials, followed by stoppering, capping, and sealing to ensure product sterility and integrity.	
5	Autoclave of General Injection	Steam sterilization equipment used for sterilizing manufacturing equipment, utensils, containers, closures, and other components used in the production of general liquid injectable formulations.	
6	Manufacturing and Storage Vessel of Cephalosporin Section	Used to prepare and hold cephalosporin formulations under controlled conditions to avoid contamination and cross-contamination.	

7	Vial Washing Machine and Autoclave of Cephalosporin Section	Washes vials to remove particles and contaminants, then sterilizes them using steam under pressure before aseptic filling.	
8	Dry Powder Injection Filling Machine of Cephalosporine	Accurately fills sterile cephalosporin dry powder into vials for injectable products. Usually operates in aseptic conditions.	
9	Dry Heat Sterilizer of Cephalosporin Section	Dry heat sterilization equipment used for sterilizing glassware, metal instruments, and other heat-resistant components required for the manufacture of cephalosporin injectable formulations.	

10	Liquid Injection Filling Machine of Cephalosporin Section	Automated filling machine used for aseptic filling, stoppering, and sealing of sterile cephalosporin liquid injectable formulations into sterile containers under controlled cleanroom conditions.	
11	Vial Washing of Steroid Injection	Automated vial washing machine used for cleaning and rinsing glass vials before sterilization and aseptic filling of sterile steroid injectable formulations.	
12	Dry Granulator of Oral Powder	Dry granulation equipment used for the compaction and granulation of powder blends to produce uniform granules for oral powder formulations prior to blending and packaging.	

13	Oral Powder Filling Machine	Automated filling machine used for the accurate filling and dispensing of oral powder formulations into containers or sachets, followed by sealing and packaging.	
14	Liquid Injection Filling Line of Penicillin	Automated filling line used for aseptic filling, stoppering, capping, and sealing of sterile penicillin liquid injectable formulations into sterile containers under controlled conditions.	
15	HPLC - High-Performance Liquid Chromatography	Analytical instrument used to identify, separate, and quantify active pharmaceutical ingredients (APIs), impurities, and degradation products.	

16	GAS Chromatography	Used mainly to analyze volatile compounds and residual solvents in pharmaceutical products.	
17	Stability Chamber	Controlled environmental chamber used for stability studies of medicines under specified temperature and humidity conditions.	
18	RO Plant	Purifies water by removing salts, microbes, and impurities. Produces purified water used in pharmaceutical manufacturing and cleaning.	

19	Finished Goods Store	Storage area where completed pharmaceutical products are kept under controlled conditions before distribution and sale.	

**Source: Company*

3.8.1. Process Support Facilities - Utilities

The Company's primary source of electricity is Lahore Electric Supply Company (LESCO). In addition, the Company has installed standby generators to ensure an uninterrupted power supply. The capacity breakdown of these sources is presented below:

S. No.	Sources	Capacity (MW)
1	Lahore Electric Supply Company (LESCO)	625 KVA
2	Generators (2 Generators)	500 KVA + 250 KVA
	Total	**1,375 KVA**

**Source: Company*

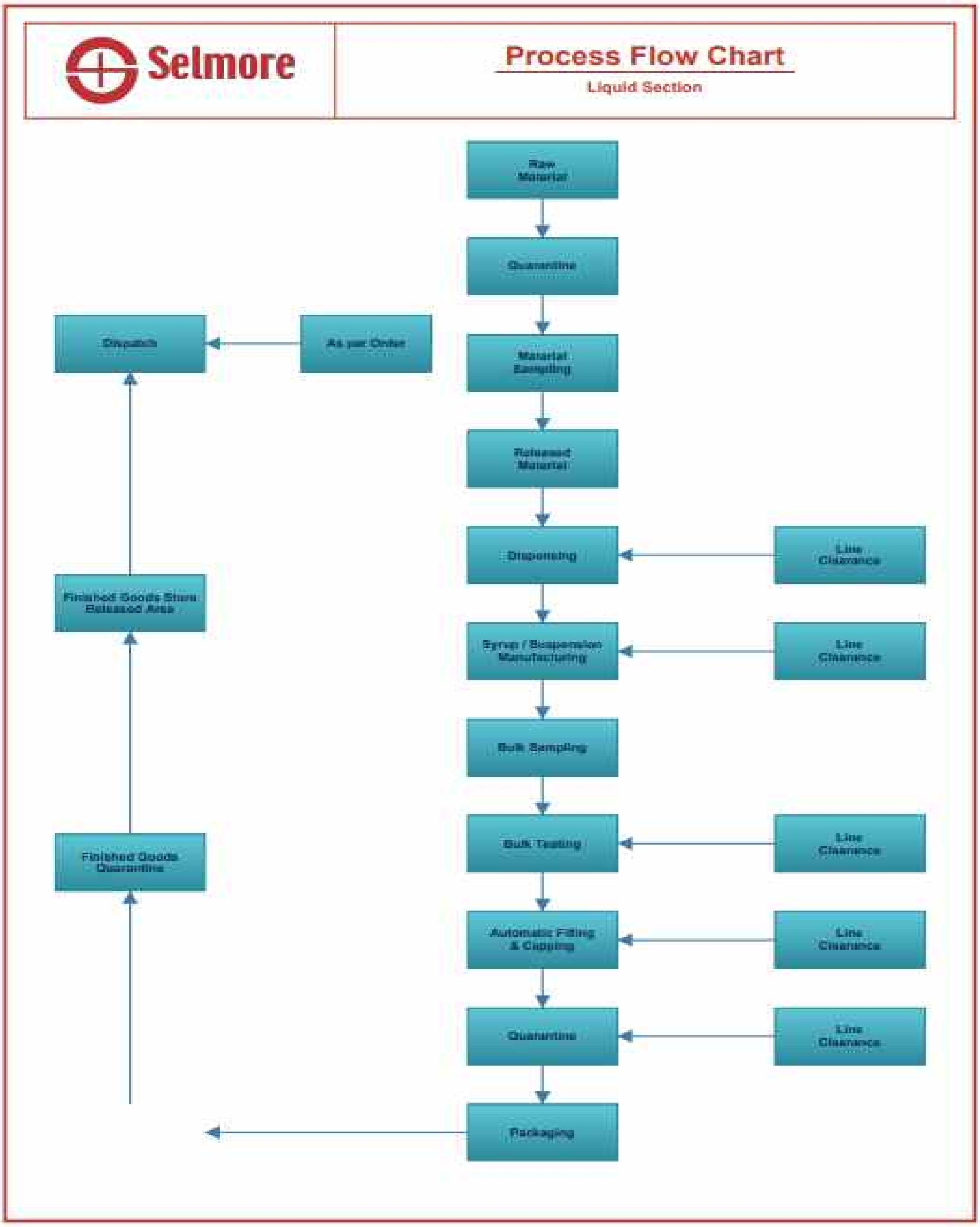
3.8.2. Manufacturing Process Overview

1. Liquid Section

This non-sterile flow begins with incoming raw materials held in quarantine, sampled, and either released or rejected for destruction. Released materials proceed to dispensing, where ingredients are accurately weighed under line clearance. The syrup or suspension is then compounded in the batch manufacturing stage, after which bulk product is sampled and tested for quality compliance. Once approved, the bulk is filled and capped on automatic filling lines, quarantined pending finished-product checks, packaged, and routed through finished-goods quarantine to the released store for dispatch as per order. Line clearance is enforced at dispensing, manufacturing, testing, and filling to prevent mix-ups and cross-contamination.

The following Sections can be classified under this category:

- Oral Liquid Section
- External Preparation Liquid Section

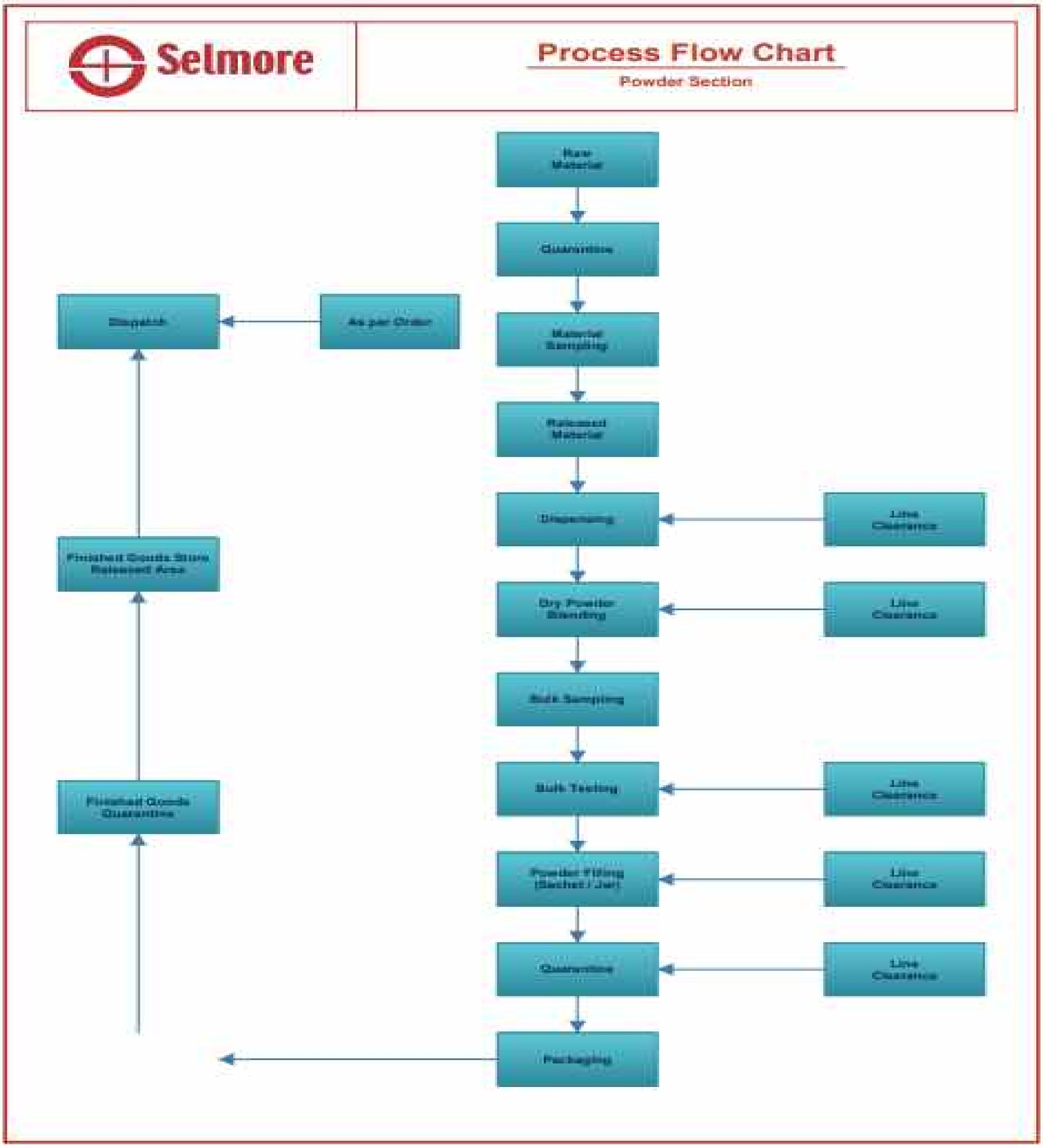


2. Powder Section

A non-sterile dry-processing flow. After raw material quarantine, sampling, and release, materials are dispensed and transferred to dry powder blending, where the formulation is homogeneously mixed. The blended bulk is sampled and tested, then filled into sachets or jars on automatic filling equipment. Filled product is quarantined, packaged, and moved through finished-goods quarantine to the released store for order-based dispatch. Because this section includes penicillin powder, line clearance and segregation controls are especially critical to avoid beta-lactam cross-contamination.

The following Sections can be classified under this category:

- General Oral Powder Section
- Oral Powder Penicillin Section
- External Preparation Powder Section

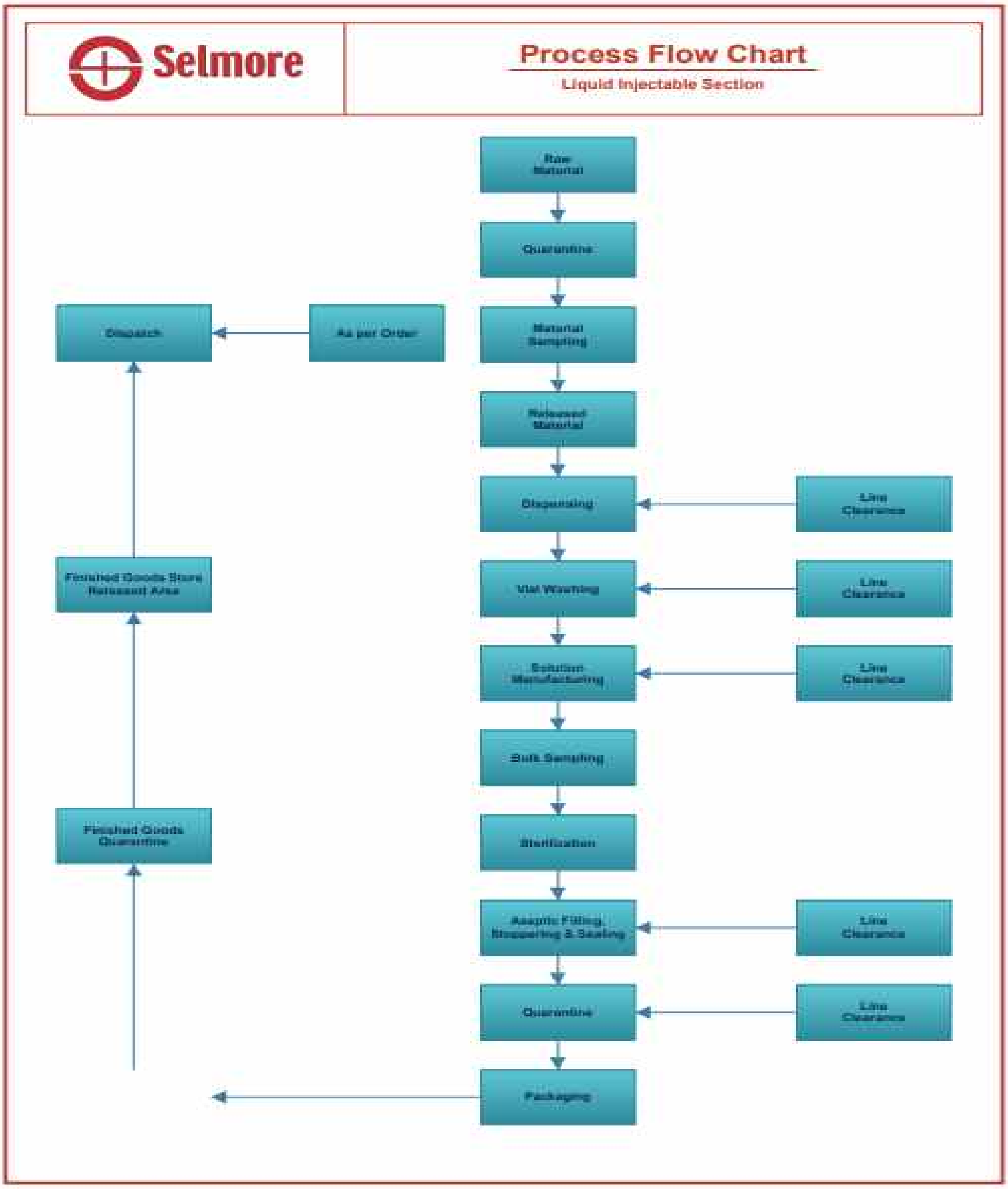


3. Liquid Injectable Section

A sterile flow shared across all injectable-liquid sections (each manufactured in its own segregated block). After raw material quarantine, sampling, and release, materials are dispensed while vials are washed in parallel. The solution is manufactured, bulk-sampled, and then sterilized before aseptic filling, stoppering, and sealing under controlled aseptic conditions. The sealed product is quarantined, packaged, and dispatched through finished-goods quarantine and the released store. Line clearance at dispensing, washing, manufacturing, filling, and quarantine is essential given the sterility and segregation requirements (notably for penicillin and cephalosporin).

- General Liquid Injectable Section
- Steroid Injectable Section

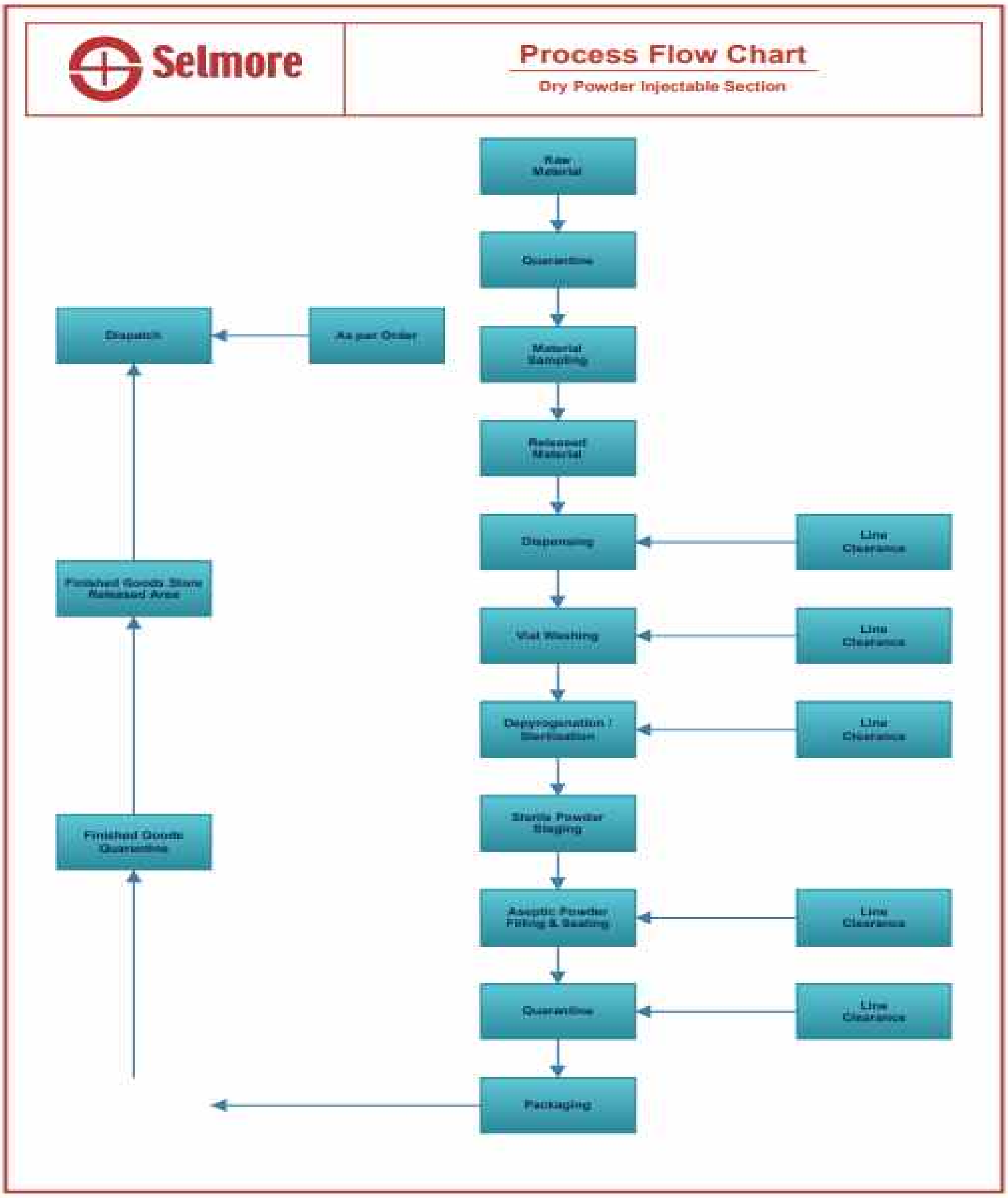
- Hormone Injectable Section
- Liquid Injectable Penicillin Section
- Liquid Injectable Cephalosporin Section



4. Dry Powder Injectable Section

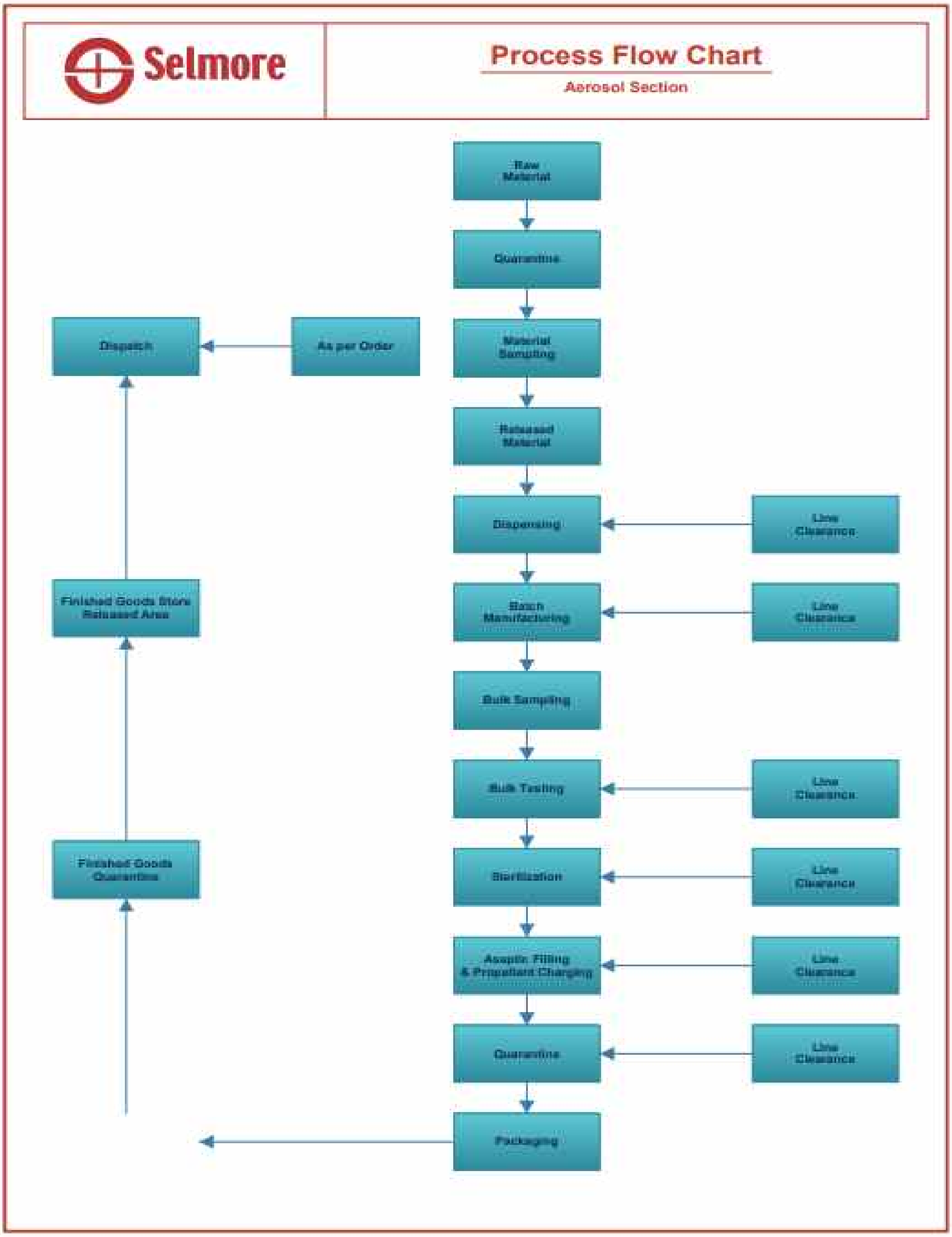
The most controlled sterile flow. Released materials are dispensed while vials are washed and then dehydrogenated/sterilized to eliminate endotoxins. Sterile powder is staged and aseptically filled and sealed into the prepared vials. The product is quarantined, packaged, and dispatched via finished-goods quarantine and the released store. Strict aseptic handling and dedicated, segregated facilities are required because these are sterile beta-lactam products.

- Dry Powder Penicillin Injectable Section
- Dry Powder Cephalosporin Injectable Section



5. Aerosol Section

A sterile-processing flow. Following raw material quarantine, sampling, and release, materials are dispensed and compounded in batch manufacturing, then sampled and tested in bulk. The product undergoes sterilization, after which it moves to aseptic filling combined with propellant charging in a controlled environment. Filled canisters are quarantined, packaged, and dispatched via finished-goods quarantine and the released store. The added sterilization and aseptic charging steps distinguish this from the non-sterile liquid routes.



3.8.3. Quality Control Department

The Company maintains a strict veterinary pharmaceutical quality control system that monitors production from raw materials to finished items in accordance with Good Manufacturing Practices (GMP) and DRAP regulations. Only approved ingredients enter production, while finished batches face physical, chemical, and microbiological testing by an independent quality control function/department to guarantee impartial release decisions. To safeguard product standards during shelf life, the company runs regular equipment calibrations, environmental monitoring, and stability studies. Finally, a post-market pharmacovigilance system collects, evaluates, and investigates adverse event reports from veterinarians and users, following World Health Organization (WHO) principles to implement necessary corrective actions.

3.8.4. Research & Development Department

The Company's Research and Development ("R&D") Department plays a key role in strengthening its product portfolio and supporting long-term growth. The Company's Research and Development ("R&D") Department is responsible for the development, evaluation, and continuous improvement of veterinary pharmaceutical products. The department undertakes formulation development, raw material evaluation, trial batch manufacturing and product validation activities to ensure that products meet the required quality, safety, and regulatory standards.

The R&D Department also supports vendor qualification through raw material evaluation, prepares and reviews product dossiers for local and international regulatory submissions, and develops product development protocols and documentation. In addition, it is responsible for the preparation and revision of departmental standard operating procedures ("SOPs"), maintenance of development records, and coordination of technology transfer to the Quality Control ("QC") and production departments for successful commercialization of newly developed or improved products.

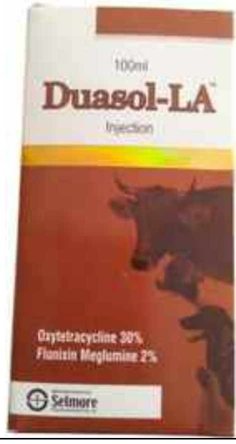
3.9. PRIMARY PRODUCTS OF THE ISSUER

The key products of the Company are discussed below:

S.No	Product Name	Pharmacological Group	Production Section	Animal Category	Product Picture
1	Abentin Drench	D-Wormer	Oral Liquid	Livestock	
2	Albensel – 10 Drench	Anthelmintic	Oral Liquid	Livestock	
3	Aminox Injection	Growth Promoter	General Liquid Injectable	Livestock	

4	Amoxygent Forte IM Injection	Antibiotic	Liquid Injectable Penicillin	Livestock	
5	Biopen Injection	Antibiotic	Dry Powder Injectable Penicillin	Livestock	
6	Bosol Injection	Hormonal	Liquid Injectable Hormone	Livestock	
7	BPS-LA Injection	Antibiotic	Liquid Injectable Penicillin	Livestock	
8	Ceftisel RTU Injection	Antibiotic	Liquid Injectable Cephalospori n	Livestock	

9	Coliflor Solution	Antibiotic	Oral Liquid	Poultry	
10	Colimoxin Fort Powder	Antibiotic	Oral Powder Penicillin	Poultry	
11	Colimoxin Injection	Antibiotic	Liquid Injectable Penicillin	Livestock	
12	Colisel-50 Powder	Antibiotic	General Oral Powder	Poultry	
13	Combigent Injection	Antibiotic	General Liquid Injectable	Livestock	

14	Duasol LA Injection	Antibiotic with Analgesic	General Liquid Injectable	Livestock	
15	Dyro-X Powder	Antibacterial/Antidiarrheal	General Oral Powder	Poultry	
16	Ectoend Powder	Pesticide	External Preparation Oral Powder	Poultry	
17	Enroxsel Solution	Antibiotic	Oral Liquid	Poultry	

18	Fon-Bio Powder	Antibacteri al	General Oral Powder	Poultry	
19	Gesiton Injection	Growth Promoter	General Liquid Injectable	Livestock	
20	Hepacare Solution	De-Wormer	Oral Liquid	Livestock	
21	Hepasel Injection	Hepatic Tonic	General Liquid Injectable	Livestock	
22	Hi-Amprol Oral Solution	De-Wormer	Oral Liquid	Poultry	

23	Imipro Injection	Antibiotic/ Antiallergic	General Liquid Injectable	Livestock	
24	Ketoject Injection	Anti-Paretic	General Liquid Injectable	Livestock	
26	Lincosel-40 oral powder	Antibiotic	General Oral Powder	Poultry	
27	Lincospira Injection	Antibiotic	Genral Liquid Injectable	Livestock	
28	Loxin Injection	Antipyretic/ Analgesic	General Liquid Injectable	Livestock	
29	Marboflox Injection	Antibiotic	General Liquid Injectable	Livestock	

30	Multimino V Injection	Antioxidant	General Liquid Injectable	Livestock	
31	Neflox solution	Antibiotic	Oral Liquid	Poultry	
32	Neosel -72 Powder	Antibacterial	General Oral Powder	Poultry	
33	Nephralyte Powder	Diuretic	General Oral Powder	Poultry	
34	Novamox LA Injection	Antibiotic	Liquid Injectable Penicillin	Livestock	

35	Oxyfen-LA Injection	Antibiotic	General Liquid Injectable	Livestock	
36	Parvon Injection	Antiprotozoal	General Liquid Injectable	Livestock	
37	Penacort Injection	Antibiotic	Steroid Injectable	Livestock	
38	PG-Vet Injection	Antibiotic	Dry Powder Injectable Penicillin	Livestock	
39	Pregtone Injection	Hormonal	Liquid Injectable Hormone	Livestock	

40	Prostenol Injection	Hormonal	Liquid Injectable Hormone	Livestock	
41	Punch Drench	Anthelminti c/De-Wormer	Oral Liquid	Livestock	
42	Respisin DS Powder	Antibiotic	General Oral Powder	Poultry	
43	Scour-x Oral Suspension	Antibiotic	Oral Liquid	Poultry	
44	Selmec Injection	Antiparasiti c	General Liquid Injectable	Livestock	

45	Selmox-LA Inection	Antibiotic	Liquid Injectable Penicillin	Livestock	
46	Serilin Injection	Hormonal	Liquid Injectable Hormone	Livestock	
47	Solomin Injection	Antibiotic	Steroid Injectable	Livestock	
48	Solomox Powder	Antibiotic	Oral Powder Penicillin	Poultry	
49	Solopred Injection	Antibiotic	Steroid Injectable	Livestock	

50	Supertone Solution	Antioxidant	Oral Liquid	Poultry	
51	Tilcosin Solution	Antibiotic	Oral Liquid	Poultry	
52	Tribacteral Injection	Antibiotic	General Liquid Injectable	Livestock	
53	Trifle Powder	Antibiotic	General Oral Powder	Poultry	
54	Triger Powder	Antibiotic	Oral Powder Penicillin	Poultry	

55	Tydoxin Forte Powder	Antibiotic	General Oral Powder	Poultry	
56	Tygent Injection	Antibiotic	General Liquid Injectable	Livestock	
57	Uteprim Intrauterine Suspension	Antibiotic	Liquid Injectable Cephalospori n	Livestock	
58	Vitaglo Powder	Antioxidant	General Oral Powder	Poultry	

**Source: Company*

3.10. END USERS, DEMAND FOR THE PRODUCTS, NAMES OF THE COMPETITOR

3.10.1. End Users of the Products

SELMORE operates a comprehensive distribution network that facilitates the efficient marketing and delivery of its veterinary pharmaceutical products across Pakistan. Through a network of distributors and channel partners, the Company serves a diverse customer base comprising veterinary clinics, pharmacies, commercial dairy and livestock farms, poultry farms, and animal healthcare practitioners. This distribution infrastructure supports widespread product availability, enhances market penetration, and contributes to the Company's continued growth. The table below presents the Company's leading distributors for its local and export sales:

a) Local Customers

S.no	Customer Name	Country	FY23		FY24		FY25		9MFY26	
			Sales PKR Mn	% of Local Sales	Sales PKR Mn	% of Local Sales	Sales PKR Mn	% of Local Sales	Sales PKR Mn	% of Local Sales
1	Marvi Marketing Hyderabad	Pakistan	143.23	4.91%	163.11	5.25%	224.89	5.08%	174.45	3.58%
2	New Adil Medicine Co Burewala	Pakistan	65.60	2.25%	75.01	2.42%	118.46	2.68%	169.42	3.48%
3	VetEvo Enterprises Karachi	Pakistan	33.21	1.14%	64.89	2.09%	105.61	2.39%	98.13	2.01%
4	Aman Trader Sargodha	Pakistan	87.29	2.99%	86.99	2.80%	38.71	0.87%	82.43	1.69%
5	Siddiqui Pharma (Pvt) Ltd. Multan	Pakistan	4.20	0.14%	2.42	0.08%	44.12	1.00%	60.05	1.23%
6	Rana Brothers Medicose and Poultary Services Gujranwala	Pakistan	33.00	1.13%	8.97	0.29%	53.85	1.22%	59.53	1.22%
7	Hidayatullah Traders Hyderbad	Pakistan	-	0.00%	21.16	0.68%	57.12	1.29%	55.61	1.14%
8	Bismillah Poultry Services Kot Addu-Ahsan Pur	Pakistan	4.20	0.14%	8.38	0.27%	13.23	0.30%	41.70	0.86%
9	A & S Medicine Company Sahiwal	Pakistan	8.28	0.28%	20.63	0.66%	30.00	0.68%	30.45	0.62%
10	Zain Veterinary Traders Renala	Pakistan	21.27	0.73%	8.13	0.26%	17.08	0.39%	30.04	0.62%
11	Others	Pakistan	2,516.04	86.27%	2,644.90	85.19%	3,721.64	84.11%	4,072.30	83.55%
12	**Total Local Sales****	Pakistan	**2,916.31**	**100.00%**	**3,104.60**	**100.00%**	**4,424.71**	**100.00%**	**4,874.11**	**100.00%**

**Source: Company*

***Note: Total Local Sales is net of Sales Tax.*

b) International Customers

S.no	Customer Name	Country	FY23		FY24		FY25		9MFY26	
			Sales PKR Mn	% of Export Sales	Sales PKR Mn	% of Export Sales	Sales PKR Mn	% of Export Sales	Sales PKR Mn	% of Export Sales
1	OMEGA ALKHOBAR FOR TRADING EST.	Saudi Arabia	56.60	34.58%	35.45	21.99%	18.80	5.47%	41.04	25.95%
2	WALEED SAYED GUL TRADING COMPANY	Afghanistan	-	0.00%	43.13	26.76%	89.87	26.14%	34.32	21.70%
3	KEBIRVET SARL	Chad	49.93	30.51%	12.13	7.53%	36.17	10.52%	31.97	20.21%
4	LIBYAN INTERNATIONAL CO.	Libya	-	0.00%	-	0.00%	32.83	9.55%	13.28	8.40%
5	ALSHAMAL VETERINARY PHARMACY QATAR	Qatar	-	0.00%	10.32	6.40%	8.19	2.38%	5.58	3.53%
6	FADA ALNUKHBA	Oman	5.01	3.06%	4.30	2.67%	8.66	2.52%	4.49	2.84%
7	Others		52.12	31.85%	55.86	34.65%	149.34	43.43%	27.48	17.37%
	Total Export Sales		**163.67**	**100.00%**	**161.19**	**100.00%**	**343.86**	**100.00%**	**158.15**	**100.00%**

**Source: Company*

3.10.2. Marketing Performance, Distribution & Trade Strategy

Selmore Pharmaceuticals Limited has developed a technically driven marketing strategy focused on building long-term relationships with veterinarians, livestock and poultry farmers, commercial dairy farms, commercial poultry producers, distributors, and government livestock institutions. Unlike consumer pharmaceutical companies that rely extensively on mass-market advertising, the Company primarily promotes its products through technical engagement, field support, and relationship-based marketing. By assisting customers with disease management, treatment protocols, biosecurity practices, and animal health solutions, SELMORE positions itself as a trusted technical partner while strengthening customer confidence and fostering long-term business relationships.

The Company's diversified portfolio of 421 veterinary pharmaceutical products serves as a key component of its marketing strategy. Continuous product development and new product launches allow SELMORE to respond to evolving disease patterns, changing farming practices, and emerging market demand.

Technical education remains one of the Company's primary marketing tools. SELMORE regularly organizes veterinary seminars, scientific workshops, product launch events, distributor conferences, technical training sessions, and livestock health awareness programs. The Company also collaborates with veterinary universities, professional associations, livestock departments, and other industry stakeholders to promote scientific knowledge relating to disease prevention, antimicrobial stewardship and nutrition. These initiatives strengthen the Company's reputation within the veterinary community while enhancing awareness of its products and technical capabilities. In addition, SELMORE utilizes digital communication channels, including its corporate website, digital product literature, and online educational content, to improve information accessibility and maintain regular engagement with customers and distributors.

The Company's commercial operations are supported by a nationwide field sales force comprising over 333 sales personnel. The sales organization is structured into two dedicated teams specializing in the poultry and livestock segments, enabling the Company to deliver targeted technical support and customer engagement tailored to the specific needs of each market. Acting as the primary point of contact with veterinarians, commercial farms, commercial poultry producers, veterinary hospitals, and government institutions, the sales team provides product detailing, technical consultations, farm advisory services, and clinical demonstrations. Beyond promoting the Company's products, the field force gathers market intelligence, monitors disease trends, and communicates customer feedback, enabling the Company to continuously refine its product offerings and commercial strategy.

Supporting the Company's sales organization is a nationwide distribution network comprising 308 distributors across Pakistan, including 90 distributors dedicated to the poultry segment and 218 distributors serving the livestock segment. The Company sells its products directly to these distributors, who in turn supply wholesalers, retailers, veterinary pharmacies, veterinary clinics, commercial farms, livestock markets, and other channel partners across both urban and rural areas of the country.

This well-established distribution network enables efficient inventory management, streamlines product movement across the supply chain, and minimizes distribution bottlenecks, ensuring the timely availability of the Company's products throughout Pakistan. Working in close coordination with the Company's field sales force, the distributors facilitate efficient order fulfilment, maintain consistent product availability, and support broad market penetration, enabling the Company to effectively serve customers across Pakistan's livestock and poultry sectors.

3.10.3. Key Competitors

SELMORE operates in a competitive veterinary pharmaceutical industry. In veterinary pharmaceutical, the Company’s main competitors are established local manufacturers including Star Laboratories (Pvt.) Limited which is SELMORE’s principal competitor along with Nawan Labs (Pvt.) Limited, Prix Pharmaceuticals (Pvt) Limited, International Pharma Labs (Pvt.) Limited, Hilton Pharma Limited, and Lucky Core Industries (LCI) Limited. Competition in this segment is driven by brand strength, distribution reach, pricing and product range across multiple consumer tiers.

3.11. INTELLECTUAL PROPERTY

The Company's intellectual property rights are stated below:

Number	Trade Mark	Approval Date	Expiry Date	Awarding Body
620111	Duasol injection	17-Jun-21	17-Jun-31	Intellectual Property Organization, Pakistan
620112	Neosel-72 Oral Powder	17-Jun-21	17-Jun-31	Intellectual Property Organization, Pakistan
620113	Seldox Powder	17-Jun-21	17-Jun-31	Intellectual Property Organization, Pakistan
632929	Loxin Injection	22-Sep-21	22-Sep-31	Intellectual Property Organization, Pakistan
632933	Colimoxin Injection	22-Sep-21	22-Sep-31	Intellectual Property Organization, Pakistan
633715	Ketoject Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633716	Selmox LA Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633718	Novamox-LA Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633719	Amoxygent Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633720	BPS-LA Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633722	Hepasel Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633723	Lincospira Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633724	Penacort Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633725	Prostenol Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
633727	Serilin Injection	28-Sep-21	28-Sep-31	Intellectual Property Organization, Pakistan
636593	Trifle Powder	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan
636599	Tilcosin Solution	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan
636600	Sterivit Injection	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan
636601	Scour-X Oral Suspension	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan
636603	Punch Drench	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan
636604	Oxyfen-LA Injection	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan
636606	Multimino-V	22-Oct-21	22-Oct-31	Intellectual Property Organization, Pakistan

**Source: Company*

3.12. DETAILS OF MATERIAL PROPERTY

S.No.	Particulars	Ownership Status	Date of Acquisition	Usage	Total Area
1	82 R/1 Muhammad Ali Johar Town, Lahore	Owned	09-Jun-2025	Corporate Office	420.34 Sq. Meter (4,524.5 Sq.ft)
2	36 KM, Off Multan Road, Adda Bath, Lahore	Owned	07-Aug-2000	Existing Formulation Manufacturing Facility	166,464 Sq.ft
3	Plot Nos. 62-B, 63-B, and 64-B, Quaid-e-Azam Business Park, Sheikhupura**	Provisional allotment letter issued	14-Oct-2025 (Provisional allotment letter date)	New formulation manufacturing facility will be established.	6 Acres (261,360 Sq.ft)
4	Plot No. 14-B, Quaid-e-Azam Business Park, Sheikhupura***	Allotment & possession letter issued	03-Nov-2023 (Allotment letter date) 24-Nov-2023 (Possession letter date)	New API manufacturing plant will be established	4.26 Acres (185,565.6 Sq.ft)
5	Off # 308, Plot No. 95-F, Paradise Commercial Bahria Town Islamabad****	Provisional allotment letter issued.	April 11, 2023 (Provisional allotment letter date)	For building regional sales office	1,561 Sq.Ft
6	Plot No 87 & 88, Phase I, Bahria Town, Lahore	Owned	August 19, 2025	For construction of a new corporate office	4,500 Sq.ft + 4,500 Sq.ft
8	Abdul Sattar Edhi Road Lahore	Owned	May 26, 2021	For building regional sales office	4 Kanal 2 Marla (22,324.5 Sq.ft)
7	Plot No 51 & 52, Southern Block, Phase I, Bahria Orchard Lahore	Payments completed, possession awaited	April 1, 2024 (Last payment date)	For building Company's guest house	16 marla (4,356.01 Sq.ft)
8	Mauza Rakh Khamba, Tehsil Raiwind, District Lahore	Owned	June 21, 2023	For building storage facility	21 Kanal 19 Marla (119,517.75 Sq.ft)

**Source: Company*

*** Land for the proposed formulation facility has been provisionally allotted to Selmore Pharmaceuticals Limited through Letter No. PIE/QABPSEZ/1635 dated 27 August 2025, issued by Punjab Industrial Estates Development and Management Company (PIEDMC). As of June 02,*

2026, the Company has paid PKR 180 million towards the purchase consideration in installments, while the remaining PKR 120 million is expected to be paid by Aug, 2027 in five equal payments of PKR 24 Mn.
**** Possession letter for the land designated for the API manufacturing facility has been received from PIEDMC, construction has been started and sale deed will be executed once the construction has been completed.*
*****Payments for the property have been completed; however, possession will be transferred upon completion of the building.*

3.13. FUTURE PROSPECTS, DEMAND OUTLOOK

3.13.1. Surge in Livestock Population

Pakistan's livestock population has continued to expand, driven by demographic growth, rising food consumption and greater rural dependence on livestock-based income. The sector engages more than 8 million rural households and contributes an estimated 35%-40% of total rural income. Between FY23 and FY26, the livestock population in Pakistan recorded steady growth, with cattle, buffalo and goats herds expanding at compound annual growth rates (CAGR) of 3.81%, 2.98% and 2.72%, respectively, while the poultry segment demonstrated a stronger CAGR of about 9.46%[20]. This expanding animal base is driving a widening addressable market for veterinary pharmaceuticals. This steady growth underpins consistent demand and positions the Company to benefit from sector expansion.

3.13.2. Rising demand for Animal Protein (Meat, Milk and Eggs)

Pakistan's growing population, urbanization, and changing dietary habits are driving steady growth in the consumption of animal protein, particularly milk, meat, and eggs. With rising health awareness, consumers are increasingly including protein-rich foods in their regular diets. According to the Pakistan Economic Survey, per capita availability of milk, meat, and eggs increased from 164.72 liters, 23.46 kilograms, and 8.48 dozen in FY24 to 216.16 liters, 23.52 kilograms, and 9.03 dozen in FY26, respectively[21]. Poultry meat consumption grew from 1.52 million tons in FY22 to 1.86 million tons in FY24, while egg consumption rose from 11.8 billion to 14.3 billion units respectively[22]. Per capita milk consumption has also shown significant improvement, increasing from 51 liters in 2010 to 218 liters in 2023[23].

The rising demand for animal protein has led to expansion in dairy, beef, and poultry production. To support higher productivity and quality, livestock producers are increasingly adopting modern animal health practices. This includes greater use of veterinary medicines, vaccines, and nutritional supplements to enhance animal growth, reduce disease risk, and ensure consistent supply to the market.

3.13.3. Disease Prevalence and Rising Animal Healthcare Awareness

The consistent prevalence of diseases among Pakistan's livestock and poultry populations remains a key driver of demand for veterinary pharmaceutical products. These diseases continue to impose significant economic losses through reduced productivity, mortality, and compromised meat, milk and egg yields. To prevent such losses, farmers and commercial producers regularly use veterinary products to protect animal health and prevent productivity loss. In recent years, greater awareness of animal health and biosecurity practices among farmers and commercial producers has further supported the use of veterinary healthcare solutions. As a result, the combined impact of disease prevalence and growing healthcare awareness continues to drive steady demand and revenue growth for the veterinary pharmaceutical industry in Pakistan.

3.13.4. Government Initiatives

The Government of Pakistan has increasingly recognized livestock and poultry health as a critical component of agricultural productivity, food security and rural economic development. Through the Ministry of National Food Security & Research (MNFS&R), the Livestock & Dairy Development Departments of the provincial governments, and institutions such as the Pakistan Veterinary Medical Council (PVMC) and the National Veterinary Laboratory (NVL), efforts are being undertaken to strengthen animal healthcare through disease surveillance, vaccination, diagnostics

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[20] https://www.finance.gov.pk/survey/chapter_26/2_Agriculture.pdf
[21] https://www.finance.gov.pk/survey/chapter_26/2_Agriculture.pdf
[22] https://www.pacra.com/view/storage/app/Poultry%20-PACRA%20Research%20-Sep%2724_1727185385.pdf
[23] https://nipapeshawar.gov.pk/KJPPM/PDF/CIP/39PSS/PSS1.pdf

and veterinary extension services. These initiatives emphasize disease prevention and control, timely veterinary intervention, improved diagnostic capabilities and the dissemination of technical knowledge among farmers and livestock owners. At the provincial level, livestock departments further support animal health through vaccination and deworming campaigns, mobile veterinary services, farmer training and awareness programs aimed at promoting preventive healthcare and reducing productivity losses associated with preventable diseases.

The growing emphasis on preventive animal healthcare, and disease awareness is expected to drive greater adoption of veterinary medicines and animal health products. This increasing focus on animal health and farmer awareness provides a favorable environment for the growth of Pakistan's veterinary pharmaceutical sector.

3.13.5. Export Growth of Livestock-Based Products

The steady growth of Pakistan's livestock export is an important factor driving demand for veterinary pharmaceutical products. Export of meat, dairy and other animal products have increased consistently over the past few years, reflecting the sector's expanding role in the country's export base. Total exports of live animals and animal products rose from USD 831.02 Mn in FY22 to USD 1,138.71 Mn in FY26. Within this, exports of meat and edible meat offal increased from USD 327.94 million in FY22 to USD 498.401 million in FY26. This growth has been led by increasing demand for Pakistani meat, dairy and animal products in regional and Middle Eastern markets, supported by the country's competitive cost structure, growing halal certification base and improving export infrastructure.

As Pakistan continues to target a greater share of the global livestock-based products market, particularly in halal segments, compliance with international standards of animal health, hygiene, and biosecurity has become increasingly critical. Export-oriented farms and meat processors are investing more in animal healthcare to maintain disease-free herds and meet global trade requirements established by organizations such as the World Organization for Animal Health (WOAH). These initiatives involve greater use of vaccines, antibiotics, and nutritional supplements to ensure animal health, product safety, and adherence to export certification standards. Key steps taken by the Government of Pakistan regarding the expansion of export markets in FY26 include the following[24]:

- Actively pursued the registration of slaughterhouses and dairy companies with international regulatory bodies (e.g., GACC for China) to increase exports of meat, dairy, and other animal-origin products.
- Facilitate the registration of new meat exporters with key trade partners, including Saudi Arabia, UAE, Iran, and Uzbekistan.
- Developed and submitted technical dossiers to potential new markets such as Russia, Malaysia, China, Oman, Vietnam, Hong Kong, and Singapore to ensure compliance with their import requirements.
- Successfully obtained sanitary equivalence with Azerbaijan for export of meat and dairy products.

3.13.6. Demand Driven by Eid-ul-Adha

The annual observance of Eid-ul-Adha represents a recurring and significant demand driver for the veterinary pharmaceutical industry in Pakistan. Each year millions of cattle, goats and sheep are reared specifically for sacrificial purposes, driving an increase in demand for healthy and well-maintained livestock. Farmers and traders engage in year-round animal health management, fattening and conditioning practices to meet market expectations for animal health, size and quality. This sustained activity supports steady consumption of veterinary medicines, including antibiotics, hormonal therapeutics, and nutritional supplements. As a result, the festival season supports higher sales of animal healthcare and nutritional products across the livestock value chain.

3.13.7. SELMORE's Backward Integration to diversify product mix

SELMORE is strategically expanding into the manufacturing of Active Pharmaceuticals Ingredients (APIs) for both human and veterinary formulations. This backward integration will enable the Company to diversify and expand its

[24] https://www.finance.gov.pk/survey/chapter_26/2_Agriculture.pdf

product portfolio which at present solely consists of formulation products for animals and establish a stronger presence across the pharmaceutical value chain.

The pharmaceutical industry in Pakistan is heavily reliant on imported APIs which account for 85% of the total local demand[25]. This presents a lucrative opportunity for SELMORE to address this gap and offer an import substitution solution which otherwise exposes local pharma players to supply chain vulnerabilities. The move is aligned with the steady growth of the pharmaceutical sector which is expected to fuel continuous demand for APIs, contributing positively to SELMORE's topline growth.

SELMORE is currently developing a state-of-the-art API manufacturing facility at the Quaid-e-Azam Business Park, Sheikhupura. The facility will produce APIs catering to both human and animal health segments and is designed to meet international quality and regulatory standards. The planned production capacities are as follows:

Sections	Capacity (Tonnes Per Annum)
Human General APIs	400
Veterinary General APIs	250
Cytotoxic APIs	50
Pelletized APIs	300
Lyophilized APIs	225
Total	**1,225**

**Source: Company*

3.14. VENDORS TO THE ISSUER

3.14.1. Raw Material & Packing Material – Local

a) Raw Material Vendors – Local

S.No.	Vendor Name	FY23		FY24		FY25		9MFY26	
		Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases
1	Saakh Pharma Pvt Ltd	31.91	19.81%	74.29	31.69%	114.57	38.18%	93.65	35.49%
2	Citi Pharma Lahore	87.72	54.45%	94.06	40.13%	89.31	29.77%	59.79	22.66%
3	Pharmagen (Pvt) Limited	0.91	0.56%	40.39	17.23%	29.92	9.97%	35.07	13.29%
4	Z.Pharm Traders	30.52	18.95%	6.80	2.90%	24.82	8.27%	28.09	10.64%
5	Al-Naseer Impex	-	0.00%	0.27	0.12%	13.11	4.37%	18.56	7.03%
6	AGH International	-	0.00%	2.48	1.06%	9.24	3.08%	4.92	1.86%
7	Brothers Enterprise (Pvt) Ltd.	-	0.00%	5.14	2.19%	3.35	1.12%	2.68	1.02%
8	Central Chemicals	2.94	1.83%	1.30	0.55%	1.23	0.41%	1.04	0.39%
9	Others	7.09	4.40%	9.68	4.13%	14.49	4.83%	20.08	7.61%
10	**Total Raw Material Purchases – Local**	**161.09**	**100.00%**	**234.41**	**100.00%**	**300.04**	**100.00%**	**263.88**	**100.00%**

**Source: Company*

b) Packing Material Vendors – Local

S.No.	Vendor Name	Country	FY23		FY24		FY25		9MFY26	
			Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases

[25] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Pharmaceuticals%20-%20July%2725_1751460891.pdf

1	Ready Pack	Pakistan	52.00	26.45%	72.87	26.62%	85.46	21.83%	75.50	21.76%
2	Ghani Glass Ltd	Pakistan	31.81	16.18%	34.53	12.61%	47.90	12.24%	41.83	12.05%
3	Bts Plastic Innovation	Pakistan	12.10	6.15%	19.40	7.09%	26.64	6.81%	21.52	6.20%
4	Al-Sheikh Gulf Printers & Packages	Pakistan	9.48	4.82%	24.28	8.87%	21.71	5.55%	14.52	4.18%
5	M.M Packages	Pakistan	9.23	4.69%	9.72	3.55%	15.87	4.05%	11.96	3.45%
6	Ghani Global Group	Pakistan	5.36	2.73%	4.87	1.78%	10.10	2.58%	10.98	3.16%
7	Bismillah Traders	Pakistan	58.96	29.99%	23.40	8.55%	13.19	3.37%	9.65	2.78%
8	Sprintech Packaging Pvt Ltd	Pakistan	6.96	3.54%	7.36	2.69%	7.90	2.02%	6.96	2.01%
9	Sicpa Inks (Pvt) Ltd.	Pakistan	2.80	1.42%	2.80	1.02%	4.97	1.27%	4.28	1.23%
10	Lucky Packaging Industries	Pakistan	1.42	0.72%	1.44	0.53%	1.54	0.39%	1.84	0.53%
11	Others	Pakistan	6.49	3.30%	73.11	26.70%	156.15	39.89%	147.99	42.64%
	Total Packing Material Purchases – Local		**196.61**	**100.00%**	**273.78**	**100.00%**	**391.43**	**100.00%**	**347.03**	**100.00%**

**Source: Company*

3.14.2. Raw Material & Packing Material – Imports

a) Raw Material Vendors – Imports

S.No.	Vendor Name	Country	FY23		FY24		FY25		9MFY26	
			Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases
1	Arshine Lifescience Co Limited	China	-	0.00%	32.64	2.55%	199.03	9.39%	339.06	15.47%
2	Liaoning Pharmaceutical Foreign Trade Corporation	China	155.37	10.09%	278.35	21.71%	287.54	13.57%	218.91	9.99%
3	Nanjing Kingway Pharmaceutical Co.ltd.	China	123.88	8.05%	31.14	2.43%	80.86	3.82%	117.76	5.37%
4	Palm Oleo (Klang) Sdn Bhd	Malaysia	122.03	7.93%	10.03	0.78%	60.54	2.86%	91.22	4.16%
5	Infoark International Co Limited	China	113.34	7.36%	136.51	10.65%	147.04	6.94%	83.57	3.81%
6	Hebei Veyong Pharmaceutical Co. Ltd	China	55.96	3.64%	89.91	7.01%	83.66	3.95%	75.68	3.45%
7	Ngl Fine Chem Limited	India	26.63	1.73%	17.68	1.38%	33.63	1.59%	51.55	2.35%
8	Shandong Guobang Pharmaceutical Co Ltd	China	28.24	1.83%	-	0.00%	88.58	4.18%	30.19	1.38%

9	Fipharm Co Limited	China	10.37	0.67%	32.30	2.52%	102.00	4.81%	29.72	1.36%
10	Kingphar Import and Export Co Limited	Hong Kong	36.70	2.38%	22.42	1.75%	56.73	2.68%	25.77	1.18%
11	Others		866.70	56.31%	631.40	49.24%	978.86	46.21%	1,127.68	51.47%
	Total Raw Material Purchases – Imports		**1,539.22**	**100.00%**	**1,282.38**	**100.00%**	**2,118.47**	**100.00%**	**2,191.11**	**100.00%**

**Source: Company*

b) Packing Material Vendors – Imports

S.No.	Vendor Name	Country	FY23		FY24		FY25		9MFY26	
			Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases	Purchases (PKR Mn)	% of Total Purchases
1	Jiangyin Sunshine Import and Export Co Ltd	China	47.80	39.73%	85.36	71.80%	63.54	57.91%	114.30	65.02%
2	Hefei Huixin International Trade Co Packing	China	-	0.00%	18.88	15.88%	10.57	9.63%	52.16	29.67%
3	Shijiazhuang Xinfuda Medical	China	17.10	14.21%	-	0.00%	19.34	17.63%	7.05	4.01%
4	Shandong Pharmaceutical Glass Co Ltd	China	21.20	17.62%	13.55	11.40%	15.32	13.96%	2.28	1.30%
5	Others		34.21	28.43%	1.10	0.93%	0.95	0.87%	-	0.00%
6	**Total Packing Material Purchases – Imports**		**120.31**	**100.00%**	**118.89**	**100.00%**	**109.72**	**100.00%**	**175.79**	**100.00%**

**Source: Company*

3.15. ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON BUSINESS OF THE ISSUER

SELMORE is in full compliance with regulations required to conduct the ordinary course of business. All requisites, NOCs (Non-Objection Certificate), consents & approvals of Government and regulatory bodies are met by the Company.

Certification ID / License No.	Issue Date	Date of Expiry	Certification Name	Issuing Authority	Details
DML No. 000507	16-Nov-2022	16-Nov-2027	License to Manufacture by the way of formulation.	Central Licensing Board, DRAP, GoP	This license authorizes the manufacture of drugs registered under the Drugs Act, 1976 at the Company's manufacturing facility located at 36-Km, Multan Road, Lahore
No. 36/2025-DRAP (AD-0708020469)	18-Feb-2025	08-Aug-2027	Certificate of Current Good Manufacturing Practices	DRAP, GoP	This certificate authorizes the Company to manufacture veterinary medicines and confirms compliance with current Good Manufacturing Practices (cGMP), including requirements relating to process controls,

					equipment and facility maintenance, and documentation, in accordance with the provisions of the Drugs Act, 1976.
Reference to DML No. 000507	02-Dec-2024	N/A	Approval for grant of additional sections	Central Licensing Board, DRAP, GoP	Approval granted by Central Licensing Board (CLB) for the establishment of Oral Liquid Section – II (New)
Reference to DML No. 000507	09-Dec-2024	N/A	Renewal of DML in reference to the production sections of SELMORE	Central Licensing Board, DRAP, GoP	Central Licensing Board (CLB) approved the renewal of the following sections: 1) Bolus (Veterinary) Section 2) Aerosol (Veterinary) Section 3) Oral Liquid I (Veterinary) Section 4) Oral Powder (Penicillin) (Veterinary) Section 5) Liquid Injection (Veterinary) Section (Steroid) 6) Oral Powder (Penicillin) (Veterinary) Section 7) Dry Powder for Injection (Penicillin) (Veterinary) Section 8) Liquid Injection (Penicillin) (Veterinary) Section 9) Liquid Injection (Hormone) (Veterinary) Section 10) Liquid Injectable (Cephalosporin) (Veterinary) Section 11) Dry Powder Injectable (Cephalosporin) (Veterinary) Section 12) Liquid Injectable Vial-I (General) (Veterinary) Section 13) Liquid Injectable Vial-II (General) (Veterinary) Section 14) External Liquid Preparation (Veterinary Section)

					15) External Powder Preparation (Veterinary) Section
PK 09/02463	16-July-2024	16-July-2027	ISO 9001:2015	SGS United Kingdom Ltd	This certification confirms that SELMORE's Quality Management System has been assessed and certified as conforming to the requirements of ISO 9001:2015 for the manufacturing, marketing, and sale of veterinary pharmaceutical products, including oral liquids, powders, and solid dosage forms by the way of formulation.
PK 09/01146	15-July-2024	15-July-2027	ISO 14001:2015	SGS United Kingdom Ltd	This certification confirms that SELMORE's Environmental Management System complies with the requirements of ISO 14001:2015 for activities relating to the manufacturing, marketing, and sale of veterinary pharmaceutical products in injectable, oral liquid, powder, and solid dosage forms by the way of formulation.

**Source: Company*

3.16. GROUP STRUCTURE OF THE ISSUER SHOWING SHAREHOLDING IN RELATIVE & ABSOLUTE TERMS

There are no other companies of the Issuer.

3.17. DETAILS REGARDING ASSOCIATED COMPANIES OF THE ISSUER

Name of Company	Country of Registration	Nature of Business	Listing Status	Nature of Relationship	Common Directors	Common Shareholders
Pharmasol (Private) Limited	Pakistan	Manufacturing and sale of pharmaceutical and allied products	Unlisted	Common Directorship & Shareholding	Mr. Akbar Ali, Mr. Aimal Akbar, Mr. Adil Akbar	Mr. Akbar Ali (53%), Mr. Aimal Akbar (17%), Mr. Adil Akbar (10%), Ms. Seerat Fatima (10%), Mrs. Shazia Akbar (10%)
PS Biotech (Private) Limited	Pakistan	Manufacturing and sale of medical equipment	Unlisted	Common Directorship & Shareholding	Mr. Akbar Ali, Mr. Aimal Akbar, Mr. Adil Akbar	Mr. Akbar Ali (33.34%), Mr. Adil Akbar (33.33%), Mr. Aimal Akbar (33.33%)
Farcef (Private) Limited	Pakistan	Manufacturing and sale of pharmaceutical and allied products	Unlisted	Common Directorship & Shareholding	Mr. Akbar Ali, Mr. Aimal Akbar, Mr. Adil Akbar	Mr. Akbar Ali (33.34%), Mr. Adil Akbar (33.33%), Mr.

						Aimal Akbar (33.33%)
Piyur Cosmetics (Private) Limited	Pakistan	Manufacturing and sale of cosmetic products	Unlisted	Common Directorship & Shareholding	Mr. Akbar Ali, Mr. Aimal Akbar, Mr. Adil Akbar	Mr. Akbar Ali (33.34%), Mr. Adil Akbar (33.33%), Mr. Aimal Akbar (33.33%)
Al-Razzaq Foundation	Pakistan	-	-	Common Directorship/ membership	Mr. Akbar Ali Mrs. Shazia Akbar Mr. Adil Akbar Mrs. Seerat Fatima Mr. Aimal Akbar	-

**Source: Company*

3.18. RELATED PARTY TRANSACTIONS

The related party transactions undertaken by SELMORE during the three financial years are provided here under. All transactions are carried out on an arm's length basis.

S.No.	Related Party	Basis of Relationship	Nature of Transaction	FY23	FY24	FY25
1	Mr. Akbar Ali	CEO**	Remuneration	4,800,000	5,280,000	5,808,000
			Advances Given (net)	92,860,912	-	24,412,771
2	Ms. Shazia Akbar	Directors	Remuneration	2,880,000	3,000,000	3,300,000
			Advances Given	-	500,000	(500,000)
3	Executives	Executives	Remuneration	65,326,800	79,380,000	70,510,800
4	Pharmasol (Pvt.) Limited	Common shareholding & Directorship	Net Receipts – Sale and Purchase of Excipients	14,852,887	10,613,304	33,925,017
			Long term loan	-	-	150,000,000

**Source: Company Financials*

***Pursuant to the Annual General Meeting held on 28 October 2025, Mr. Akbar Ali resigned as the Chief Executive Officer of the Company, and Mr. Aimal Akbar was appointed as the new Chief Executive Officer. Subsequently, Mr. Akbar Ali was appointed as the Chairman of the Company.*

3.19. PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER WHICH THE ISSUER HAS CONTROL ALONG WITH THE FOLLOWING INFORMATION.

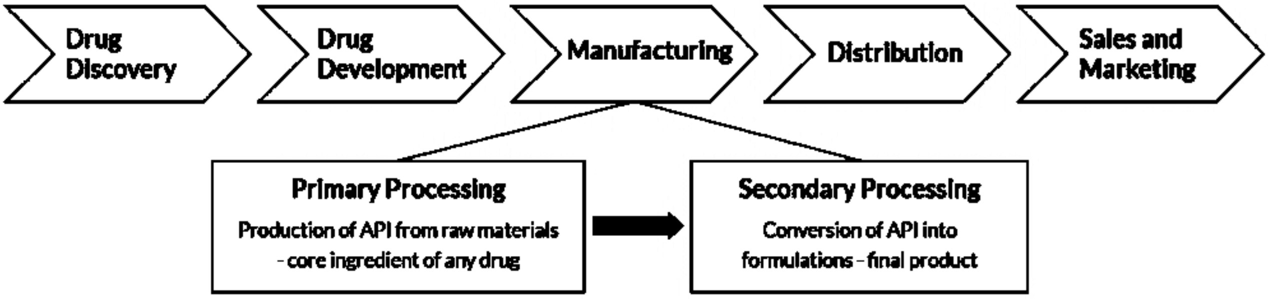
The Issuer, SELMORE, does not have any control over any associated listed Company.

3.20. INDUSTRY OVERVIEW

Pharmaceutical Industry Overview

The pharmaceutical industry is a critical sector with a profound impact on global public health. It plays a vital role in the healthcare system through the research, development, manufacturing, and marketing of medicines. As a high-technology and knowledge-intensive industry, it is structured into two tiers: large firms that dominate R&D spending and hold the majority of patents, and smaller firms that focus on producing off-patent products or operate under licensing agreements with patent holders[26]. The industry is heavily regulated worldwide. The typical supply chain followed world-wide is as:

[26] VIS – Pakistan Pharmaceuticals Sector Report – October 2023

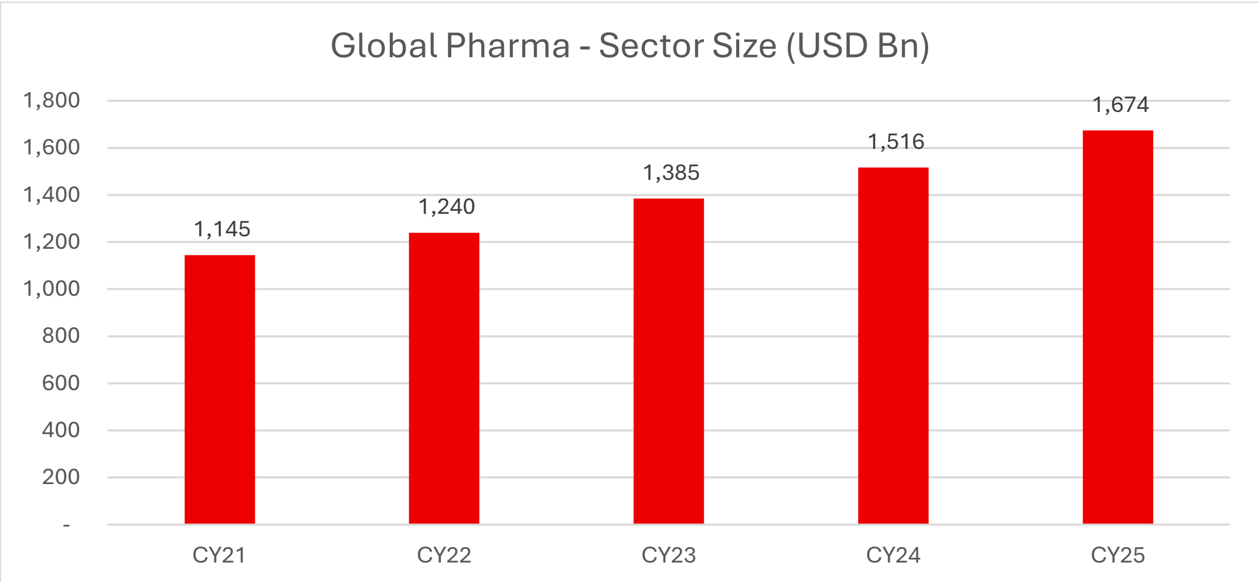


**Source: VIS – Pakistan Pharmaceuticals Sector Report – October 2023*

The pharmaceutical generic manufacturing process primarily involves the combination of two key components: the Active Pharmaceutical Ingredients (APIs), which provide the therapeutic effect, and the excipients, which act as inactive substances that support the formulation by aiding in stability, absorption, and overall drug delivery. The form and dosage of medicine (i.e. packaging) depend on the route of administration of drugs and range from tablets, capsules, solutions, syrups, powder to aerosols, ointments and creams[27].

Global Pharmaceutical Industry

In recent years, the global pharmaceutical industry has witnessed steady growth. In 2025, global revenue of the pharmaceutical sector was recorded at USD 1,674.0 Bn (CY24: USD 1,516 Bn), an increase of ~10.4% YoY, while exhibiting CAGR of ~9.9% during CY21-25[28]. According to a research report published by Spherical Insights & Consulting, the global pharmaceutical market is projected to increase from USD 1,746 Bn in 2025 to USD 3,528 Bn by 2035, reflecting a CAGR of 6.49% over the forecast period (2025–2035)[29]. North America remains the largest regional market in 2024, contributing approximately 45% of global pharmaceutical revenues, followed by Asia Pacific at 24% and Europe at 20%[30].



Source: Pacra – Sector Study Pharmaceutical-July2026

The growth of the pharmaceutical market is underpinned by several key factors, including a rising and aging global population, the increasing prevalence of chronic and infectious diseases, continuous advancements in drug discovery and development, and expanding access to medicines, particularly in emerging markets. Furthermore, the global

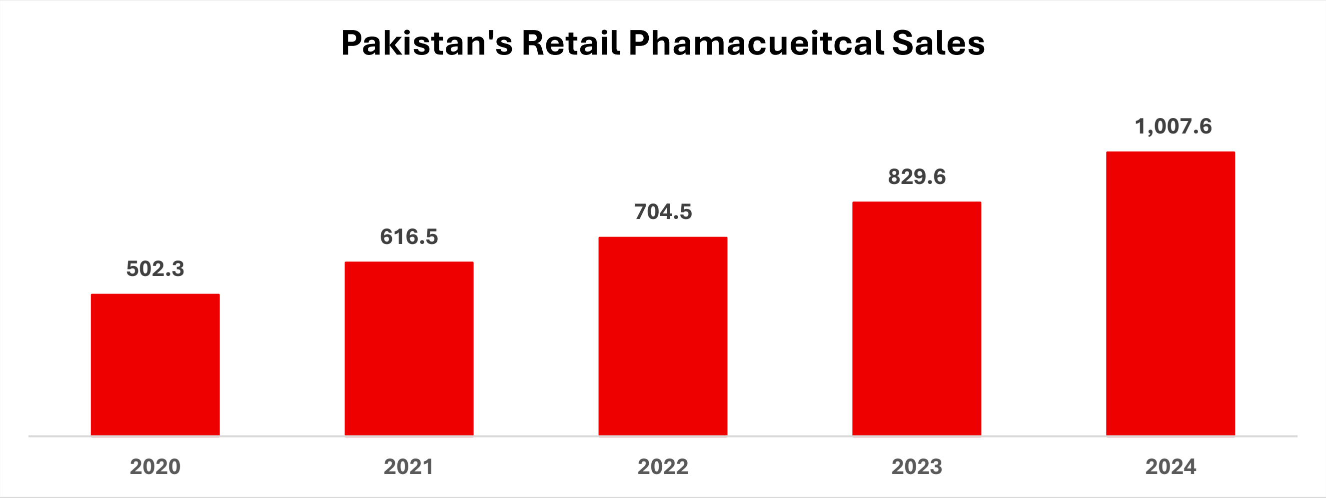
[27] VIS – Pakistan Pharmaceuticals Sector Report – October 2023
[28] https://pacra.com/view/storage/app/PACRA%20Research%20-%20Pharmaceuticals%20-%20July%2726_1782993494.pdf
[29] https://www.sphericalinsights.com/press-release/pharmaceutical-market
[30] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Pharmaceuticals%20-%20July%2725_1751460891.pdf

rise in government healthcare spending is providing strong support to industry expansion. In addition, breakthroughs in biologics, the integration of digital technologies and artificial intelligence, and the growing focus on personalized medicine are reshaping the future of the sector and driving long-term growth opportunities.

Like many globalized markets, the pharmaceutical industry is also concentrated among established players, with the Top 10 largest pharma firms by revenue representing more than one third (35.3%) of global revenue for 2024. These leading firms include Johnson & Johnson, F. Hoffmann-La Roche Ltd., Merck & Co., Pfizer Inc., AbbVie Inc., AstraZeneca, Novartis, Bristol Myers Squibb, Eli Lilly, and Sanofi[31].

Pakistan Pharmaceutical Industry

Pakistan's pharmaceutical sector has witnessed remarkable growth and evolution recently, focusing primarily on drug formulation rather than ground breaking innovation. Despite this formulation centric approach, the industry is dynamic and expanding rapidly to meet healthcare demands. In 2024, Pakistan's retail pharmaceutical market reached a landmark value of PKR 1,007.6 billion, up from PKR 829.6 billion in 2023, reflecting a robust year-on-year growth of 21.46%. Between 2021 and 2024, the sector registered a strong compounded annual growth rate (CAGR) of 19.01%[32]. It contributes approximately 1% to the GDP.



Locally manufactured pharmaceuticals, particularly generic drugs, dominate Pakistan's market, meeting around 70% of the country's demands.[33] The sector comprises more than 639 pharmaceutical formulation units, including 25 operated by multinational firms. The market structure is highly concentrated, with the top 10 companies holding 48.2% of the total market share[34].

The sector relies heavily on imports to meet the demand for essential raw materials i.e. Active Pharmaceutical Ingredients and excipient. A significant share of these APIs is sourced from countries such as China, India and Korea.

The pharmaceutical industry in Pakistan is strictly regulated under the Drugs Act, 1976. The Drug Regulatory Authority of Pakistan (DRAP), established through the DRAP Act, 2012, serves as the apex regulatory body, overseeing the implementation of the Drugs Act, 1976. Its mandate covers licensing, registration, advertising, import, export, and research activities related to pharmaceuticals in the country.

Global Active Pharmaceuticals Ingredients (APIs) Industry

Active Pharmaceutical Ingredients (APIs) are the core biologically active compounds in medicines that produce their intended therapeutic effects. They form the backbone of the global pharmaceutical supply chain, serving as the essential building blocks for drug development and large-scale manufacturing.

[31] https://www.sphericalinsights.com/press-release/pharmaceutical-market
[32] https://nukta.com/pakistans-retail-pharmaceutical-market-reaches-pkr-1-007-trillion-in-2024
[33] https://docs.vis.com.pk/docs/PakistanPharmaceuticalSectorReport-Oct-2023.pdf
[34] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Pharmaceuticals%20-%20July%2726_1782993494.pdf?utm_source=chatgpt.com

The global Active Pharmaceutical Ingredient (API) market was valued at USD 231.95 billion in 2025 and is expected to grow to USD 247.70 billion in 2026. By 2035, it is projected to reach USD 447.40 billion, reflecting a CAGR of 6.79% during 2026–2035[35].

With an aging global population and the rising prevalence of chronic and infectious diseases, demand for effective medicines continues to increase, making APIs critical to drug development. The expiry of patents for many branded drugs is further opening opportunities for generic API manufacturers, while the growing focus on personalized medicine is driving demand for specialized APIs tailored to customized treatments.

North America dominates the API market in terms of revenue, particularly for high-value and complex APIs. In contrast, the Asia-Pacific region (primarily China and India) commands the market in terms of production volume, especially for bulk and generic APIs. Collectively, China and India account for more than 70% of global generic API output[36].

Pakistan's Active Pharmaceutical Ingredients (APIs) Industry

Although Pakistan's pharmaceutical industry has grown rapidly, the local API sector is still at an early stage. While DRAP has issued 23 licenses for API production, only 7 companies are operational, collectively meeting just 15% of domestic demand. The remaining 85% is met through imports, leaving the industry heavily exposed to external supply shocks and creating a persistent dependency risk.[37]

The local API industry currently produces 16 key APIs, including widely used products such as paracetamol, ibuprofen, moxifloxacin, cefadroxil, azithromycin, and amoxicillin. Most manufacturers operate through semi-basic processes, using intermediates rather than engaging in full basic manufacturing. Currently, 39 APIs are licensed for production through basic manufacturing, and 117 APIs through semi-basic methods.[38]

China is the largest exporter of APIs to Pakistan, accounting for 68% of total imports in 2022, followed by India with 23%. On the domestic front, key API manufacturers include Pharmagen Limited, Citi Pharma Limited, and Saakh Pharma, among others.

The local API industry grapples with numerous challenges including regulatory hurdles, limited R&D capabilities, inadequate infrastructure, insufficient investment and the absence of international quality accreditations. To address these issues, DRAP introduced the "Promotion and Growth of API Industry" policy in March 2022. The policy outlined various incentives such as a reduction in customs duties on starting and intermediate materials, machinery for five years, levying of regulatory duties (antidumping duty), tariffs against the import of materials manufactured in Pakistan, financial incentives like soft loans, keeping 15% of export earnings and the establishment of API Mega Parks equipped with essential facilities. However, implementation has remained weak, with less than 20% of its objectives achieved thus far.[39]

Investment in the API sector is critical for strengthening Pakistan's self-reliance in pharmaceuticals and healthcare, contributing to price stability and reducing exposure to supply chain disruptions, such as those witnessed during COVID-19 and recent regional instabilities. Recent political tensions with India, a significant API supplier, have further underscored the need for Pakistan to enhance its API production capabilities. Additionally, local API manufacturing carries significant economic benefits including industrial development, job creation, import substitution and export potential.

India supplies about 20% of the world's generic drugs, but as it shifts towards high-value APIs, it leaves a gap that Pakistan can fill. At the same time, patents for high-value APIs worth around USD 380 billion will expire in 2025, creating a major market opportunity.[40] By developing its API industry, Pakistan can both reduce reliance on imports and tap into growing export prospects.

Global Veterinary Pharmaceutical Industry

The global veterinary pharmaceutical drug market was valued at USD 30.54 billion in 2025 and is expected to grow from USD 32.20 billion in 2026 to USD 53.05 billion by 2034, reflecting a CAGR of 6.44% over the forecast period[41]. Veterinary drugs are used to treat, prevent, or manage diseases in animals, and demand is rising steadily due to factors such as growing consumption of animal protein and animal-derived products, increased pet ownership, rising

[35] https://www.globalgrowthinsights.com/market-reports/active-pharmaceutical-ingredient-api-market-111986
[36] https://www.globalgrowthinsights.com/market-reports/active-pharmaceutical-ingredient-api-market-111986
[37] https://rasta.pide.org.pk/wp-content/uploads/05.061-Kazi-Afaq_Paper.pdf
[38] https://www.brecorder.com/news/40326495
[39] https://rasta.pide.org.pk/wp-content/uploads/05.061-Kazi-Afaq_Paper.pdf
[40] https://www.brecorder.com/news/40326495
[41] https://www.fortunebusinessinsights.com/industry-reports/veterinary-drugs-market-100171

prevalence of infectious animal diseases, and supportive regulatory and government initiatives promoting animal welfare.

The market is further supported by the presence of leading players such as Zoetis Services LLC, Elanco, and Virbac, whose strong R&D pipelines, strategic partnerships, and diverse product portfolios enhance market growth and innovation[42].

Regionally, North America and Europe dominate the market owing to advanced veterinary infrastructure, while Asia-Pacific is emerging as a high-growth region, fueled by rising investments in animal healthcare and increasing demand for high-quality animal products[43].

[42] https://www.fortunebusinessinsights.com/industry-reports/veterinary-drugs-market-100171
[43] https://www.fortunebusinessinsights.com/industry-reports/veterinary-drugs-market-100171

3A. SHARE CAPITAL AND RELATED MATTERS

3A(i). SHARE CAPITAL

The Current Share Capital for SELMORE is as follows:

Issued & Paid-Up Capital	No. of Shares	Face Value Per Share (PKR)	Total Face Value (PKR)	Premium Per Share (PKR)	Total (PKR)
Authorized Capital					
Ordinary Shares	145,000,000	10	1,450,000,000	-	1,450,000,000
Issued, Subscribed & Paid-Up Share Capital					
Ordinary Shares of PKR 10/- each fully paid	80,000,000	10	800,000,000	-	800,000,000
Total	**80,000,000**	**10**	**800,000,000**	**-**	**800,000,000**
Shares Held by Sponsors, Directors, CEO & Other Shareholders					
Mr. Akbar Ali	42,400,000	10	424,000,000	-	424,000,000
Mr. Aimal Akbar	13,600,000	10	136,000,000	-	136,000,000
Mr. Adil Akbar	8,000,000	10	80,000,000	-	80,000,000
Mrs. Seerat Fatima	8,000,000	10	80,000,000	-	80,000,000
Mrs. Shazia Akbar	7,999,992	10	79,999,920	-	79,999,920
Mrs. Nadia Ishtiaq	4	10	40	-	40
Mr. Ayaz Dawood	4	10	40	-	40
Total	**80,000,000**	**10**	**800,000,000**	-	**800,000,000**
New Issue of Ordinary Shares					
Allocations to institutions / Hight Net worth individual investors through book building process at Floor Price	36,458,334	10	364,583,340	32	1,531,250,028
General Public Portion	12,152,778	10	121,527,780	32	510,416,676
Total Issue Size	**48,611,112**	**10**	**486,111,120**	**32**	**2,041,666,704**
Total Paid Up Capital Post IPO					
Total Paid-Up Capital Post IPO	**128,611,112**	**10**	**1,286,111,120**	**-**	**1,286,111,120**

**Source: Company*

- *Mrs. Shazia Akbar is the spouse of Mr. Akbar Ali. Mr. Aimal Akbar and Mr. Adil Akbar are the sons of Mr. Akbar Ali and Mrs. Shazia Akbar, while Mrs. Seerat Fatima is their daughter.*

3A(ii). PATTERN OF SHAREHOLDING

SELMORE'S Pre-Issue and Post-Issue shareholding is provided hereunder:

Shareholders	Designation	Pre-Issue Shareholding		Post-Issue Shareholding	
		No. Of Shares	Shareholding (%)	No. Of Shares	Shareholding (%)
Sponsors & Directors:					
Mr. Akbar Ali	Chairman	42,400,000	53.00%	42,400,000	32.97%
Mr. Aimal Akbar	CEO/ Executive Director	13,600,000	17.00%	13,600,000	10.57%
Mr. Adil Akbar	Non-Executive Director	8,000,000	10.00%	8,000,000	6.22%
Mrs. Seerat Fatima	Non-Executive Director	8,000,000	10.00%	8,000,000	6.22%
Mrs. Shazia Akbar	Executive Director	7,999,992	10.00%	7,999,992	6.22%
Mrs. Nadia Ishtiaq	Independent Director	4	0.00%	4	0.00%
Mr. Ayaz Dawood	Independent Director	4	0.00%	4	0.00%
Total (A)		**80,000,000**	**100.00%**	**80,000,000**	**62.20%**
Public Offering (B)		**-**	**-**	**48,611,112**	**37.80%**
Total C=(A+B)		**80,000,000**	**100.00%**	**128,611,112**	**100.00%**

**Source: Company*

- *Mrs. Shazia Akbar is the spouse of Mr. Akbar Ali. Mr. Aimal Akbar, Mr. Adil Akbar, and Mrs. Seerat Fatima are their children.*

3A(iii). SPONSORS SHARES TO BE KEPT IN BLOCKED FORM

Sponsors	Pre-Issue Shareholding		Post-Issue Shareholding	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Mr. Akbar Ali	42,400,000	53.00%	42,400,000	32.97%
Mr. Aimal Akbar	13,600,000	17.00%	13,600,000	10.57%
Mr. Adil Akbar	8,000,000	10.00%	8,000,000	6.22%
Mrs. Seerat Fatima	8,000,000	10.00%	8,000,000	6.22%
Mrs. Shazia Akbar	7,999,992	10.00%	7,999,992	6.22%
Total	**79,999,992**	**100.00%**	**79,999,992**	**62.20%**

**Source: Company*

Note:

1. As per regulation 5(1) of the PO Regulations, the sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
2. As per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty-five percent of the post issue paid-up capital of the Company for not less than three financial years from the last date for the public subscription;
3. As per regulation 5(3) of the PO Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
4. As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of Regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations. Provided that a sale of at least 5% of the post issue paid up capital or PKR. 50 million, whichever is lower, shall constitute a block sale during the lock-in period.

3A(iv). PRESENT ISSUE

The Issue comprises of 48,611,112 Ordinary Shares of SELMORE of face value of PKR 10.00/- each, which constitutes 37.80% of the post-IPO paid-up capital of the Company.

Of the 48,611,112 ordinary shares, 75% (seventy-five percent) i.e. 36,458,334 Ordinary Shares will be offered through the book building process at a floor price of PKR 42.00/- per share with a price band of 50% above the floor price i.e. PKR 63.00/- per share.

The bidders shall be allowed to place bids for seventy-five percent (75%) of the offer size i.e. 36,458,334 Ordinary Shares, and the strike price shall be the price at which 75% of the offer is subscribed. Successful bidders will be allotted 75% of the issue size i.e. 36,458,334 Ordinary Shares, with the remaining 25% i.e. 12,152,778 being offered to retail investors at the strike price determined through the book building process. The retail portion shall be fully underwritten, with Dawood Equities Limited, Sherman Securities (Pvt) Limited and KTrade Securities Limited acting as the underwriters to the issue.

Provided that allocation to the retail portion shall be increased as follows, in case the retail portion is oversubscribed, and there shall be corresponding decrease in the allocation to book building investors:

Oversubscription of retail portion	Increase in allocation of retail portion
5 times but less than 10 times	5%
10 times and greater	10%

The proceeds from the IPO at Floor Price of PKR 42.00/- per share are expected to raise PKR 2,041,666,704/- however at the cap price of PKR 63.00/- per share the Company is expected to receive PKR 3,062,500,056/-.

3A(v). SHARES ISSUED IN PRECEDING YEARS

S.No.	No. of Shares Issued	Description	Consideration	Face Value (PKR)	Total Value (PKR)	Date of Issuance / Allotment
1	2,000	Initial Capital	Cash	100	200,000	08-Dec-1998
2	8,000	Right Issue	Cash	100	800,000	21-Mar-2000
3	40,000	Right Issue	Cash	100	4,000,000	10-Jan-2001
4	150,000	Right Issue	Cash	100	15,000,000	23-Apr-2009
5	50,000	Right Issue	Cash	100	5,000,000	30-Jun-2014
6	1,750,000	Bonus Shares	-	100	175,000,000	12-May-2022
Total	**2,000,000**	**-**	**-**	**100**	**200,000,000**	
7 (A)**	20,000,000	Share Split	-	10	200,000,000	14-Jan-2026
8 (B)	60,000,000	Bonus Shares	-	10	600,000,000	13-Aug-2026
Total (A+B)	**80,000,000**	**-**	**-**	**10**	**800,000,000**	

**Source: Company*

***Note: Subsequent to the above, Special Resolution was passed on 14th January 2026 for splitting of shares in a ratio of 1:10, reducing the Face Value from PKR 100 to PKR 10 in order to increase the number of Outstanding Shares of the Company and to enhance its liquidity upon listing.*

3A(vi). EMPLOYEE STOCK OPTION SCHEME

There is no Employee Stock Option Scheme in place by the Company.

3A(vii). RELATED EMPLOYEES

a) Related Employees of the Company, **Selmore Pharmaceuticals Limited** are as follows:

S.No.	Name	Designation
1	Mr. Aimal Akbar	Chief Executive Officer
2	Mr. Imran Faiz	Chief Financial Officer
3	Umair Bin Zekreya	Company Secretary
4	Muhammad Sajjad	Chief Operating Officer
5	Riaz Hussain	General Manager – Plant

**Source: Company*

b) Related Employees of the Consultant to Issue, **KTrade Securities Limited** are as follows:

S. No.	Name	Designation
1	Mr. Mahmood Ali Shah Bukhari	Chief Executive Officer
2	Mr. Omar Salah Ahmed	Managing Director, Corporate Finance
3	Muzaffer Iqbal	Chief Financial Officer
4	Mr. Sheikh Zia ur Rehman	Executive Director Equity Sales
5	Mr. Fawad Basir	Head of Research
6	Ahmad Lakhani	Vice President, Corporate Finance
7	Mr. Danish Deedar Ali	Assistant Vice President, Corporate Finance
8	Mr. Syed Mustafa Kamal	Senior Analyst, Corporate Finance
9	Mr. Zain Mevawalla	Analyst, Corporate Finance

**Source: KTrade*

c) Related Employees of the **Underwriters** are as follows:

S. No.	Name	Designation
Dawood Equities Limited		
1	Mr. Abdul Aziz Habib	Chief Executive Officer
2	Mr. Salman Yaqoob	Chief Financial Officer
3	Mr. Nabeel Arif	Chief Operating Officer
Sherman Securities (Pvt) Limited		
1	Mr. Muhammad Samin	Chief Executive Officer
2	Mr. Muhammad Umair Ansari	Chief Financial Officer
3	Mr. Muhammad Saad	Chief Operating Officer
KTrade Securities Limited		
1	Mr. Mahmood Ali Shah Bukhari	Chief Executive Officer
2	Mr. Omar Salah Ahmed	Managing Director, Corporate Finance
3	Muzaffer Iqbal	Chief Financial Officer
4	Mr. Sheikh Zia ur Rehman	Executive Director Equity Sales
5	Mr. Fawad Basir	Head of Research
6	Ahmad Lakhani	Vice President, Corporate Finance
7	Mr. Danish Deedar Ali	Assistant Vice President, Corporate Finance
8	Mr. Syed Mustafa Kamal	Senior Analyst, Corporate Finance
9	Mr. Zain Mevawalla	Analyst, Corporate Finance

UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION

E-STAMP

ATTESTED

UNDERTAKING

Date: August 20th, 2026

We, (i) Akbar Ali bearing CNIC No. 35202-2477885-9 resident of House No. 89, Block A, PCSIR Society Phase 1, Lahore, (ii) Aimal Akbar bearing CNIC No. 35202-5468375-3, resident of House No. 89, Block A, PCSIR Society Phase 1, Lahore, (iii) Adil Akbar bearing CNIC No. 35202-5469325-3 resident of House No. 89, Block A, PCSIR Society Phase 1, Lahore, (iv) Shazia Akbar bearing CNIC No. 35202-4349704-4, resident of House No. 89, Block A, PCSIR Society Phase 1, Lahore, (v) Seerat Fatima bearing CNIC No. 35202-8517243-4 resident of House No. 89, Block A, PCSIR Society Phase 1, Lahore (the "**Sponsors**"), being the Sponsors of Selmore Pharmaceuticals Limited (the "**Company**"), hereby undertake as follows:

1. That we are the sponsors and majority shareholders/owners of the shares of Selmore Pharmaceuticals Limited (the "**Issuer**").
2. That the IPO Proceeds of Selmore Pharmaceuticals Limited shall be utilized as per the purpose disclosed in the Prospectus.

Akbar Ali
Sponsor/ Chairman

Aimal Akbar
Sponsor/ CEO

Adil Akbar
Sponsor/ Non-Executive Director

Shazia Akbar
Sponsor/ Executive Director

Seerat Fatima
Sponsor/ Non-Executive Director

4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENT

4.1. PRINCIPAL PURPOSE OF THE ISSUE

The primary purpose of the Issue is to finance two strategic projects (i) the development of a new veterinary formulation manufacturing facility, and (ii) the establishment of its first Active Pharmaceutical Ingredient (API) manufacturing plant.

The aggregate cost of both projects is estimated at PKR 4,410.94 million and is expected to be financed through a combination of internal cash generation, proceeds from the Initial Public Offering (IPO), and bank borrowings.

The Company intends to raise PKR 2,041,666,704 through an Initial Public Offering (IPO) at a floor price of PKR 42.00 per share. The IPO proceeds will approximately fund 46.29% of the total project cost.

Project	Project Cost (PKR)	Percentage – Total Project Cost (%)
Veterinary Formulation Manufacturing Facility	2,445,990,572	55.45%
API Manufacturing Facility	1,964,944,627	44.55%
Total Project Cost	**4,410,935,199**	**100.00%**

<u>Veterinary Formulation Plant:</u>

Selmore Pharmaceuticals Limited is undertaking the establishment of a new state-of-the-art veterinary formulation manufacturing facility at Quaid-e-Azam Business Park, Sheikhupura as part of its long-term strategic expansion and modernization plan.

The proposed facility will replace the Company's existing formulation plant by relocating manufacturing operations to a new facility equipped with modern production equipment, advanced machinery, and state-of-the-art manufacturing systems, enabling the Company to meet evolving international standards, regulatory requirements, and operational needs. The existing facility is proposed to be retained and utilized exclusively for the manufacturing of cephalosporin products. The new formulation facility is expected to come online by the fourth quarter of FY28.

The key objectives and benefits of the new formulation facility are as follows:

- The Central Licensing Board (CLB) of the Drug Regulatory Authority of Pakistan (DRAP), in its 296th meeting held on 2 April 2024 and 298th meeting held on 26 July 2024, mandated that the manufacturing, processing, and packaging of penicillin and cephalosporin products must be carried out in segregated and dedicated facilities separate from those used for the production of other pharmaceutical products.

  As per the guidelines of CLB, a separate manufacturing facility is a design that has, separate manufacturing area from the main plant for manufacturing of other products, separate HVAC System, Separate Equipment, Separate Workforce, Separate Laundry, Separate Canteen and Separate Washrooms.

  The Company's existing manufacturing facility currently houses penicillin, cephalosporin, and other product manufacturing operations within the same premises. In order to comply with the directives of the CLB, the Company intends to establish a new manufacturing facility comprising a dedicated building for the production of penicillin products and a separate building for the production of non-penicillin and non-cephalosporin products, along with the requisite supporting infrastructure. The existing facility is proposed to be retained and utilized exclusively for the manufacturing of cephalosporin products.

- This new facility will enhance the manufacturing capacity and operational efficiency through the adoption of advanced automation, modern manufacturing technologies, and optimized production processes. The proposed facility is expected to significantly reduce end-to-end batch manufacturing cycle times through increased automation, continuous process flow, and reduced manual handling. Furthermore, the facility will substantially expand production capacity, enabling the Company to cater to growing demand in the domestic market while supporting future export growth and international expansion initiatives.

- Following comprehensive Good Manufacturing Practices (GMP) discussions conducted with internationally recognized GMP consultants, Quality Compliance Company, Riyadh, Kingdom of Saudi Arabia, several recommendations were made concerning major plant modifications, infrastructure enhancements, and installation of advanced manufacturing equipment to ensure compliance with international GMP standards.

After conducting detailed technical and financial feasibility assessments, the management determined that establishing a completely new facility would be more practical, efficient, and strategically advantageous than upgrading the existing premises. Consequently, the company decided to develop a modern pharmaceutical manufacturing unit from the ground up within the approved industrial zone of Quaid-e-Azam Business Park.

The new facility is being designed and constructed in accordance with internationally recognized regulatory standards and guidelines, including PIC/S, EU GMP, US FDA, and SFDA requirements. This strategic investment will significantly strengthen the company's regulatory compliance framework and enhance its capability to access and expand into highly regulated international markets, including the United States, Europe, MENA, and ASEAN regions, with minimal regulatory barriers.

- As the proposed formulation manufacturing facility will be established within a Special Economic Zone (SEZ), the Company is expected to avail the incentives offered under the SEZ regime, including exemption from all taxes on income for a period of ten (10) years commencing from the date of commercial operations or until June 30, 2025, whichever is earlier.

<u>API Manufacturing Plant:</u>

As part of its long-term growth strategy and backward integration initiatives, Selmore Pharmaceuticals Limited is planning to establish a state-of-the-art Active Pharmaceutical Ingredients ("API") manufacturing facility for both veterinary and human pharmaceutical products.

The proposed project is aimed at reducing reliance on imported APIs while supporting the Company's internal requirements as well as demand from local and export markets. The facility will include dedicated manufacturing sections for:

- Human General Category APIs;
- Veterinary APIs;
- Cytotoxic APIs;
- Pelletized APIs; and
- Lyophilized APIs.

The proposed API facility is expected to be among the first manufacturing facilities in Pakistan dedicated to veterinary and cytotoxic APIs. The plant is planned to manufacture a diversified range of pharmaceutical ingredients for antibiotics, NSAIDs, proton pump inhibitors (PPIs), antivirals, and cardiovascular products for human and veterinary use. API facility is expected to come online by 1st Quarter FY28.

Similar to the New Formulation Plant, the API Plant is being established within a Special Economic Zone (SEZ). Accordingly, the Company is expected to avail the incentives offered under the SEZ regime, including exemption from all taxes on income for a period of ten (10) years commencing from the date of commercial operations or until June 30, 2025, whichever is earlier.

4.2. PROJECT COST AND SOURCES OF FUNDING

A detailed breakdown of the estimated project cost for both Veterinary Formulation Manufacturing Facility and the Active Pharmaceutical Ingredients (API) Manufacturing Facility, together with the corresponding financing plan, is presented below:

Particular	Amount (PKR)	Source of Funding (PKR)			Status	Cost Incurred* (PKR)	Remaining Cost (PKR)
		Internal Cashflows	Bank Loan	IPO Proceeds			
Veterinary Formulation Manufacturing Facility							
Land**	300,000,000	300,000,000	-	-	In the process of acquisition	90,000,000	210,000,000
Building & Civil Works	591,895,330	-	-	591,895,330	To be initiated post IPO.	-	591,895,330

Production Plant & Machinery	741,512,810	-	-	741,512,810	Order to be placed post IPO	-	741,512,810
QC Equipment & Microbiology Laboratory Equipment	174,429,101	-	-	174,429,101	Order to be placed post IPO	-	174,429,101
Electrical, Mechanical & HVAC Installation	627,953,331	267,343,868	-	360,609,463	To be initiated post IPO	-	627,953,331
Furniture & Fixtures	10,200,000	10,200,000	-	-	Order to be placed post completion of building & civil works	-	10,200,000
Total Formulation Facility - Cost (A)	**2,445,990,572**	**577,543,868**	**-**	**1,868,446,704**		**90,000,000**	**2,355,990,572**
Active Pharmaceutical Ingredients (API) Manufacturing Facility							
Land***	106,500,000	106,500,000	-	-	Acquired	106,500,000	-
Building & Civil Works****	557,835,025	247,835,025	310,000,000	-	Work in progress	259,163,484	298,671,541
Plant & Machinery*****	786,015,973	-	786,015,973	-	Orders have been placed and the corresponding Letters of Credit (LCs) have been established.	169,774,672	616,241,301
Freight Inland, Handling & Other Misc. Charges – Plant & Machinery	15,000,000	15,000,000	-	-	Remaining cost to be incurred upon arrival of the plant and machinery	2,788,606	12,211,394
Designing & Consultancy charges	20,000,000	20,000,000	-	-	Work in progress	10,000,000	10,000,000
Electrical, mechanical & HVAC Installations	472,093,629	298,873,629	-	173,220,000	Work in progress	37,435,421	434,658,208
Furniture & Fixtures	7,500,000	7,500,000	-	-	Order to be placed post completion of building & civil works	-	7,500,000
API Facility – Cost (B)	**1,964,944,627**	**695,708,654**	**1,096,015,973**	**173,220,000**		**585,662,183**	**1,379,282,444**
Total Project Cost (A+B)	**4,410,935,199**	**1,273,252,522**	**1,096,015,973**	**2,041,666,704**		**675,662,183**	**3,735,273,016**
Percentage of Total Project Cost	**100.00%**	**28.87%**	**24.85%**	**46.29%**		**15.32%**	**84.68%**

**As at 31st March 2026.*

***Land for the proposed formulation facility has been provisionally allotted to Selmore Pharmaceuticals Limited through Letter No. PIE/QABPSEZ/1635 dated 27 August 2025, issued by Punjab Industrial Estates Development and Management Company (PIEDMC). As of June 02, 2026, the Company has paid PKR 180 million towards the purchase consideration in installments, while the remaining PKR 120 million is expected to be paid by Aug, 2027 in five equal payments of PKR 24 Mn.*

****The land designated for the API facility has been fully paid. Possession Letter has been received from PIEDMC on 24th November 2023.*

*****Building and civil works of the API facility is partially funded through bank financing for which the Company has obtained term financing of PKR 150 million from Meezan Bank Limited and PKR 160 million from Bank Alfalah Limited.*

******The Company has established Letters of Credit (LCs) through Meezan Bank Limited amounting to PKR 556.95 Mn and Bank Alfalah Limited amounting to PKR 229.07 Mn for the procurement of plant and machinery for API facility. The advance payment amounting to PKR 150.38 and PKR 18.65 has been paid through a loan from Meezan Bank Limited and Bank Alfalah Limited, respectively. The balance amount of the Letter of Credit (LC) for the respective banks will be converted into long term financing facilities upon the arrival and delivery of the plant and machinery.*

Note: These costs are based on management's best estimate using market research & past experience and quotations provided by third party vendors. As of yet the Company has not executed any agreement for the above utilization of veterinary formulation facility and the cost may vary at the time of placing order while the order for the plant and machinery of API facility has been placed. Any cost overruns for both the project shall be borne by the Company's internal cashflows.

4.3. ADDITIONAL DISCLOSURES RELATING TO THE PURPOSE OF THE ISSUE

4.3.1. Building and Civil Works – Veterinary Formulation Facility

Particular	Total Cost (PKR)	Contractor	Expected Start Date (FY)	Expected Completion Date (FY)
Land Development & Infrastructure				
Land Developments & Roads (Leveling, Compaction, Asphalt/Concrete, Tuff Paver)	36,815,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Boundary Wall Construction (Perimeter brickwork/RCC Structure)	15,000,000	To be finalized in due course	Quarter 2, 2027	Quarter 3, 2027
Main Gate Installation (Heavy Duty Commercial/Motorized Gate)	1,080,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Sub-Total (A)	**52,895,000**			
Building Works				
Structural Works (Excavation, foundation, RCC framing, brickwork)	271,676,330	To be finalized in due course	Quarter 2, 2027	Quarter 4, 2027
Finishing Works (Plastering, flooring, painting, false ceiling)	152,817,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Epoxy (Floor, Walls, Ceiling)	77,532,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
MS Stairs & SS Structure work	5,400,000	To be finalized in due course	Quarter 4, 2027	Quarter 4, 2027
SS Doors	13,900,000	To be finalized in due course	Quarter 4, 2027	Quarter 4, 2027
Sub-Total (B)	**521,325,330**			
Piping & Drainage Utilities				
Water Supply System (Underground/OH Tanks, Pumps, Distribution mains)	7,100,000	To be finalized in due course	Quarter 4, 2027	Quarter 4, 2027
Sewerage System (Gravity Lines, Manholes, QABP Connection)	4,710,000	To be finalized in due course	Quarter 4, 2027	Quarter 4, 2027
Stormwater Drainage System (Catch Pits, Peripheral Drains)	2,700,000	To be finalized in due course	Quarter 4, 2027	Quarter 4, 2027
Chemical Drainage System (Acid/Alkali Resistant HDPE Lines)	3,165,000	To be finalized in due course	Quarter 4, 2027	Quarter 4, 2027
Sub-Total (C)	**17,675,000**			
Total – Civil Works (Building) (A+B+C)	**591,895,330**			

**Source: Company*

4.3.2. Production Plant & Machinery – Veterinary Formulation

Name of Production Section	Qty	Imported Machinery Cost** (PKR)	Local Machinery Cost (PKR)	Total Machinery Cost (PKR)	Vendor Name	Type	Country of Origin of machinery	Expected Order Placement Date (FY)	Expected Date of Completion (FY)	Expected Useful Life (Years)
General Injection Autoclave	02	95,767,200	-	95,767,200	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
General Injection	01	34,299,600	-	34,299,600	To be finalize	New	China	Quarter 1, 2028	Quarter 2, 2028	10

Non-Autoclave					d in due course					
Injection Steroid	01	15,734,800	500,000	16,234,800	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
General Oral Liquid	02	34,809,000	-	34,809,000	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
General Oral Powder	02	19,017,600	-	19,017,600	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
External Liquid	01	13,801,910	442,000	14,243,910	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
External Powder	01	16,725,300	680,000	17,405,300	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Liquid Injectable Penicillin	01	34,299,600	-	34,299,600	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Powder Injectable Penicillin	01	19,159,100	820,000	19,979,100	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Oral Powder Penicillin	01	12,819,900	667,000	13,486,900	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Liquid Injectable Hormones	01	30,394,200	702,000	31,096,200	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Bolus	01	8,490,000	1,360,000	9,850,000	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Aerosol	01	5,433,600	290,000	5,723,600	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Clean Room Sandwich Panels Partitions with Grills and Diffusers	01	395,300,000	-	395,300,000	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
QC Equipment & Microbiology Laboratory Equipment	02	174,429,101	-	174,429,101	To be finalized in due course	New	China	Quarter 1, 2028	Quarter 2, 2028	10
Total	**19**	**910,480,911**	**5,461,000**	**915,941,911**						

**Source: Company*

***USD to PKR conversion rate has been assumed at PKR 283 per USD.*

**** As the API facility will be located in an SEZ, all imported machinery and equipment will be eligible for a one-time exemption from customs duties and taxes.*

4.3.3. Electrical, Mechanical & HVAC Installation - Veterinary Formulation Plant

Description	Total Cost (PKR)	Contractor	Expected Start Date (FY)	Expected End Date (FY)

Mechanical Installation				
Fire Protection Systems				
Fire Detection System Buildings (Smoke/heat detectors, addressable panel)	17,625,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Fire Fighting Work External (Hydrant ring main, hose reels, pumps)	14,085,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Sub-Total (A)	**31,710,000**			
Industrial Gases & Air Supply				
Compressed Air Supply (Compressors, dryers, receivers, GI/Al piping)	5,230,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Nitrogen Supply (Tank manifold, high-pressure SS piping)	1,685,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Vacuum System (Central vacuum pumps, filtration, network)	3,963,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Sub-Total (B)	**10,878,000**			
Thermal & Water Process Utilities				
Steam Service (Boiler setup, steam headers, insulated CS piping)	21,085,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
RO Water Supply Plant (Treatment plant, storage, SS316L loop)	14,335,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Tap Water System	5,145,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Sub-Total (C)	40,565,000			
Total - Mechanical Installation (A+B+C) = D	**83,153,000**			
Electric Installation				
High Voltage (H.T.) & Power Generation				
H.T. Industrial Metering Type WAPDA (Utility coordination & connection)	7,168,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Main Panel H.T. (Vacuum Circuit Breakers / SF6 switches)	11,142,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Transformer Installation (4 Nos Pad Mounted-type)	20,914,000	To be finalized in due course	Quarter 2, 2028	Quarter 2, 2028
Generator 500kva New (Soundproof canopy, AMF/ATS panel)	12,228,000	To be finalized in due course	Quarter 2, 2028	Quarter 2, 2028
Solar Complete System 400 Kva (Inverters, Tier-1 panels, mounting)	44,527,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Sub-Total (E)	**95,979,000**			
Low Voltage (L.T.) Distribution Panels				
Main Panel L.T. (Air Circuit Breakers / Main distribution MCCBs)	14,083,000	To be finalized in due course	Quarter 2, 2028	Quarter 2, 2028
Building Panels for Equipment (Production line machinery DBs)	15,938,000	To be finalized in due course	Quarter 2, 2028	Quarter 3, 2028
Electrical Panels for Services (HVAC, pumps, fire system panels)	16,697,000	To be finalized in due course	Quarter 2, 2028	Quarter 2, 2028
Panels for S.P. Load Only (Clean power single-phase DBs for IT/Servers)	2,192,000	To be finalized in due course	Quarter 2, 2028	Quarter 2, 2028
Sub-Total (F)	**48,910,000**			
Cable Infrastructure				
Cable Trays and Ladders (Perforated/ladder type with covers)	5,481,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Cables All Sizes Power Only (Heavy duty XLPE/PVC)	47,225,331	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Cables Lightning Load Only (Dedicated lighting network wiring)	19,818,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Sub-Total (G)	**72,524,331**			
Fixtures & Extra Low Voltage (ELV) Systems				
Switches and Sockets (Industrial plugs & standard switchboards)	1,315,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Lights Flame Proof (For hazardous/chemical zones internal)	2,867,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Lights Standard Internal (LED fixtures for offices/general)	5,481,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028

CCTV System (IP cameras, NVR, monitoring station, storage)	5,734,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
External Lightning Protection (Arrestor, grounding pits, conductors)	2,108,000	To be finalized in due course	Quarter 2, 2028	Quarter 2, 2028
Public Addressable (Speakers, Microphones)	1,686,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Sub-Total (H)	19,191,000			
Total – Electric Installation (E+F+G+H) = I	**236,604,331**			
HVAC Installation				
AHU & chilled water system including chillers	136,415,000	To be finalized in due course	Quarter 4, 2027	Quarter 1, 2028
Ventilation & Fresh Air Systems (Exhaust, intake filtration)	3,794,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Dehumidifier	31,877,000	To be finalized in due course	Quarter 1, 2028	Quarter 2, 2028
Addition filtration system for 9 Injectable Sections	101,198,000	To be finalized in due course	Quarter 2, 2028	Quarter 3, 2028
Total – HVAC Installation (J)	**273,284,000**			
Miscellaneous & Additional Works				
Additional stainless-steel works & others (Handrails, cladding, gratings)	7,589,000	To be finalized in due course	Quarter 1, 2028	Quarter 1, 2028
Elevators (Cargo and passenger elevators) 6 Nos	27,323,000	To be finalized in due course	Quarter 2, 2028	Quarter 3, 2028
Total - Misc. & Additional works (K)	**34,912,000**			
Grand Total – Electrical, Mechanical & HVAC Installation (D+I+J+K)	**627,953,331**			

**Source: Company*

4.3.4. Electrical & HVAC Installation – API Facility

Description	Total Cost (PKR)	Contractor	Expected Start Date (FY)	Expected End Date (FY)
Total Fire Detection System	19,817,243	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Fire Fighting Work External	13,488,121	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Compressed Air Supply	5,498,626	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Nitrogen Supply	1,479,231	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Hot Water Service	8,812,581	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Steam Service	21,684,989	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Chilled Water Supply	19,751,764	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Chilled Brine Supply	19,483,237	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
RO Water Supply	14,130,412	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Tap Water	3,934,486	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Vacuum	3,467,968	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Stainless-steel Doors	10,324,831	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Air Conditioners	3,168,680	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Electrical Works			Quarter 3, 2026	Quarter 3, 2027
Main Panel H.T.	12,240,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Main Panel L.T.	12,920,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Human Block – A	4,500,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Veterinary Block – B	4,000,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
R&D Laboratory – C	500,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Engineering Services Block – D	3,500,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
RO Plant Block – E	100,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Cytotoxic Block – F	2,500,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Amenities Block – G (1)	150,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Amenities Block – G (2)	150,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Solvent Recovery Block – H	635,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Ceph Block	5,000,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Pellets Block	4,500,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Transformer	6,528,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Cables all Sizes Power Only	54,400,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Cables Lightning Load Only	13,600,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Switches & Sockets	1,360,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Lights Flame Proof and Others	10,880,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Pannels for S.P Load Only	816,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027

Cable Trays	4,760,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Generator 500 KVA New	12,000,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Solar Complete System 400 KVA	34,243,800	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
CCTV	6,120,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
External Lighting	2,448,660	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
HVAC	129,200,000	Infitech (Pvt.) Ltd	Quarter 3, 2026	Quarter 3, 2027
Total	**472,093,629**			

**Source: Company*

4.4. IMPLEMENTATION SCHEDULE

Particulars	FY24 Actual (PKR)	FY25 Actual (PKR)	FY26 Estimated (PKR)	FY27 Estimated (PKR)	FY28 Estimated (PKR)	Total Estimated (PKR)	Expected Start Date (FY)	Expected End Date (FY)
Veterinary Formulation Manufacturing Facility								
Land	-	90,000,000	90,000,000	96,000,000	24,000,000	300,000,000	Quarter 4, 2025	Quarter 1, 2028
Building & Civil Works	-	-	-	392,817,379	199,077,951	591,895,330	Quarter 2, 2027	Quarter 2, 2028
Production Plant & Machinery	-	-	-	-	741,512,810	741,512,810	Quarter 1, 2028	Quarter 2, 2028
QC Equipment & Microbiology Laboratory Equipment	-	-	-	-	174,429,101	174,429,101	Quarter 1, 2028	Quarter 2, 2028
Electrical, Mechanical & HVAC Installation	-	-	-	115,263,947	512,689,384	627,953,331	Quarter 4, 2027	Quarter 3, 2028
Furniture & Fixtures	-	-	-	-	10,200,000	10,200,000	Quarter 2, 2028	Quarter 2, 2028
Total Formulation Facility - Cost (A)	**-**	**90,000,000**	**90,000,000**	**604,081,326**	**1,661,909,246**	**2,445,990,572**		
API Manufacturing Facility								
Land	106,500,000	-	-	-	-	106,500,000	Quarter 1, 2024	Quarter 4, 2024
Building & Civil Works	392,400	5,260,421	462,131,298	90,050,906	-	557,835,025	Quarter 4, 2024	Quarter 1, 2027
Plant & Machinery	-	-	169,774,672	616,241,301	-	801,015,973	Quarter 2, 2026	Quarter 1, 2027
Freight Inland, Handling & Other Misc. Charges – Plant & Machinery	-	-	2,788,606	12,211,394	-	-	Quarter 2, 2026	Quarter 1, 2027
Designing & Consultancy charges	10,000,000	-	-	10,000,000	-	20,000,000	Quarter 3, 2024	Quarter 1, 2027
Electrical, mechanical & HVAC Installations	-	-	111,495,421	360,598,208	-	472,093,629	Quarter 3, 2026	Quarter 3, 2027
Furniture & Fixtures	-	-		7,500,000	-	7,500,000	Quarter 2, 2027	Quarter 2, 2027
Total API Facility – Cost	**116,892,400**	**5,260,421**	**746,189,997**	**1,096,601,809**	-	**1,964,944,627**		
Grand Total	**116,892,400**	**95,260,421**	**836,189,997**	**1,700,683,135**	**1,661,909,246**	**4,410,935,199**		

**Source: Company*

4.5. UTILIZATION OF EXCESS IPO FUNDS

If the strike price is set above the Floor Price of PKR 42.00/- per share, any additional funds raised will be utilized for the following purposes, depending on the prevailing market conditions, interest rates and Company's operational requirements:

- To meet working capital requirements for newly established API manufacturing facility.
- To meeting working capital requirements for veterinary formulation manufacturing facility.
- To repay the bank loans availed for the construction of API manufacturing facility.

4.6. POST ISSUE MATTERS (REPORTING & EXIT OPPORTUNITY)

i. Post Issuance Reporting Requirements as per Regulation 16 Of PO Regulations

Upon completion of the public offer the issuer, Selmore Pharmaceuticals Limited shall:

a) Report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly/half-yearly and annual accounts (till the fulfilment of the commitments mentioned in the prospectus).
b) Submit a half yearly progress report and annual progress report reviewed by the auditor providing the status of the commitments mentioned in the prospectus to PSX till the fulfillment of the commitments mentioned in the prospectus as per the format given in regulation 16 of the PO Regulations.
c) Submit a final report reviewed by the auditor after the fulfillment of the commitments given in the prospectus.

ii. Exit Opportunity Mechanism as per Regulation 16(a) of PO Regulations

a) The Issuer shall not, at any time change the principal purpose of the issue as disclosed in the Prospectus.
b) In exceptional circumstances, the issuer may change the principal purpose of the issue subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in principal purpose of the issue as disclosed in the Prospectus.
c) Offering an exit opportunity shall also be mandatory where the principal purpose of issue was undertaken and thereafter funds were diverted to other purposes, which resulted in noncompletion of principal purpose of issue in a timely manner as disclosed in the prospectus.
d) The mechanism for an exit offer opportunity shall be as under:
   i. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act, 2017.
   ii. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
      1. Intrinsic value based on the latest available audited accounts;
      2. Weighted average closing price for last six preceding months
      3. offer price at which the shares were subscribed through IPO

The exit offer shall be executed by the sponsors within a period of thirty days from the date of passing of special resolution.

4(A). VALUATION SECTION

4(A)(I). JUSTIFICATIONS GIVEN BY THE CONSULTANT TO THE ISSUE, IF ANY OR THE ISSUER IN SUPPORT OF THE OFFER/FLOOR PRICE AND THE PRICE BAND. THE JUSTIFICATION MUST INCLUDE APPROPRIATE VALUATION MODELS, INCLUDING THE DISCOUNTED CASH FLOW (DCF) MODEL, DIVIDEND DISCOUNT MODEL (DDM), AND/OR GORDON GROWTH MODEL (GGM).

Disclaimer:

THE OFFER/ FLOOR PRICE AND PRICE BAND ARE SET BY THE ISSUER AND CONSULTANT TO THE ISSUE USING APPROPRIATE VALUATION MODELS, AND THAT THE COMMISSION AND THE SECURITIES EXCHANGE HAVE NEITHER ASSESSED NOR VALIDATED THE PRICING OR THE UNDERLYING VALUATION MODEL. THE COMMISSION AND THE SECURITIES EXCHANGE DO NOT ASSESS, VALIDATE OR ENDORSE THE PRICE OF A TRANSACTION, AS PRICING IS PURELY A FUNCTION OF MARKET FORCES; WHEREBY MINIMUM PRICE IS DETERMINED BY THE CONSULTANT TO THE ISSUE/ISSUER AND FINAL PRICE IS SET BY THE INVESTORS.

The Ordinary shares of SELMORE are being issued at Floor Price of PKR 42.00/- per share amounting to a premium of PKR 32.00/- per share to the Face Value of PKR 10.00/- per share. The Consultant to the Issue has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 42.00/- per share is justified based on:

i. Price to Earnings Multiple Valuation

Price to Earnings Multiple – Valuation		
Pre-IPO Paid up Capital	PKR	800,000,000
Pre-IPO No. of Shares (Post Split)	No.	80,000,000
Face Value	PKR	10
Profit After Tax[44]	PKR	439,875,099
Earnings Per Share[45]	PKR	5.50
Floor Price	PKR	42
Price to Earnings (P/E)[46]	Multiple	7.64
Capital to Raise	PKR	2,041,666,704
Shares to be Offered	No.	48,611,112
Post IPO No. of Shares	No.	128,611,112
Post IPO Paid up Capital	PKR	1,286,111,120
EPS - Post IPO	PKR	3.42
Dilution	%	**37.80%**

ii. Valuation – Discounted Cash Flow (DCF)

Discounted Cashflow - Assumptions	
Risk Free Rate of Return[47]	12.10%
Market Risk Premium[48]	6.00%
Beta[49]	1.13
Cost of Equity[50]	18.85%

[44] PAT is based on TTM as at 31st March 2026.
[45] EPS is calculated based on TTM PAT as at 31st March 2026 divided by the post-bonus issue number of shares i.e. 80,000,000 shares
[46] P/E calculated based on TTM EPS as at 31st March 2026 and floor price.
[47] Risk Free Rate of Return is taken as 10-year PKRV rate as at 13th August 2026
[48] Market Risk Premium has been derived from the implied equity return over the past 2 decades. which has averaged approximately 6.00% above the average long-term Govt bond yield.
[49] The equity beta for SELMORE has been calculated by using the average asset (deleveraged) beta of companies mentioned in the peer group analysis (excluding Hoechst Pakistan Limited due to low beta), and then re-leveraging it using SELMORE's debt-to-equity ratio.
[50] Cost of Equity is calculated using Capital Asset Pricing Model (CAPM)

Cost of Debt – (Post-Tax)[51]	12.73%
Weight of Equity	85.50%
Weight of Debt	14.50%
Tax Rate[52]	10.13%
WACC[53]	17.96%
Terminal Growth Rate[54]	3.50%

**Source: Company*

PKR Mn	FY27(F)	FY28(F)	FY29(F)	FY30(F)	FY31(F)	FY32(F)	FY33(F)	FY34(F)	FY35(F)	FY36(F)
Net Income	573	1,039	1,795	2,335	2,955	3,635	4,328	5,122	5,999	4,416
Add: Depreciation & Amortization	157	368	481	465	454	447	445	447	452	461
Add: Interest*(1-t)	63	149	163	123	95	74	69	70	73	47
Change in Working Capital	(91)	(258)	(76)	(66)	(82)	(86)	(98)	(118)	(125)	(147)
Less: CAPEX	(1,799)	(1,665)	(117)	(206)	(218)	(232)	(246)	(261)	(278)	(296)
FCFF	(1,097)	(367)	2,246	2,651	3,204	3,839	4,498	5,260	6,120	4,481
Present Value of FCFF	(197)	(931)	(264)	1,368	1,369	1,402	1,424	1,414	1,402	1,383
Terminal Value										**32,064.42**
Present Value of Terminal Value										**6,139.13**
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Discount Factor	0.85	0.72	0.61	0.51	0.44	0.37	0.31	0.26	0.22	0.19

**Source: Company*

IPO Pricing Based on DCF (FCFF Schedule) (PKR Mn)	
Firm Value	15,565.61
Less: Interest Bearing Debt*	(1,123.23)
Add: Cash & Cash Equivalents*	210.43
Equity Value	**14,652.81**
No. of Shares – Post IPO (Mn)	128.61
Value per Share (PKR)	**113.93**

**As at 31st March 2026*

iii. Valuation – Dividend Discount Model (DDM)

Note: As the Company is currently undertaking significant capital expenditure (CAPEX) and is in a growth phase, available funds are expected to be primarily utilized to support the establishment of its first Active Pharmaceutical Ingredient (API) manufacturing plant and the development of a new veterinary formulation manufacturing facility. Accordingly, while the Company may declare modest dividends during the initial years, dividend-based valuation methodologies, including the Dividend Discount Model (DDM) and the Gordon Growth Model (GGM), may not be appropriate at this stage, as they may not accurately reflect the Company's intrinsic value.

4(A)(II). ESTABLISHED BRAND

[51] The cost of debt has been estimated using the average effective annual interest rate. The effective annual interest rate is calculated by dividing the annual interest expense by the average interest-bearing debt outstanding during the year

[52] Effective Tax Rate has been calculated as the average tax rate for FY26–FY35. As the Company is relocating to an SEZ, the Formulation Plant will be tax-exempt from FY29–FY35, while the API Plant will be tax-exempt from FY28–FY35.

[53] Weighted Average Cost of Capital (WACC)= (cost of equity*weight of equity) + (cost of debt*weight of debt)

[54] The long-term growth rate assumption is aligned with Pakistan's historical economic performance, where Gross Domestic Product (GDP) growth has averaged approximately 4.0% over the past 25 years (2025-2000).

Established in 1998, SELMORE is one of Pakistan's leading veterinary pharmaceutical companies, specializing in livestock and poultry health solutions. Over more than two decades, the Company has cultivated a strong brand reputation built on consistent product quality, reliability, compliance with regulatory standards and long-standing relationships with veterinarians, livestock farmers and distributors nationwide.

The Company's brand strength is supported by a diversified product portfolio comprising 471 products registered with DRAP, catering to a broad spectrum of animal health requirements. The portfolio is diversified across multiple therapeutic categories, including antibacterial agents, anthelmintics (dewormers), antiparasitic, anticoccidials, NSAIDs, hormones, liver tonics, restorative medicines, digestive tonics, insecticides, antibiotics, steroids, expectorants and growth promoters. This breadth enables SELMORE to address a wide range of animal health requirements across both the livestock and poultry segments, while reducing reliance on any single therapeutic category.

The Company's brand credibility is complemented by its ISO certification and WHO-cGMP-compliant manufacturing facility, supported by established quality-control systems and manufacturing processes. The facility incorporates modern technologies and quality assurance protocols designed to ensure consistency, safety and compliance across the Company's product portfolio.

With an established brand presence, diversified product portfolio and strong manufacturing and quality infrastructure, SELMORE is well positioned to leverage the continued growth of Pakistan's livestock and poultry sectors and further strengthen its position in the veterinary pharmaceutical market.

4(A)(III). SUCCESSFUL OPERATIONAL HISTORY OF THE SPONSOR

Mr. Akbar Ali, Chief Executive Officer and primary Sponsor of Selmore Pharmaceutical Limited, is a seasoned pharmaceutical industry leader with over three decades of experience. He founded the Company in 1988 to manufacture veterinary medicines and later established Pharmasol (Pvt.) Limited in 2010, marking expansion into the human pharmaceutical segment.

His strategic vision, deep sector knowledge and proven leadership have supported SELMORE's consistent financial growth, operational efficiency and market expansion. Under his stewardship, the Company has established a strong domestic presence and successfully expanded into export markets.

The track record of the Sponsor is reflected in SELMORE's healthy return metrics and strong growth trajectory since inception. Drawing on the Sponsor's experience, SELMORE is now pursuing backward integration through the development of API manufacturing facilities to support its future growth.

4(A)(IV). UPCOMING EXPANSION AND DIVERSIFICATION

The Company is undertaking two strategic projects: (i) the development of a new veterinary formulation manufacturing facility, and (ii) the establishment of its first Active Pharmaceutical Ingredient (API) manufacturing plant.

The new veterinary formulation facility will enhance manufacturing capacity and operational efficiency through advanced automation, modern manufacturing technologies, and optimized production processes. Increased automation, continuous process flow, and reduced manual handling are expected to significantly shorten batch manufacturing cycle times. Furthermore, the facility is being designed and constructed in accordance with internationally recognized regulatory standards which is expected to enhance its ability to access and expand into new international markets, with minimal regulatory barriers.

SELMORE is strategically expanding into the manufacturing of Active Pharmaceuticals Ingredients (APIs) for both human and veterinary formulations. This backward integration will enable the Company to diversify and expand its product portfolio which at present solely consists of formulation products for animals and establish a stronger presence across the pharmaceutical value chain.

The pharmaceutical industry in Pakistan is heavily reliant on imported APIs which account for 85% of the total local demand[55]. This presents a lucrative opportunity for SELMORE to address this gap and offer an import substitution solution which otherwise exposes local pharma players to supply chain vulnerabilities. The move is aligned with the steady growth of the pharmaceutical sector which is expected to fuel continuous demand for APIs, contributing positively to SELMORE's topline growth.

4(A)(V). ROBUST FINANCIAL PERFORMANCE

	Units	FY22	FY23	FY24	FY25	9MFY26	CAGR (FY22-25)
Sales - net	PKR Mn	2,531.33	3,065.71	3,249.86	4,744.76	5,017.39	23.30%
Gross Profit	PKR Mn	816.96	939.46	962.84	1,589.03	1,692.83	24.83%
Profit After Tax	PKR Mn	124.52	138.40	83.90	192.27	361.83	15.58%
Gross Margin	%	32.27%	30.64%	29.63%	33.49%	33.74%	-
Net Margin	%	4.92%	4.51%	2.58%	4.05%	7.21%	-
ROE	%	19.46%	17.94%	9.36%	21.53%	-	-
ROA	%	7.22%	6.36%	3.18%	6.36%	-	-

**Source: Company Financials*

The Company has demonstrated strong and sustained financial performance, supported by consistent topline growth, resilient gross margins and improving profitability. Net sales increased from PKR 2,531.33 million in FY22 to PKR 4,744.76 million in FY25, representing a CAGR of 23.30%. This growth reflects the Company's ability to expand its market presence, strengthen its product portfolio and capitalize on increasing demand across its livestock and poultry segments. The positive momentum has continued into 9MFY26, with net sales reaching PKR 5,017.39 million, already exceeding the full-year FY25 sales by approximately 5.7%.

At the bottom line, Profit After Tax increased from PKR 124.52 million in FY22 to PKR 192.27 million in FY25, representing a CAGR of 15.58%. Following a relatively subdued FY24, PAT more than doubled in FY25, increasing by approximately 129% YoY. This strong momentum continued in 9MFY26, with PAT reaching PKR 361.83 million, significantly higher than the full-year FY25 level. Net margin also improved from 4.05% in FY25 to 7.21% in 9MFY26, reflecting stronger earnings conversion.

Shareholder returns have also improved significantly, with ROE increasing from 19.46% in FY22 to 21.53% in FY25. This improvement, particularly the sharp recovery from 9.36% in FY24, reflects the Company's stronger earnings performance. Overall, the Company has demonstrated strong revenue growth, improving margins and enhanced returns to shareholders.

4(A)(VI). ROBUST DISTRIBUTION NETWORK & STRONG FIELD SALES FORCE

The Company's strong market presence is supported by a nationwide distribution network and a dedicated field sales force covering key livestock and poultry-producing regions across Pakistan. With 308 distributors and over 333 sales personnel, SELMORE has established a broad commercial footprint that enables effective product availability, customer engagement, and market penetration across both urban and rural areas.

The sales force personnel, acting as the primary point of contact, work closely with veterinarians, farms, poultry producers, veterinary hospitals, and government institutions, providing product detailing, technical consultations, farm advisory services, and clinical demonstrations. They also gather market intelligence, track disease trends, and collect customer feedback to support product and strategy development. Supporting the Company's sales organization is a nationwide distribution network supplying products to wholesalers, retailers, veterinary pharmacies, clinics, farms, and livestock markets. This network ensures efficient product availability across key livestock and poultry-producing regions of Pakistan.

	Distributors	On-field Sales Personnel
Punjab	202	211
Sindh	74	88

[55] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Pharmaceuticals%20-%20July%2725_1751460891.pdf

KPK	22	26
Balochistan	6	5
Other regions	4	3
Total – Pakistan	308	333

The close coordination between the field sales force and distribution network supports efficient order fulfilment, inventory management, and product movement, while minimizing distribution bottlenecks and ensuring consistent product availability. The Company's extensive commercial footprint, particularly across Punjab and Sindh, which are among Pakistan's key livestock and poultry-producing provinces, further strengthens its market reach and customer relationships.

Overall, SELMORE's nationwide sales and distribution infrastructure provides a strong platform for sustained market penetration, reinforces customer confidence, and supports the Company's long-term growth by ensuring timely product availability and maintaining close engagement with veterinarians, farmers, distributors, and other key market participants.

4(A)(VII). EXPORT POTENTIAL

SELMORE maintains an established export presence across different international markets spanning Afghanistan, Kazakhstan, South Korea, Kuwait, Nepal, Nigeria, Oman, Qatar, Saudi Arabia, Syria, Lebanon, Jordan, Iraq, Iran, Chad, Peru and Vietnam. Export sales increased from PKR 171.02 million in FY2022 to PKR 343.86 million in FY2025, representing CAGR of 26.22%.

Furthermore, the new formulation manufacturing facility is being designed and constructed in accordance with internationally recognized regulatory standards and guidelines, including PIC/S, EU GMP, US FDA, and SFDA requirements. This strategic investment will significantly strengthen the company's regulatory compliance framework and enhance its capability to access and expand into highly regulated international markets, including the United States, Europe, MENA, and ASEAN regions, with minimal regulatory barriers.

4(A)(VIII). TAX EXEMPTION

The Company's new veterinary formulation and API plant will be located in Quaid-e-Azam Business Park, a Special Economic Zone (SEZ), and are expected to benefit from incentives available under the SEZ regime. Pursuant to Clause 37 of the Special Economic Zones Act, 2012, the Company is eligible for the following incentives:

- One-time exemption from customs duties and taxes on the import of plant and machinery into the SEZ, subject to verification by the Board of Investment.
- Exemption from all taxes on income for a period of ten years from the commencement of commercial production, or until June 30, 2035, whichever is earlier.

These tax incentives are expected to materially reduce the Company's tax burden during the initial years of commercial operations, allowing it to retain a greater portion of its earnings. This is expected to support profitability, improve project economics and enhance returns to shareholders over the long term.

4(A)(IX). JUSTIFICATION

The proposed Floor Price of PKR 42.00/- per share, representing a premium of PKR 32.00/- over the face value of PKR 10.00/-, is supported by the Company's strong historical financial performance, established brand equity, and extensive market presence across Pakistan. The Company's growth outlook is underpinned by planned installation of API manufacturing plant and veterinary formulation plant, expected operational efficiencies, and an expanding customer base in both domestic and export markets, alongside favorable industry dynamics and future tax exemptions, which collectively support the sustainability of future earnings.

Based on the valuation assessment, the Discounted Cash Flow (DCF) model yields a fair value of PKR 113.93/- per share, representing a potential upside of approximately 171.26% from the Floor Price of PKR 42.00/- per share and 80.84% from the Cap Price of PKR 63.00/- per share.

Based on the Price-to-Earnings (P/E) multiple approach, the Company is being offered at a multiple of 7.64x at the Floor Price of PKR 42.00/- per share, representing a discount of 45.08% to the sector average P/E multiple of 13.91x.

The positive upside indicated by the DCF valuation, together with the attractive P/E valuation, collectively supports the appropriateness of the proposed 50% price band.

4(A)(X). POST FREE FLOAT DISCLOSURE

Post IPO, the share capital of SELMORE will increase from 80,000,000 Ordinary Shares to 128,611,112 Ordinary Shares. The free float status of SELMORE post IPO is provided hereunder:

Description	Number of Shares	% Shareholding	Total Free Float
Sponsors & Directors	80,000,000	62.20%	-
Public Offering	48,611,112	37.80%	37.80%
Total	**128,611,112**	100.00%	**40.00%**

**Source: Company*

4(A)(IX). PEER GROUP ANALYSIS

Company	Share Price[56] (PKR)	EPS[57] – TTM (PKR)	BVPS[58] (PKR)	P/E[59] (x)	P/B[60] (x)	Free Float (Shares in Mn)	Free Float (%)	ROA[61]	ROE[62]
Abbott Laboratories (Pakistan) Ltd.	935.86	87.47	327.85	10.70	2.85	21.17	21.63%	17.56%	26.68%
AGP Ltd.	163.37	14.99	59.81	10.90	2.73	84.00	30.00%	12.90%	25.05%
BF Biosciences Limited	130.62	6.70	58.04	19.50	2.25	26.50	30.00%	6.45%	11.54%
Citi Pharma Ltd.	75.57	4.80	47.94	15.74	1.58	114.23	50.00%	5.81%	10.01%
Ferozsons Laboratories Ltd.	355.36	27.03	349.96	13.15	1.02	17.39	40.00%	4.44%	7.72%
Glaxosmithkline Pakistan Ltd.	323.08	32.69	108.12	9.88	2.99	63.69	20.00%	19.80%	30.23%
Haleon Pakistan Ltd	713.21	56.41	138.76	12.64	5.14	15.74	13.44%	21.64%	40.66%
Highnoon Laboratories Ltd.	937.18	78.82	243.23	11.89	3.85	21.19	40.00%	22.68%	32.41%
Hoechst Pakistan Ltd.	4,023.94	388.64	886.68	10.35	4.54	0.96	10.00%	24.17%	43.83%
IBL HealthCare Ltd.	45.31	2.44	25.28	18.57	1.79	24.63	25.00%	5.53%	9.65%
Macter International Ltd.	265.67	18.08	88.45	14.70	3.00	18.32	40.00%	10.64%	20.44%
Otsuka Pakistan Ltd.	392.53	39.02	95.95	10.06	4.09	3.03	25.00%	15.62%	40.67%
The Searle Company Ltd.	84.83	3.72	59.86	22.79	1.42	294.11	50.00%	4.28%	6.22%
Peer Group Average				13.91	2.87				
Peer Group Weighted Average (x)				12.68	3.21				
Peer Group Median (x)				12.64	2.85				
KSE-100[63]				7.90	1.57				
Selmore Pharmaceuticals Limited (Pre-Issue)	42.00	5.50	14.85	7.64	2.83	-	-	10.97%	37.03%

[56] Share Price as at 03rd September 2026
[57] EPS based on TTM PAT divided by Total No. of Outstanding Shares
[58] Equity divided by Total No. of Outstanding Shares
[59] P/E calculated based on price as at 03rd September 2026 divided by TTM EPS
[60] P/B calculated based on price as at 03rd September 2026 divided by BVPS
[61] ROA is calculated based on TTM PAT divided by Total Assets
[62] ROE is calculated based on TTM PAT divided by Total Equity
[63] Source: Bloomberg, Date: 04/09/2026

Selmore Pharmaceuticals Limited (Post-Issue)	42.00	3.42	9.24	12.28	4.55	48.61	37.80%		

**Liven Pharma Limited has been excluded due to negative EPS.*

5. RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. Raw Material Import Dependency risk

The Company's operations are significantly dependent on Active Pharmaceutical Ingredients (APIs), which constitute the primary raw material for the formulation of its veterinary medicines. During FY25 and FY24, approximately 87.6% and 84.5% of total raw material purchases, respectively, were sourced through imports, indicating a high reliance on international suppliers.

Accordingly, the procurement of raw materials is exposed to risks associated with global price volatility, international supply chain disruptions, foreign exchange fluctuations, shipping and logistics constraints, and changes in trade and regulatory policies across sourcing jurisdictions. Any sustained increase in raw material prices, disruption in the availability of key inputs, or adverse depreciation of the PKR against the USD may materially increase the Company's cost base.

5.1.2. Liquidity and Working Capital Risk

The Company's operations require substantial working capital to support the procurement of raw materials, maintenance of raw material and finished goods inventory, and management of trade receivables. As of FY25, the Company reported a current ratio of 1.00x, while short-term borrowings amounted to PKR 338.07 million.

The Company actively manages its liquidity position through banking facilities; however, any sustained tightening in credit availability or delays in receivable collections could place pressure on the Company's short-term liquidity position.

5.1.3. Credit/ Counter Party Risk

Credit risk represents the possibility that a counterparty to a financial transaction may fail to fulfil its contractual obligations, resulting in a financial loss to the Company. The Company's principal exposure to credit risk related to its trade receivables. As of FY25, trade debts stood at PKR 138.856 million compared to PKR 162.00 in FY24. The aging of trade debts are as follows:

Trade Debts – Aging	FY25	FY24	FY23
Past due 0 – 30 days	97,644,191	113,917,399	89,027,927
Past due 31 – 60 days	34,991,946	40,823,641	31,901,155
Past due 61 – 365 days	6,220,790	7,257,537	5,680,200
Total	**138,856,927**	**161,998,577**	**126,609,282**

Any material delay in collections or default by customers may lead to increased provisioning for expected credit losses, strain the Company's cash flows, and elevate reliance on short-term borrowings, thereby adversely affecting liquidity and profitability.

5.1.4. Operational and Production Risk

Any disruption to operations at its current manufacturing facility, whether due to equipment malfunction, unplanned maintenance, fire, utility outage, natural disaster, or other unforeseen events, could materially impair production continuity and the Company's ability to fulfil customer orders.

5.1.5. Supply Chain and Logistics Risk

The Company depends on the uninterrupted transport of raw materials to its manufacturing facility and the efficient distribution of finished products to customers across Pakistan. Any disruption in port operations, road transport infrastructure, or warehousing logistics, whether due to strikes, fuel shortages, weather events, or other factors, could result in production delays, increased costs, and an inability to meet customer demand.

5.1.6. Fuel & Power Risk

The Company's manufacturing operations are dependent on a stable and uninterrupted power supply. The production of veterinary pharmaceutical products involves batch-based processes requiring controlled conditions across various stages, including mixing, sterilization, filling, and packaging. Any power outage or voltage fluctuation during these stages may disrupt production, compromise product quality, and result in batch losses, leading to increased costs and potential delays in order fulfilment.

5.1.7. Vendor Concentration Risk

During the nine-month period ended FY2026 ("9MFY26"), the top five local suppliers accounted for 89.11% of the Company's locally procured raw materials and 47.64% of its locally procured packing materials. For imported purchases, the top five suppliers accounted for 38.80% of the Company's imported raw materials, while the top three suppliers accounted for 98.70% of its imported packing materials during 9MFY26. (For further details, please refer to section 3.14.1 of the prospectus)

Dependence on a limited number of suppliers heightens the Company's exposure to supply chain disruptions, price volatility and reduced bargaining power. Any operational or financial difficulties faced by key vendors could lead to production delays, increased costs and potential financial setbacks for the Company.

5.1.8. Key Personnel Risk

The Company's operations and strategic direction are significantly influenced by its senior management and key personnel. The loss of, or inability to retain or attract, qualified senior management, technical staff, or skilled labor in manufacturing could disrupt operations, affect production efficiency, and impact the Company's ability to execute its growth strategy.

5.1.9. Regulatory Compliance Risk

As a company seeking listing on the Main Board of PSX, SELMORE will be subject to ongoing compliance requirements under the Securities Act 2015, the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations 2019, PSX Listing Regulations, and other applicable laws and regulations. Non-compliance with any applicable requirement may result in penalties, restrictions on trading, placement on the PSX Non-Compliant Segment, or in severe cases, suspension of trading or delisting from the Exchange.

5.1.10. Auditor's Qualified Opinion

No qualification has been reported to date; however, any future qualification could affect investor confidence in the financial statements.

5.2. External Risks

5.2.1. Foreign Exchange Risk

The Company is exposed to foreign exchange risk on both its import procurement and export revenue. Raw material imports, which constitute the majority of the Company's cost base, are denominated primarily in USD. Export revenues amounted to PKR 343.86 million in FY25 (FY24: PKR 161.19 million). Adverse movements in the PKR against the USD or other currencies may increase procurement costs, can temporarily compress export margins, and create volatility in cash flows and financial performance.

5.2.2. Raw Material Price Volatility

The Company's cost of production is materially influenced by fluctuations in the prices of Active Pharmaceutical Ingredients (APIs) and other key raw materials. These prices are driven by international supply-demand dynamics, regulatory developments and global supply chain conditions. Unfavorable movements in raw material prices may increase the cost of production and, if not fully passed through to customers, could adversely impact gross margins and profitability.

5.2.3. Trade Policy and Tariff risk

The Company's raw material procurement and export operations are subject to prevailing trade policies, customs duties, and tariff structures. Changes in import duties on APIs, or trade restrictions imposed by Pakistan or its trading partners could increase input costs, reduce export competitiveness, or disrupt established supply chains. Any material adverse change in trade policy could affect the Company's cost structure and profitability.

5.2.4. Interest Rate Risk

The Company's borrowings are subject to variable interest rates linked to KIBOR. As of FY25, the Company's total debt obligations comprised PKR 741.76 million including short term borrowings, loan from director, loan from related party, lease liabilities and current portion of lease liabilities. Any increase in benchmark interest rates would raise the Company's borrowing costs and could adversely affect profitability and cash flows.

5.2.5. Macroeconomic and Inflationary Risk

The Company operates within the broader Pakistani macroeconomic environment, which has historically experienced periods of high inflation, currency depreciation, supply chain constraints, and fluctuations in agricultural and livestock sector activity. Any economic slowdown, sustained inflationary pressures, or reduction in farmer and livestock sector purchasing power may reduce demand for veterinary pharmaceutical products and could adversely affect the Company's revenue, profitability, and growth prospects.

5.2.6. Competition Risk/ Threat of New Entrants

The entry of new companies into the market can intensify competition, potentially putting pressure on profit margins. These new entrants may introduce innovative technologies or veterinary treatments that could disrupt existing market dynamics and capture a portion of the market share. Consequently, established pharmaceutical companies may face increased competitive challenges, which could affect their market position and revenue growth.

5.2.7. Risk of Counterfeit Products

The presence of counterfeit pharmaceutical products poses a serious threat to the industry, as it undermines product quality, compromises animal health, and erodes consumer trust. Counterfeit drugs can lead to treatment failures and adverse outcomes, thereby damaging the reputation of legitimate manufacturers. This risk may expose the Company to reputational harm and loss of market confidence, which could ultimately affect its financial performance.

5.2.8. Flood Risk

Floods pose a significant risk to the veterinary pharmaceutical industry as they can severely impact the livestock and farming ecosystem. Flooding often damages agricultural output and disrupts farmers' livelihoods, thereby reducing their disposable income and spending capacity on animal health products. In post-flood situations, farmers tend to prioritize rehabilitation of shelter and restoration of agricultural activity over expenditure on veterinary medicines and vaccines, which may adversely affect demand for the Company's products.

5.2.9. Political, Security and Law & Order Risk

The Company's operations, supply chains, and distribution networks may be disrupted by political instability, civil unrest, strikes, transport blockages, or deterioration in law-and-order conditions. Such events are beyond the Company's control and could lead to production interruptions, logistics delays, and reduced sales, potentially impacting revenue and profitability.

5.2.10. Pandemic & Force Majeure Risk

The Company's operations may be adversely affected by pandemics, natural disasters, or other force majeure events that disrupt supply chains, reduce workforce availability, or affect overall business activity. Such events are beyond the Company's control and may materially impact financial performance and project timelines.

5.2.11. Geopolitical Risks

The Company is exposed to geopolitical risks arising from conflicts in the Middle East and other regions, which may disrupt global shipping routes, increase fuel and freight costs, and delay the import of critical raw materials. Any prolonged disruption could increase procurement costs and adversely affect the Company's operations and financial performance.

5.3. PROJECT RELATED RISKS

5.3.1. Project Execution and Implementation Risk

The Company intends to establish a new formulation manufacturing facility and an API manufacturing facility. The successful execution of these projects is subject to various risks, including delays in construction, procurement of plant and machinery, obtaining regulatory approvals, installation, and commissioning. Any material delay in the implementation or commencement of commercial operations may postpone the anticipated benefits of the projects and adversely affect the Company's projected revenue, profitability, cash flows, and overall growth prospects.

5.3.2. Project Cost Estimation and Escalation Risk

The estimated capital cost for the Company's planned expansion has been prepared by management based on market research and past experience. Certain plant and machinery may be sourced from international suppliers and are therefore exposed to foreign exchange risk. Formal agreements have not been executed for certain items included in the expansion plan, and actual costs may vary at the time of procurement.

Any material deviation from current cost estimates, whether due to adverse currency movements, changes in vendor pricing, increases in construction or installation costs, or unforeseen project requirements, may result in cost overruns. Such overruns could necessitate additional funding, thereby potentially impacting the Company's financial position and implementation timeline.

5.3.3. Absence of EPC/Turnkey Contractor

The Company does not engage a single EPC or turnkey contractor and executes its expansion through multiple specialized contractors and suppliers managed internally, which may expose it to coordination, execution, and delay risks. Any delay or underperformance by contractors could adversely affect project timelines, utilization of IPO proceeds, and the Company's operations and financial performance.

5.3.4. Risk Relating to Finalization of Vendors for the Formulation Plant

The Company has not yet finalized the contractors for civil works or the vendors for the procurement and installation of plant and machinery for the proposed formulation manufacturing facility. Any delay in the appointment of these contractors and vendors, or failure to finalize arrangements on commercially acceptable terms, may delay project execution, increase project costs, and postpone the commencement of commercial operations.

5.3.5. Delays in Registration of API Products

As SELMORE expands into the API segment, obtaining timely product registration and approval from the Drug Regulatory Authority of Pakistan (DRAP) will be essential before commencing commercial production and sales. Any delays in this process could postpone product launches, delay the commissioning of the new facility, and affect future cash flows.

5.4. CAPITAL MARKET & IPO RISK

5.4.1. Undersubscription Risk

The Issue may be under-subscribed if investor demand is lower than anticipated. The Book Building process shall be cancelled if bids received are less than the number of shares allocated under the Book Building Portion, or if fewer than 40 bids are received. In such an event, bid money shall be refunded to investors in accordance with applicable regulations.

5.4.2. Share Price Volatility Risk

Post-listing, the market price of the Company's shares will be subject to fluctuations driven by the Company's financial performance, macroeconomic conditions, interest rate movements, commodity prices, regulatory changes, political developments, and general investor sentiment. There can be no assurance that the market price will remain at or above the Issue Price.

5.4.3. Forward Looking Statements

This Prospectus contains forward-looking statements regarding the Company's future financial performance, business plans, strategies, and expectations. These statements are based on management's current assumptions, estimates, and projections and involve known and unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by such statements. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this Prospectus.

5.5. REGULATORY & TAXATION RISKS

5.5.1. Changes in Duties, Taxes or Regulatory Framework

The Company's operations are subject to prevailing customs duties, sales tax rates, income tax regulations, and other fiscal measures applicable to the veterinary pharmaceutical sector. Any increase in duties on imported APIs, changes to sector-specific concessions, or introduction of new levies may increase the Company's cost base. While such increases are generally passed through to consumers over time, there may be a transitional impact on margins. Changes in income tax rates or regulations would affect the Company's profitability in line with the broader corporate sector.

5.5.2. Potential Litigation, Contingent Liabilities, and Tax Exposures

Any litigation, regulatory inquiry, or tax assessment may result in penalties or financial loss.

5.5.3. Potential Future Price Controls in Veterinary Segment

The pricing of veterinary pharmaceutical products in Pakistan is currently not subject to the same level of regulatory control as human essential medicines; however, any future introduction of pricing regulations or government intervention in veterinary drug pricing could impact the Company’s pricing flexibility. Such regulatory changes may limit the Company’s ability to adjust prices in response to increases in input costs, potentially exerting pressure on margins and adversely affecting overall profitability.

5.6. CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

Selmore
Pharmaceuticals Limited
Animal Health Division

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

Date: August 20th, 2026

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

We being the Chief Executive Officer and Chief Financial Officer of Selmore Pharmaceuticals Limited (the "Issuer") accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the Issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held. There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Selmore Pharmaceuticals Limited

Ajmal Akbar
Chief Executive Officer
Selmore Pharmaceuticals Limited

Imran Faiz
Chief Financial Officer
Selmore Pharmaceuticals Limited

Head Office: SPL House 82, R-1, Muhammad Ali Johar Town, Lahore-Pakistan. **UAN:** +42 111-773-227
Fax: +92 42 35291778 **URL:** www.selmorepharma.com **Email:** info@selmorepharma.com

5.7. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

E-STAMP

ATTESTED
M.Khalil ur. Rehman
Notary Public Lahore

ATTESTED

Date: Aug 20, 2026

Undertaking by the Company and its Sponsors

Selmore Pharmaceuticals Limited and its sponsors undertake that:

1) Neither issuer nor its directors, sponsor or substantial shareholder have been holding the office of the directors, or have been sponsors or substantial shareholders in any company:
   a. which had been declared defaulter by the Securities Exchange or futures exchange, or
   b. whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
2) Which has been delisted by the Exchange due to its non-compliance of any applicable provision of PSX Regulations.
3) None of the Sponsor, Major Shareholder, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e., pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

For and on behalf of Selmore Pharmaceuticals Limited and its Sponsors

Akbar Ali
Chairman/ Sponsor

Almaz Akbar
Chief Executive Officer/ Sponsor

Adil Akbar
Non-Executive Director/ Sponsor

Shazia Akbar
Executive Director / Sponsor

Seerat Fatima
Non-Executive Director/ Sponsor

Nadia Ishtiaq
Independent Director

Ayaz Dawood
Independent Director

5.8. STATEMENT BY THE ISSUER

Selmore
Pharmaceuticals Limited
Animal Health Division

Date: August 20th 2016

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of **Selmore Pharmaceuticals Limited**, (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **Selmore Pharmaceuticals Limited**

Aimal Akbar
Chief Executive Officer

Imran Faiz
Chief Financial Officer

Head Office: SPL House 82, R-1, Muhammad Ali Johar Town, Lahore-Pakistan. **UAN:** +42 111-773-227
Fax: +92 42 35291776 **URL:** www.selmorepharma.com **Email:** info@selmorepharma.com

5.9. STATEMENT BY THE CONSULTANT TO THE ISSUE

KTRADE SECURITIES LIMITED

Dated: August 20th, 2024

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Consultant to the Issue to the Initial Public Offering of Selmore Pharmaceuticals Limited (the "Issuer") through the Book Building mechanism, we hereby state on solemn affirmation that all material information as required under the Companies Act, 2017; the Securities Act, 2015; the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been to the best of our knowledge fully, fairly and plainly disclosed in the Prospectus and that whatever is stated in the Prospectus and the supporting documents is, to the best of our knowledge, true and correct.

We have examined the business model and audited financial statements of the Issuer and based on the same, material information including the risks that would enable the investors to make an informed decision has been disclosed in the Prospectus.

For and on behalf of **KTrade Securities Limited**

Omar Salah Ahmed
Managing Director
KTrade Securities Limited

KASB SECURITIES LIMITED

6. FINANCIAL INFORMATION

6.1. AUDITORS REPORT AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

KAMRAN & CO.
CHARTERED ACCOUNTANTS

A member firm of INPACT Asia Pacific an international network of independent professional accountants

INPACT ASIA PACIFIC

The Board of Directors
Selmore Pharmaceuticals Limited
R1 block
Johar Town,
Lahore

04 September 2026

AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS REQUIRED UNDER CLAUSE 14(I) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

Dear sirs,

We have been requested to provide you with a certificate on the annexed 'Statement of Issued, Subscribed and Paid-up Capital' (the Statement) of Selmore Pharmaceuticals Limited (the Company) as required under clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed public offer to be made by the Company in accordance with the aforementioned Regulations.

In connection with the above, clause 14(i) of Section 1 of the First Schedule to the Regulations prescribes the format of the prospectus for public offering of securities to be made by a company under which the management is required to include a certificate from the company's auditor on the issued, subscribed and paid-up capital thereof to be included within the prospectus.

Accordingly, we have been requested by the management to provide them with a certificate on the annexed Statement as at 31 December 2025 prepared by the management to be included in the prospectus for the proposed public offer which we have initialled for identification purposes.

Management Responsibility

It is the management's responsibility to prepare the Statement containing details about the issued, subscribed and paid-up capital of the Company as at 31 December 2025. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

Lahore (Head Office)
Apt: A/2, Ingola Apartments 24 Jail Road, Lahore-Pakistan
Tel: + 92-42-3 742 40 20 - 22 Fax: + 92-42-3 742 40 19
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Islamabad (Branch Office)
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KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

Auditors' Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company as at 31 December 2025 as per Clause 14(i) of section 1 of the First Schedule to the Regulations. In accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the following procedures:

1. traced the issued, subscribed and paid-up capital of the Company from its audited financial statements as at 31 December 2025;
2. traced the issued, subscribed and paid-up capital of the Company from Form A filed with Securities & Exchange Commission of Pakistan (SECP);
3. Obtained and reviewed 'Form-3' and the relevant Board resolution to verify the number and nominal amount of bonus shares allotted to the existing shareholders and to corroborate the related increase in share capital.; and
4. traced the shares from share record as per members register as at 31 December 2025.

Certificate

Based on the procedures mentioned above, we certify that the issued, subscribed and paid-up capital of the Company as at 31 December 2025 as appearing in the annexed Statement is accurate.

Restriction on use and distribution

This certificate is being issued as per Clause 14(i) of section 1 of the First Schedule to the Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and should not be construed as our opinion on the compliance with other requirements of the Regulations.

Yours truly,

Kamran & Co

KAMRAN & CO.
CHARTERED ACCOUNTANTS
LAHORE

KAMRAN & CO. Chartered Accountants

KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

Shareholding as at December 31, 2025

#	Name of Shareholder	Number of Shares	Amount in Rupees
1	Akbar Ali Bhatti	1,060,000	106,000,000
2	Shazia Akbar	200,000	20,000,000
3	Adil Akbar	200,000	20,000,000
4	Aimal Akbar	340,000	34,000,000
5	Seerat Fatima	200,000	20,000,000
	Total	2,000,000	200,000,000

Subsequent to December 31, 2025 the company undertook a share split dated January 23, 2026 reducing the par value of its ordinary shares from Rs. 100 per share to Rs. 10 per share, increasing the number of shares proportionally.

Shareholding As at January 23, 2026

#	Name of Shareholder	Number of Shares	Amount in Rupees
1	Akbar Ali Bhatti	10,600,000	106,000,000
2	Shazia Akbar	2,000,000	20,000,000
3	Adil Akbar	2,000,000	20,000,000
4	Aimal Akbar	3,400,000	34,000,000
5	Seerat Fatima	2,000,000	20,000,000
	Total	20,000,000	200,000,000

Following the share split, the Company issued bonus shares to its existing shareholders dated 13 August 2026 increasing the number of shares proportinately.We certify that the issued, subscribed and paid-up capital along with break-up of shareholding of the company as at September 04, 2026 is as follows:

	04-September-26
Issued, subscribed and paid-up capital	Rupees
10,000,000 ordinary shares of Rs. 10 each	100,000,000
70,000,000 Bonus shares of Rs. 10 each	700,000,000
	800,000,000

Shareholding As at September 04, 2026

#	Name of Shareholder	Number of Shares	Amount in Rupees
1	Akbar Ali Bhatti	42,400,000	424,000,000
2	Shazia Akbar	7,999,992	79,999,920
3	Adil Akbar	8,000,000	80,000,000
4	Aimal Akbar	13,600,000	136,000,000
5	Seerat Fatima	8,000,000	80,000,000
6	Ayaz Dawood	4	40
7	Nadia Ishtiaq	4	40
	Total	80,000,000	800,000,000

6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE

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The Board of Directors
Selmore Pharmaceuticals Limited
82-R1, Muhammad Ali Johar Town,
Lahore

07 September 2026

Dear Sirs

AUDITORS' CERTIFICATE ON BREAK-UP VALUE PER SHARE AS AT 31 DECEMBER 2025 AS REQUIRED UNDER CLAUSE 14(ii) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on the annexed 'Statement of Break-up value per share' (the Statement) of Selmore Pharmaceuticals Limited (the Company) as at 31 December 2025 as required under clause 14(ii) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed initial public offer of shares to be made by the Company in accordance with the aforementioned Regulations.

In connection with the above, clause 14(ii) of Section 1 of the First Schedule to the Regulations prescribes the format of the prospectus for public offering of securities to be made by a company under which the management is required to include a certificate from the Company's auditor on the break-up value per share thereof to be included within the prospectus.

Accordingly, we have been requested by the management to provide them with a certificate on the breakup value computed in the annexed Statement as at 31 December 2025, prepared by the management to be included in the prospectus for the proposed public offer which we have initialled for identification purposes.

Management Responsibility

It is the management's responsibility to compute the break-up value per share of the Company as at 31 December 2025 in accordance with the provisions contained in Technical Release (TR) - 22 issued by the Institute of Chartered Accountants of Pakistan (ICAP) and to prepare the aforementioned Statement. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

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KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

Auditor's Responsibility

Our responsibility is to provide the auditor's certificate on the break-up value per share of the Company computed as at 31 December 2025, as appearing in the annexed Statement, in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the ICAP. Our verification was limited to the procedures as mentioned below:

1. traced the following as appearing in the Statement from the audited financial statements for the period ended 31 December 2025:
    a. Number of shares in issue as at that date
    b. Issued, subscribed and paid-up capital
    c. Equity portion of director's loan
    d. Accumulated profit
2. checked the mathematical accuracy of the break-up value per share of the Company as at 31 December 2025; and
3. reviewed the guidance provided in the TR-22 issued by the ICAP and ensured that the computations were in accordance therewith.

Certificate

Based on the procedures mentioned above, we certify the break-up value per share of the Company as at 31 December 2025, computed in accordance with the TR-22 issued by the ICAP as appearing in the annexed Statement.

Restriction on use and distribution

This certificate is being issued by us upon the request of the Company's management as required under Clause 14(ii) of Section 1 of the First Schedule to the Regulations for the purpose of inclusion in the prospectus and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the annexed Statement.

Yours truly,

Kamran & Co

KAMRAN & CO.
CHARTERED ACCOUNTANTS
LAHORE

KAMRAN & CO. Chartered Accountants

KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

SELMORE PHARMACEUTICALS LIMITED
STATEMENT OF BREAK-UP VALUE PER SHARE
AS AT 31 DECEMBER 2025

BREAKUP VALUE AS AT 31 DECEMBER 2025 AS PER AUDITED FINANCIAL STATEMENTS	Ref.	December 31, 2025 (Rupees)
Issued, subscribed and paid-up share capital	A	200,000,000
Equity portion of loan from director	B	21,608,959
Accumulated profit	C	841,799,486
Total Shareholder's equity	D= A+B+C	1,063,408,445
Number of shares as at 31 December 2025 (Face value Rs. 100 per share)	E	2,000,000
Break-up value per ordinary share of Rs. 100/- each - (Rupees)	F=D/E	531.70

SHARE SPLIT SUBSEQUENT TO 31 DECEMBER 2025

On 23 Jnauary, 2026 the Company effected a share split of 10 ordinary shares of Rs. 10 each from 1 ordinary share of Rs. 100 each. The break up value of share after incorporating the share split is as follows,

Total share holder's equity - Rupees as at 31 December 2025 as per audited financial statements.	A	1,063,408,445
Number of shares as at 31 December 2025 as per audited financial statements	B	2,000,000
Share split ratio 10 ordinary shares for each 1 ordinary share held	C	10
Number of shares after share split on 23 January 2026	D=B*C	20,000,000
Recomputed break up value per ordinary share of Rs. 10/- each - Rupees per share after share split	E=A/D	53.17

The revised break up value per share reflects the impact of the share split. This calculation is based on the book value as at December 31, 2025, adjusted for the updated share capital structure.

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BONUS SHARE ISSUANCE SUBSEQUENT TO 31 DECEMBER 2025

On 13 August, 2026 the Company issued bonus shares to its existing shareholders increasing the number of shares and paid up capital accordingly. The break up value of share after incorporating the bonus share is as follows,

Issued, subscribed and paid-up share capital	A	800,000,000
Equity portion of loan from director	B	21,608,959
Accumulated profit	C	241,799,486
Total Shareholder's equity	D= A+B+C	1,063,408,445
Number of shares as at 04 September 2026 (Face value Rs. 10 per share)	E	80,000,000
Break-up value per ordinary share of Rs. 10/- each - (Rupees)	F=D/E	13.29

The revised break up value per share reflects the impact of the bonus shares. This calculation is based on the book value as at December 31, 2025, adjusted for the updated share capital structure.

6.3. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

KAMRAN & CO.
CHARTERED ACCOUNTANTS

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INPACT ASIA PACIFIC

The Board of Directors
Selmore Pharmaceuticals Limited
82-R1, Muhammad Ali Johar Town,
Lahore.

07 September 2026

Dear Sirs

AUDITOR'S CERTIFICATE ON INFORMATION REQUIRED UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on annexed 'Statement of Financial Information' (the statements) of Selmore Pharmaceuticals Limited (the Company) for the six-month period ended 31 December 2025 and the years ended 30 June 2025, 30 June 2024 and 30 June 2023 as per Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed public offer of shares to be made by the Company in accordance with the Regulations.

Management Responsibility

It is the responsibility of the Company's management to prepare the Statements setting out the information required under the clause 1 of section 2 of the First Schedule to the Regulations and ensure its accuracy and completeness. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

Auditors' Responsibility

Our responsibility is to provide auditor's certificate on the accuracy of the information as appearing in the annexed Statements, in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- traced the assets and liabilities of the Company as at six-month period ended 31 December 2025 and the years ended 30 June 2025, 30 June 2024 and 30 June 2023 and the profits and losses of the Company for those years as appearing in the Statements (Annexure 'A' and 'B' respectively) from the audited financial statements of the Company for the respective period and years;
- traced the details of the dividend as appearing in the Statements (Annexure 'C') during the six-month period ended 31 December 2025 and the years ended 30 June 2025, 30 June 2024 and 30 June 2023 from the audited financial statements of the Company for the respective period and years;

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KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

Certificate

Based on the procedures mentioned above, we state that:

1. We have audited the financial statements for the six-month period ended 31 December 2025 and the years ended 30 June 2025, 30 June 2024 and 30 June 2023.

2. In terms of the requirement as per Clause 1 of Section 2 of the First Schedule to the Regulations, and based on the audited financial statements, we certify that the assets and liabilities of the Company as at six-month period ended 31 December 2025 and the years ended 30 June 2025, 30 June 2024 and 30 June 2023 and the profits and losses and dividends of the Company as appearing in the statements ' Annexure A, B and C respectively are accurate as per the audited financial statements of the Company for the period and years.

Restriction on use and distribution

This certificate is being issued as per Clause 1 of Section 2 of the First Schedule to the Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments and should not be construed as our opinion on the compliance with other requirements of the Regulations.

Yours truly,

Kamran & Co

KAMRAN & CO.
Chartered Accountants
Chartered Accountants
Lahore

KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

STATEMENT OF FINANCIAL INFORMATION

Annex A

PREPARED UNDER CLAUSE 1 OF SECTION 2 OF
THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

SELMORE PHARMACEUTICALS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	31-Dec-25	30-Jun-25	30-Jun-24	30-Jun-23
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	1,235,805,873	929,086,709	516,219,859	202,556,903
Right-of-use assets	475,781,568	279,042,303	291,653,848	362,423,786
Intangible assets	2,738,852	1,737,312	1,022,481	1,278,101
Long term investments	-	-	440,000,000	-
Long term deposits	634,219	634,219	634,219	634,219
Total Non-Current Assets	1,714,960,512	1,210,500,543	1,249,530,407	566,893,009
CURRENT ASSETS				
Stocks in trade	871,900,585	774,393,050	562,070,084	484,491,965
Trade debts	213,889,374	138,856,927	161,998,577	126,609,282
Receivable from related parties	40,352,991	40,352,991	19,761,502	671,226,016
Loans and advances	548,023,453	568,307,974	519,197,151	271,058,098
Trade deposits and prepayments	158,468,794	229,683,449	143,614,383	93,702,103
Tax refunds due from government	147,802,482	98,533,598	98,882,056	106,810,900
Cash and bank balances	116,956,287	119,858,008	115,106,392	85,293,343
Total Current Assets	2,097,393,966	1,969,985,997	1,620,630,145	1,839,191,707
TOTAL ASSETS	3,812,354,478	3,180,486,540	2,870,160,552	2,406,084,716

KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
2,000,000 ordinary shares of Rs. 100 each	200,000,000	200,000,000	200,000,000	200,000,000
Share capital	200,000,000	200,000,000	200,000,000	200,000,000
Equity portion of loan from director	21,608,959	23,670,127	26,975,664	-
Unappropriated profit	841,799,486	610,004,796	725,098,301	640,394,771
TOTAL SHAREHOLDERS' EQUITY	1,063,408,445	833,674,923	952,073,965	840,394,771
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term loan from director	18,744,032	16,687,864	13,377,327	40,352,991
Long term loans	377,476,500	150,000,000	-	-
Lease liabilities	202,772,449	115,982,268	99,861,127	160,151,434
Deferred liabilities	44,145,745	24,150,862	18,076,735	13,126,455
Long term deposits	16,227,928	25,796,384	25,796,384	25,796,384
Deferred taxation	62,620,815	50,796,053	32,144,451	8,154,920
Total Non-Current Liabilities	721,987,469	383,408,431	189,256,024	247,582,184
CURRENT LIABILITIES				
Trade and other payables	1,331,675,712	1,464,761,761	1,157,070,636	800,930,183
Accrued mark-up	13,538,737	8,941,968	12,756,790	11,254,129
Current portion of long term liabilitis	178,387,554	121,028,354	125,624,700	126,674,124
Short term borrowings	355,927,179	338,067,368	433,378,437	371,767,872
Payable to related party	23,283,710	30,603,735	-	-
Provision for taxation	124,145,672	-	-	7,481,453
Total Current Liabilities	2,026,958,564	1,963,403,186	1,728,830,563	1,318,107,761
TOTAL LIABILITIES	2,748,946,033	2,346,811,617	1,918,086,587	1,565,689,945
CONTINGENCIES AND COMMITMENTS				
TOTAL EQUITY AND LIABILITIES	3,812,354,478	3,180,486,540	2,870,160,552	2,406,084,716

KAMRAN & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL INFORMATION
PREPARED UNDER CLAUSE 1 OF SECTION 2 OF
THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

SELMORE PHARMACEUTICALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	For the six months ended december 31,2025	30-Jun-25	30-Jun-24	30-Jun-23
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales (net)	3,362,478,083	4,744,759,394	3,249,859,971	3,065,705,404
Cost of sales	(2,207,249,446)	(3,155,726,333)	(2,287,017,339)	(2,126,247,470)
Gross profit	1,155,228,637	1,589,033,061	962,842,632	939,457,934
Other operating income	47,315,361	80,557,473	66,758,126	49,429,416
Administrative and general expenses	(94,250,821)	(163,721,950)	(138,924,101)	(115,563,906)
Distribution and selling cost	(601,921,181)	(961,094,165)	(571,094,847)	(530,495,781)
Other operating expenses	(70,545,100)	(114,815,161)	(15,195,892)	(16,229,171)
Finance cost	(60,596,327)	(130,947,492)	(159,800,569)	(125,211,344)
Operating profit	(827,313,429)	(1,370,578,768)	(885,015,409)	(787,500,202)
Profit before income tax and levies	375,230,569	299,011,766	144,585,349	201,387,148
Levies	1,144,461	(61,053,206)	(38,476,565)	(1,434,466)
Profit before income tax	376,375,030	237,958,560	106,108,784	199,952,682
Taxation				
- Current taxation	(124,145,672)	(27,239,543)	-	(53,292,444)
- Prior years effect	-	-	1,451,228	93,534
- Deferred taxation	(14,919,373)	(18,452,405)	(23,660,947)	(8,352,433)
	(139,065,045)	(45,691,948)	(22,209,719)	(61,551,343)
Profit after income tax	237,309,985	192,266,612	83,899,065	138,401,339
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurement of defined benefits obligation	(10,671,074)	686,885	1,133,049	(681,079)
Related deferred tax	3,094,611	(199,197)	(328,584)	197,513
Other comprehensive income	(7,576,463)	487,688	804,465	(483,566)
Total comprehensive income for the year	229,733,522	192,754,300	84,703,530	137,917,773

KAMRAN & CO.
CHARTERED ACCOUNTANTS

Annex INPACT

STATEMENT OF FINANCIAL INFORMATION
PREPARED UNDER CLAUSE 1 OF SECTION 2 OF
THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

SELMORE PHARMACEUTICALS LIMITED

DETAIL OF DIVIDENDS

	For the six months ended december 31,2025 (Rupees)	30-Jun-25 (Rupees)	30-Jun-24 (Rupees)	30-Jun-23 (Rupees)
Dividend payment	-	311,153,342	-	-
Dividend declared	-	311,153,342	-	-

6.4. LATEST AUDITED ACCOUNTS AS AT 31st DECEMBER 2025

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THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

AUTHORISED TRAINING EMPLOYER

SELMORE PHARMACEUTICALS LIMITED

(Formerly Selmore Pharmaceuticals (Private) Limited)

FINANCIAL STATEMENTS

FOR THE PERIOD

31 December 2025

KAMRAN & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELMORE PHARMACEUTICALS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the annexed financial statements of **Selmore Pharmaceuticals Limited** ('the Company'), which comprises the statement of financial position as at 31 Dec 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the six months period then ended ('period), and notes to the financial statement, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion, to the best of our information and according to the explanation given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give information required by Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 Dec 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the period then ended.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ('ISAs') as applicable in Pakistan. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statement' section of our report. We are independent of the Company in accordance with the 'International Ethics Standards Board for Accountants' 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to Note 49 to the financial statements, which describes that subsequent to the reporting period, the shareholders approved the increase in authorized share capital of the Company from 200 million to 1,450 million and subdivision of the equity shares in the ratio of 1:10 resulting in reductions of the face value per share from 100 to 10. These changes become effective on April 22, 2026 & Jan 14, 2026 respectively and have been treated as non-adjusting event as per IAS-10 - Events after the reporting period. Accordingly, no adjustments have been made to the financial statements as at December 31, 2025.

Our opinion is not modified in respect of this matter.

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KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Acts, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Boards of directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are consider material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) The statements of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are agreement with the books of account and returns;

c) Investment made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and

d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

OTHER MATTER

The comparative figures presented in the financial statements for the period ended December 31, 2024 were not subject to audit and, accordingly, we do not express an audit opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Kamran Fatah (FCA).

Kamran Fatah & Co

KAMRAN & CO.
CHARTERED ACCOUNTANTS

KAMRAN & CO. Chartered Accountants

LAHORE
23rd June 2026
UDIN: AR202510181Zb2SxcD9v

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	31 Dec 2025 Rupees	30 June 2025 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,235,805,873	929,086,709
Right-of-use assets	7	475,781,568	279,042,303
Intangible assets	8	2,738,852	1,737,312
Long term deposits	9	634,219	634,219
		1,714,960,512	1,210,500,543
Current assets			
Stocks in trade	10	871,900,585	774,393,050
Trade debts	11	213,889,374	138,856,927
Receivable from related parties	12	40,352,991	40,352,991
Loans and advances	13	548,023,453	568,307,974
Trade deposits and prepayments	14	158,468,794	229,683,449
Tax refunds due from government	15	147,802,482	98,533,598
Cash and bank balances	16	116,956,287	119,858,008
		2,097,393,966	1,969,985,997
Total assets		3,812,354,478	3,180,486,540

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	31 Dec 2025 Rupees	30 June 2025 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	17	200,000,000	200,000,000
Equity portion of loan from director	18	21,608,959	23,670,127
Unappropriated profit		841,799,486	610,004,796
		1,063,408,445	833,674,923
Non-current liabilities			
Long-term loan from director	19	18,744,032	16,682,864
Long term loans	20	377,476,500	150,000,000
Lease liabilities	21	202,772,449	115,982,268
Deferred liabilities	22	44,145,745	24,150,862
Long term deposits	23	16,227,928	25,796,384
Deferred taxation	24	62,620,815	50,796,053
		721,987,469	383,408,431
Current liabilities			
Trade and other payables	25	1,331,675,712	1,464,761,761
Accrued mark-up	26	13,538,737	8,941,968
Current portion of long term liabilities	27	178,387,554	121,028,354
Short term borrowings	28	355,927,179	338,067,368
Payable to related party	29	23,283,710	30,603,735
Provision for taxation		124,145,672	-
		2,026,958,564	1,963,403,186
Contingencies and commitments	30	-	-
Total equity and liabilities		3,812,354,478	3,180,486,540

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer | **Director**

Lahore.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	Note	Audited 31 Dec 2025 Rupees	Un-Audited 31/Dec/2024 Rupees
Sales (net)	31	3,362,478,083	2,046,228,124
Cost of sales	32	(2,207,249,446)	(1,451,955,830)
Gross profit		1,155,228,637	594,272,294
Other operating income	33	47,315,361	49,771,383
Administrative and general expenses	34	(94,250,821)	(81,924,488)
Distribution and selling cost	35	(601,921,181)	(378,661,571)
Other operating expenses	36	(70,545,100)	(16,787,392)
Finance cost	37	(60,596,327)	(72,587,684)
		(827,313,429)	(549,961,135)
Profit before income tax and levies		375,230,569	94,082,542
Levies	38	1,144,461	-
Profit before income tax		376,375,030	94,082,542
Taxation			
- Current taxation	38	(124,145,672)	(39,488,924)
- Deferred taxation		(14,919,373)	-
	38	(139,065,045)	(39,488,924)
Profit after income tax		237,309,985	54,593,618
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefits obligation		(10,671,074)	-
Related deferred tax	24	3,094,611	-
Other comprehensive income		(7,576,463)	-
Total comprehensive income for the year		229,733,522	54,593,618
Earnings per share (basic and dilutive)	39	118.65	27.30

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	Share capital	Equity portion of loan from directors	Reserves	Total Equity
			Unappropriated profit	
	------------------------Rupees------------------------			
Balance as at 30 June 2024	200,000,000	26,975,664	725,098,301	952,073,965
Total comprehensive income for the six months period ended 31 December 2024				
Total comprehensive income	-		54,593,618	54,593,618
B ...nce as at 31 December 2024	200,000,000	26,975,664	779,691,919	1,006,667,583
Total comprehensive income for the six months period ended 30 June 2025				-
				-
Total comprehensive income	-		138,160,682	138,160,682
Dividend paid during the period			(311,153,342)	(311,153,342)
Unwinding of discount on interest free loan from directors		(3,305,537)	3,305,537	-
Balance as at 30 June 2025	200,000,000	23,670,127	610,004,796	833,674,923
Total comprehensive income for the six months period ended 31 December 2025				-
				-
Total comprehensive income	-		229,733,522	229,733,522
Unwinding of discount on interest free loan from directors		(2,061,168)	2,061,168	-
Balance as at 31 December 2025	200,000,000	21,608,959	841,799,486	1,063,408,445

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	Note	31 Dec 2025 Rupees	31 Dec 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	273,370,215	131,378,621
Income tax paid	15.2	(57,688,333)	(39,488,924)
Workers' profit participation fund payments	25	-	(7,726,766)
Workers' welfare fund payments		-	(1,052,663)
Employee retirement benefits paid	22.1	-	-
Finance cost paid		(53,938,390)	(76,150,994)
Net cash in flows from operating activities		161,743,492	6,959,274
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets including right of use assets		(337,307,523)	(124,756,127)
Proceeds on disposal of fixed assets	6.5	21,498,049	98,741,054
Purchase of intangible asset		(1,120,386)	-
Net cash (out flows) / inflows in investing activities		(316,929,860)	(26,015,073)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds long-term finances		319,021,500	-
Repayments long-term finances		(72,060,000)	-
Proceeds / (repayment of) from short-term finances		17,859,811	(35,938,935)
Repayment of lease liabilities	21	(112,536,664)	16,511,298
Net cash out flows from financing activities		152,284,647	(19,427,637)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(2,901,721)	(38,483,436)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	16	119,858,008	115,106,392
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16	116,956,287	76,622,956

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

1 STATUS AND ACTIVITIES

Selmore Pharmaceuticals (Private) Limited (the "Company") was incorporated as a private limited company in Pakistan on 8 December 1998 as a private limited company under the Companies Ordinance, 1984 now repealed by Companies Act, 2017. During the period, the Company was converted from a private limited company to a public limited company under the provisions of the Companies Act, 2017.
The Company is primarily engaged in manufacturing and sale of veterinary and related pharmaceutical products. Following are the addresses of the Company:

Location	Particulars
82 R/1 Muhammad Ali Johar Town, Lahore	Registered office
36 KM, Off. Multan Road, Adda Bath, Lahore	Factory premises

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Initial application of International Financial Reporting Standards (IFRSs), interpretations and amendments to published approved accounting standards that are effective in the current year:

There were certain amendments in accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or have any significant impact on the Company's financial reporting and therefore have not been disclosed in these financial statements, except for the amendments of IAS 1, Presentation of financial statements, which is incorporated in these financial statements.

3.2 IFRSs, IFRIC interpretations and accounting standards not yet effective and have not been early adopted by the Company:

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1,2025. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

4 BASIS OF PREPARATION

4.1 Measurement

These financial statements have been prepared under historical cost convention, except if modified disclosed separately in these financial statements. In these financial statements, except for the amounts reflected in the cash flow statement, all transaction have been accounted for on accrual basis.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

4.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

a)	assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment;	(notes 5.1 and 6)
b)	assumptions and estimates used in calculating the provision for impairment for trade debts;	(notes 5.12 and 11)
c)	assumptions and estimates used in determining the provision for slow moving stores, spares and loose tools;	(note 5.1)
d)	assumptions and estimates used in writing down items of stock in trade to their net realizable values;	(notes 5.11 and 10)
e)	assumptions and estimates used in disclosure and assessment of provision for contingencies; and	(notes 5.13, 5.18 and 5.21)
f)	assumptions and estimates used in determining current income under relevant tax law and decisions of appellate authorities issued in past.	(notes 5.5 and 15.2)

Estimates and judgments are continually evaluated, are based on historical experience / other factors, including expectation of future events that are believed to be reasonable under circumstances.

MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below:

5.1 Property, plant and equipment

Items of property, plant and equipment (except free hold land) are stated at cost less accumulated depreciation and impairment losses, if any. Free hold land is stated at cost less impairment loss, if any. Cost comprises purchase price, including duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition or construction including expenditures on material, labor and overheads directly relating to construction, erection and installation of items of property, plant and equipment.

Assets' residual values, if significant and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. When parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Depreciation charge is based on the reducing balance method, so as to write off the historical cost of an asset over its estimated useful life after taking into account their residual values. The Company charges depreciation on the items of property, plant and equipment from the month asset is available for use till the month of its disposal. The rate of depreciation is specified in note 6 to these financial statements.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year, are consistent with the expected pattern of economic benefits.

Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and cost of item can be measured reliably. Assets replaced, if any, are

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on sale of an item of property, plant and equipment are determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment, and are recognized in statement of profit or loss.

5.2 Capital work in progress

Capital work-in-progress is stated at cost less impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

5.3 Right - of - use assets

The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the reducing balance method over the shorter of the lease term or asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The right-of-use assets are presented as a separate line item in the statement of financial position.

5.4 Intangibles

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Cost of intangible asset (computer software) that are directly associated with identifiable software and have probable economic benefit exceeding the cost beyond one year, are recognized as intangible asset. Direct costs include the purchase cost of software and related overhead cost, and cost associated with maintaining the computer software is recognized as an expense as and when these expenses are incurred. Useful lives of intangible assets are reviewed at each date of statement of financial position and adjusted if the impact of amortization is significant. Intangible asset is stated at cost less accumulated amortization for finite intangible asset and any identified impairment loss.

Amortization on additions to intangible assets is charged from the month asset is available for use till the month of its disposal. Amortization is charged over estimated useful life of asset on systematic basis applying reducing balance method at the rate of 20% per annum.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

The carrying amount of the intangible is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognized in the profit or loss. However, it is restricted to the original cost of the asset.

5.5 Taxation - Levy and income tax

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 37.

Income tax

Income tax expense comprise current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in 'other comprehensive income' or equity.

a) Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made and finalized during the year.

b) Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred taxliability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the statement of profit or loss and other comprehensive income.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, call deposits and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

5.7 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its permanent employees subject to completion of prescribed qualifying period of service. The Company recognizes expense in accordance with IAS 19 'Employee Benefits'. The Company's net obligation in respect of defined benefit plan is calculated separately by estimating amount of future benefit that employees have earned in current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the 'Projected Unit Credit Method'.

Remeasurements of the defined benefit liability, which comprise of actuarial gains and losses are recognized immediately in 'other comprehensive income'. The Company determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

5.8 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

5.10 Stores, spare parts and loose tools

These are normally held for internal use and valued at moving average cost less allowances for obsolete and slow moving items except stores in transit which are valued at invoice values plus other charges incurred thereon up to the reporting date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

5.11 Stocks in trade

These are valued at lower of net realizable value and cost, basis of cost valuations are as follows:

Particulars	*Mode of Valuation*
Raw material	raw material cost calculated on average basis
Work-in-process	average manufacturing cost
Finished goods	average manufacturing cost

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity.

Provision is made in the financial statements against slow moving and obsolete stock in trade based on management's best estimate regarding their future usability whenever necessary and is recognized in the statement of profit or loss.

Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

5.12 Trade debts and other receivables

a) Financial assets

These are classified at 'amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs.

Subsequent to initial recognition, trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end.

Impairment of trade debts and other receivables is described in note 5.23(a).

b) Non-financial assets

These on initial recognition and subsequently are measured at cost.

5.13 Trade and other payables

a) Financial liabilities

Trade and other payables are obligations to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payable are classified if payment is due within one year or less (or in normal operating cycle of business, if longer). If not, they are classified as non current liabilities. Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

b) Non-financial liabilities

These on initial recognition and subsequently are measured at cost.

5.14 Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

(i) at fair value through profit or loss
(ii) at fair value through comprehensive income
(iii) measured at amortized cost

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

The financial assets are subsequently measured as follows:

(i)	Financial assets at fair value through profit and loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.
(ii)	Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.
(iii)	Debt investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

		Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
(iv)	Equity investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

5.15 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss'. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

5.16 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are set off and only net amount is reported in statement of financial position when there is a legally enforceable right to set off recognized amount and the Company intends to either settle on a net basis, or to realize asset and settle the liability simultaneously.

5.17 Lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognized and payments against such leases are recognized as expense on straight line basis in statement of profit or loss.

5.18 Provisions

A provision is recognized in the financial statements when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

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5.19 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the reporting date. Exchange differences, if any, are charged instatement of profit or loss.

5.20 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in statement of profit or loss as incurred.

5.21 Contingents

a) Contingent liabilities

Contingent liabilities are disclosed when:

(i) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

b) Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

5.22 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied.

Revenue represents the fair value of the consideration received or receivable for supply of goods, net of sales tax. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Profit on saving accounts, if any, is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective profit rate applicable.

5.23 Impairment

a) Financial assets

The Company recognizes loss allowances for expected credit losses in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at 12 months expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and

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- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit loss. Impairment losses (or reversals) are recognized in the statement of profit or loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime expected credit losses are the losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b) Non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses (or reversals) are recognized in the statement of profit or loss.

5.24 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.25 Earnings per share ("EPS")

The Company calculates both basic and diluted EPS in accordance with IAS 33 'Earnings per Share'. Under IAS 33, basic EPS is computed using the weighted average number of shares outstanding during the year.

Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

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5.26 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. The total comprehensive income comprises of all the components of profit or loss and other comprehensive income.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required by the approved accounting standards, and is presented in the statement of profit or loss and other comprehensive income'. The Company uses single reporting statement for both 'profit or loss' and 'comprehensive income'.

5.27 Dividend distribution and other appropriations

a) Dividend distributions

Dividend is recognized as liability in the period in which it is declared. Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, in the Company's financial statements in the year in which the dividends are approved by Company's shareholders.

b) Appropriations

Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.28 Related party transactions

Related party transactions are carried out on an arm's length basis. Pricing for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

Accounting methods adopted for various types of transactions with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions.

Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchases of goods and services

Purchases of goods from related parties are recognized at actual cost to the Company. Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

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5.29 Figures

Figures have been rounded off to the nearest of rupee.

5.30 Determination of fair value

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities.

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities. Fair values of assets and liabilities is determined as follows:

a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future net cash inflows, discounted at the market rate of interest at the reporting date.

b) Trade and other payables

The fair value of trade and other payables is estimated as the present value of future net cash outflows, discounted at the market rate of interest at the reporting date.

c) Borrowings

The fair value of borrowings is determined using effective interest method.

5.31 Segment reporting

Operating segments are reported in a manner consistent with internal reports issued to the Chief Decision Maker. The Chief Executive Officer has been identified as the chief decision maker, who is responsible for allocating the resources and assessing the performance of various operating segments of the Company.

5.32 Reporting period and comparative information

These interim financial statements have been prepared for the six months period ended 31 December 2025. Accordingly, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows relate to the six months period and are not directly comparable with those of a full financial year.

The comparative figures presented in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period ended 31 December 2024 have been extracted from the management accounts prepared for that period. The statutory financial statements for the year ended June 30, 2025 were,however, audited by the external auditors, who expressed an unmodified opinion thereon.

The comparative figures presented in the statement of financial position are as at 30 June 2025 and have been extracted from the audited financial statements of the Company for the year.

			31 Dec 2025 Rupees	30 June 2025 Rupees
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating owned fixed assets	- note 6.2	782,760,599	806,933,888
	Capital work in progress	- note 6.3	453,045,274	122,152,821
			1,235,805,873	929,086,709

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6.1 **Change in accounting estimate**

During the period, the Company changed the method of depreciation on property, plant and equipment from the straight line method to the reducing balance method as management believes that the revised method more appropriately reflects the pattern in which the assets future economic benefits are expected to be consumed.

The change has been accounted for prospectively as a change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, comparative figures have not been restated.

The change resulted in a decrease in depreciation charge for the year amounting to Rs. 34.362 million

6.2 **Operating owned fixed assets**

PARTICULARS	COST: At beginning of the year	COST: Additions	COST: Disposals	COST: Transfers in	COST: At end of the year	DEPRECIATION: At beginning of the year	DEPRECIATION: Charge for the year	DEPRECIATION: Adjustment on (disposal) / transfer	DEPRECIATION: At end of the year	BOOK VALUE: At end of the year	Annual rate of dep.
	---------- Rupees ----------										% age
a) Reconciliation of carrying values at end of the period - as at 31 December 2025											
Freehold Land	364,446,210	-		-	364,446,210	-		-	-	364,446,210	
Buildings on freehold land	206,721,624	2,458,200		-	209,179,824	53,866,950	3,887,822	-	57,754,772	151,425,052	5
Plant and machinery	190,772,381	-		-	190,772,381	147,739,173	2,151,850	-	149,891,023	40,881,358	10
Generators	5,380,000	-		-	5,380,000	5,380,000		-	5,380,000		10
Laboratory equipment	61,926,238	-		-	61,926,238	22,587,003	1,986,962	-	24,553,965	37,372,273	10
Electric equipment	22,309,220	-		-	22,309,220	17,822,218	224,350	-	18,046,568	4,262,652	10
Office equipment	5,210,017			-	5,310,017	3,744,667	73,268	-	3,817,935	1,392,082	10
Furniture and fixtures	11,076,691	-		-	11,076,691	6,685,947	219,537	-	6,905,484	4,171,207	10
Computers and accessories	27,364,545	318,730		-	27,683,275	22,239,347	796,589	-	23,035,936	4,647,339	30
Motor vehicles	475,579,166	3,438,140	(18,626,000)	-	460,391,306	283,786,699	19,264,948	(16,622,767)	286,428,880	173,962,426	20
	1,170,786,092	6,415,070	(18,626,000)		1,158,575,162	563,852,204	28,585,126	(16,622,767)	575,814,563	782,760,599	
b) Reconciliation of carrying values at beginning of the period - as at 30 June 2025											
Freehold land	204,446,210	160,000,000		-	364,446,210	-		-		364,446,210	-
Buildings on freehold land	142,236,224	64,485,400		-	206,721,624	46,486,450	7,380,500	-	53,866,950	152,854,674	5
Plant and machinery	166,123,201	24,649,180		-	190,772,381	130,281,158	17,458,215	-	147,739,173	43,033,008	10
Generators	5,380,000	-		-	5,380,000	4,900,000	480,000	-	5,380,000		10
Laboratory equipment	45,075,304	16,850,934		-	61,926,238	16,337,880	6,249,123	-	22,587,003	39,339,235	10
Electric equipment	21,485,005	824,215		-	22,309,220	15,633,617	2,188,601	-	17,822,218	4,487,002	10
Office equipment	4,930,017	280,000		-	5,210,017	3,228,332	516,335	-	3,744,667	1,466,350	10
Furniture and fixtures	10,710,091	366,600		-	11,076,691	5,598,745	1,087,202	-	6,685,947	4,390,744	10
Computers and accessories	19,373,237	7,991,308		-	27,364,545	16,814,839	5,424,508	-	22,239,347	5,125,198	30
Motor vehicles	299,038,340	21,342,026	(94,808,200)	250,007,000	475,579,166	131,689,149	41,460,006	150,011,592 (41,374,068)	283,786,699	191,792,467	20
	878,797,629	296,759,663	(94,808,200)	250,007,000	1,170,786,092	372,978,170	82,244,510	150,011,592 (41,374,068)	563,852,204	606,933,888	

c) It includes land whose title remains registered in the name of a director, Mr. Azhar Ali due to the insistence of the relevant registrar. The director has provided a written undertaking, affirming that the title shall be transferred to the Company as and when required, ensuring the Company's beneficial ownership and intended use of the asset.

Particulars of immoveable property not in the name of the Company are as follows

Location of property	Type of Facility	Area	Covered Area
Mouza Bhai Kot Sundar Ramzani, Lahore	Manufacturing facility	113,256 Square Feet	

Particulars of immoveable property in the name of the Company are as follows

Location of property	Type of Facility	Area	Covered Area
36 KM, Multan Road, Adda Bath, Lahore	Manufacturing facility	166,464 Square Feet	48,744 Square Feet
82 R/1 Muhammad Ali Johar Town, Lahore	Registered office	4,574 Square Feet	2,816 Square Feet

d) The Company holds fully depreciated fixed assets with a cost of Rs. 63.496 million that remain in use. No depreciation is charged on these assets as they have been fully depreciated; however, they continue to be carried at their residual amounts in accordance with IAS 16. Management has assessed that these assets are still operational and continue to provide economic benefits to the Company.

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	31 Dec 2025				30 June 2025			
	freehold land	Plant and machinery	Building	Aggregate	freehold land	Plant and machinery	Building	Aggregate
	---------- rupees ----------				---------- rupees ----------			
6.3 Capital work in progress								
At start of the period	106,500,000	-	15,652,821	122,152,821	-	-	10,392,400	10,392,400
Expenses incurred	-	226,663,572	104,228,881	330,892,453	106,500,000	-	5,260,421	111,760,421
Transferred to assets	-	-	-	-	-	-	-	-
At end of the period	106,500,000	226,663,572	119,881,702	453,045,274	106,500,000	-	15,652,821	122,152,821

6.4 As part of the expansion strategy of the Company, the Company has started the construction and development of new manufacturing unit, Active Pharmaceutical Ingredient, (API).

6.5 De-recognition of assets

Following are the particulars of motor vehicles having individual book value of Rs. 500,000 or more disposed of during the period is as follows:

Particulars		Cost	Depreciation	Book Value	Proceeds	Gain	Mode of
Asset	Buyer	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	Disposal
KIA Sportage	M. Khalid	5,303,000	4,127,501	1,175,499	6,500,000	5,324,501	Negotiations
		5,303,000	4,127,501	1,175,499	6,500,000	5,324,501	

Following are the particulars of motor vehicles not having individual book value of Rs. 500,000 or more disposed off during the period is as follows:

	Cost	Depreciation	Book Value	Proceeds	Gain
Motor vehicles	13,323,000	12,495,266	827,734	14,998,049	14,170,315
Total : DEC 2025	18,626,000	16,622,767	2,003,233	21,498,049	19,494,816
Total : 2025	54,808,200	41,374,068	13,434,132	35,860,980	22,426,848

6.6 Depreciation is allocated as follows:

		31 Dec 2025 Rupees	30 June 2025 Rupees
Cost of sales	note 32	10,157,279	37,422,442
Administrative and general expenses	note 34	3,979,136	13,727,049
Selling expenses	note 35	14,448,711	31,095,020
		28,585,126	82,244,511

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7 RIGHT-OF-USE ASSETS

	Motor vehicles	Buildings	Aggregate
	---------------- rupees ----------------		
As at 30 June 2024			
Cost	521,768,726	16,620,339	538,389,065
Accumulated depreciation	(232,915,121)	(13,820,096)	(246,735,217)
Book value	288,853,605	2,800,243	291,653,848
Movement for the year ended 2025			
Additions during the year	194,145,803	-	194,145,803
Transferred to owned assets	(250,007,000)	-	(250,007,000)
Settlement adjustments	-	-	-
Additions in rights of use buildings	-	-	-
Adjustments in depreciation on transfers	150,011,592	-	150,011,592
Depreciation charge for the year	(103,961,697)	(2,800,243)	(106,761,940)
	(9,811,302)	(2,800,243)	(12,611,545)
As at 30 June 2025			
Cost	465,907,529	16,620,339	482,527,868
Accumulated depreciation	(186,865,226)	(16,620,339)	(203,485,565)
Book value	279,042,303	-	279,042,303
Movement for the period ended 2025			
Additions during the period	237,201,045	-	237,201,045
Transferred to owned assets	-	-	-
Settlement adjustments	-	-	-
Additions in rights of use buildings	-	-	-
Adjustments in depreciation on transfers	-	-	-
Depreciation charge for the period	(40,461,780)	-	(40,461,780)
	196,739,265	-	196,739,265
As at 31 December 2025			
Cost	703,108,574	16,620,339	719,728,913
Accumulated depreciation	(227,327,006)	(16,620,339)	(243,947,345)
Book value	475,781,568		475,781,568
Depreciation rate	20.00%	33.33%	

7.1 Depreciation is allocated as under:

		31 Dec 2025 Rupees	30 June 2025 Rupees
Cost of sales	- note 32	30,346,335	77,971,273
Administrative and general expenses	- note 34	6,069,267	18,394,498
Distribution and selling cost	- note 35	4,046,178	10,396,170
		40,461,780	106,761,941

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7.2 Change in accounting estimate

During the period, the Company changed the method of depreciation on Right of use assets from the straight-line method to the reducing balance method as management believes that the revised method more appropriately reflects the pattern in which the assets' future economic benefits are expected to be consumed.

The change has been accounted for prospectively as a change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, comparative figures have not been restated.

The change resulted in a decrease in depreciation charge for the year amounting to Rs. 18.686 million.

INTANGIBLE ASSETS	31 Dec 2025 Rupees	30 June 2025 Rupees
At beginning of the period		
Cost	5,109,313	4,006,120
Accumulated amortization	(3,372,001)	(2,983,639)
Book value	1,737,312	1,022,481
Movement for the period		
Additions during the period	1,120,386	1,103,193
Amortization charge for the period	(118,846)	(388,362)
	1,001,540	714,831
At end of the period		
Cost	6,229,699	5,109,313
Accumulated amortization	(3,490,847)	(3,372,001)
Book value	2,738,852	1,737,312

8.1 This represents ERP software license fee and related costs towards implementation of computer software. Amortization is charged to 'other expenses'.

9 LONG TERM DEPOSITS		31 Dec 2025 Rupees	30 June 2025 Rupees
Deposits with various institutions	- note 9.1	634,219	634,219

9.1 These are interest free refundable deposits with WAPDA and Pakistan Telecommunication Company, which are required to be carried at amortized cost. However, these, being held for indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

10 STOCKS IN TRADE	31 Dec 2025 Rupees	30 June 2025 Rupees
Raw material		
- Raw material	501,461,262	420,157,101
- Packing material	199,705,323	161,515,609
	701,166,585	581,672,710
Work in process	40,031,978	-
Finished goods	130,702,022	192,720,340
	871,900,585	774,393,050

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			31 Dec 2025 Rupees	30 June 2025 Rupees
11	**TRADE DEBTS**			
	Local - unsecured considered good		213,889,374	138,856,927
	Local - unsecured considered doubtful		1,160,556	-
			215,049,930	138,856,927
	Less: Provision for bad debts		(1,160,556)	-
			213,889,374	138,856,927
12	**RECEIVABLE FROM RELATED PARTIES**			
	Akbar Ali - director	- note 12.1	40,352,991	40,352,991
			40,352,991	40,352,991

12.1 This represents unsecured and interest free advances provided to the director to the tune of loan received from director.

			31 Dec 2025 Rupees	30 June 2025 Rupees
13	**LOANS AND ADVANCES - Advances to: unsecured but considered good**			
	- Employees		23,843,444	20,847,295
	- Employees against expenses		1,411,800	1,447,800
	- Suppliers		175,519,787	207,517,197
	Advances for purchases of land and building	- note 13.1	347,248,422	338,495,682
			548,023,453	568,307,974

13.1 The Company has entered into agreements for the acquisition of different lands and a flat for expansion purposes. As at the reporting date, the properties remain under installment payment arrangements and legal titles and possessions have not yet been transferred to the Company. The transfer of ownership is subject to settlement of the outstanding installments and completion of the related contractual and legal formalities.

Location of property	*Nature of property*	*Purpose of proper*
Office 308, Plot No. 95-F, Paradise Commercial Bahria Town Isb.	Flat - 1,561 sq. feet	Office
Plot No 51 & 52, Southern Block, Phase I, Bahria Orchard Lahore.	Land - 16 marlas (4,356.01 sq.ft)	Office
Plot No 87 & 88, Phase I, Bahria Town, Lahore.	Land - 4500 sq.ft + 4500 sq.ft	Office
Abdul sattar edhi road, Lahore.	Land 4 Kanal 2 Marla (22,324.5 sq.ft)	Office
Plot Nos. 62-B, 63-B, and 64-B, Quaid-e-Azam Business Park, Sheikhupura.	Land - 6 Acres (261,360 sq.ft)	Manufacturing unit

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			31 Dec 2025 Rupees	30 June 2025 Rupees
14	**TRADE DEPOSITS AND PREPAYMENTS**			
	Letters of credit		154,605,234	218,555,308
	Short-term deposits		2,512,674	7,953,690
	Prepayments		1,350,886	3,174,451
			158,468,794	229,683,449
15	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Rebate on export	- note 15.1	83,932,305	93,496,215
	Income tax refundable	- note 15.2	63,870,177	5,037,383
			147,802,482	98,533,598
	15.1 ***Rebate on export***			
	At beginning of the period / year		93,496,215	87,574,630
	Add: Claimed during the year		11,798,919	41,262,860
	Less: Received during the year		(6,431,527)	(311,423)
	Less: Rejected or disallowed		(14,931,302)	(35,029,852)
	At end of the period / year		83,932,305	93,496,215
	15.2 ***Income tax refundable***			
	At beginning of the period / year		5,037,383	11,307,426
	Add: Deductions at source during the period		57,688,333	82,022,706
	Add: Tax paid during the year		-	-
	Less: Current year's tax expense		-	(86,549,035)
	Less: Prior periods taxation		1,144,461	(1,743,714)
			63,870,177	5,037,383
	CASH AND BANK BALANCES			
	In hand		2,895,960	1,994,538
	With banks - on current accounts		114,060,327	117,863,470
			116,956,287	119,858,008

17 SHARE CAPITAL

31 Dec 2025	30 June 2025		31 Dec 2025 Rupees	30 June 2025 Rupees
------- Number of shares -------				
Authorized capital				
2,000,000	2,000,000	Ordinary shares of Rs. 100 each	200,000,000	200,000,000
Issued, subscribed and paid up capital				
		Ordinary shares of Rs. 100 each		
250,000	250,000	-fully paid in cash	25,000,000	25,000,000
1,750,000	1,750,000	-allotted as bonus shares	175,000,000	175,000,000
2,000,000	2,000,000		200,000,000	200,000,000

17.1 The Company has only one class of ordinary shares which carry no right to fixed income.

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			31 Dec 2025 Rupees	30 June 2025 Rupees
18	**EQUITY PORTION OF LOAN FROM DIRECTOR**			
	Present value of long-term loan from directors recognized in equity		23,670,127	26,975,664
	Less: Unwinding of interest on loan from directors	- note 19	(2,061,168)	(3,305,537)
	At end of the year		21,608,959	23,670,127

18.1 It represents equity portion relating to interest free loan from directors amounting to Rs. 40.353 million. This loan have been discounted at using effective rate of interest and classified separately in equity portion and long-term loans. Also refer note 19 to the financial statements.

			31 Dec 2025 Rupees	30 June 2025 Rupees
19	**LONG-TERM LOAN FROM DIRECTOR**			
	Unsecured and interest free loans			
	Loans from directors	- note 19.1	18,744,032	16,682,864
19.1	Loans from directors		40,352,991	40,352,991
	Present value adjustments	- note 18	(23,670,127)	(26,975,664)
	Present value of loans from directors		16,682,864	13,377,327
	Unwinding of interest free directors' loans	- note 37	2,061,168	3,305,537
	Net present value of loans from directors		18,744,032	16,682,864

19.2 ***Purpose and terms of loan***

It represents unsecured interest free loan from directors amounting to Rs. 40.353 million which is sub-ordinated to the finances obtained from financial institutions.

Recognition and measurement

This has been recognized as per the requirements of Technical Release (TR) 32 issued by Institute of Chartered Accountants of Pakistan (ICAP). As per the same, it is initially recognized at the present value of future payments discounted at a market rate of return/interest for a similar debt instrument. There will be a difference between the cash paid and present value on initial recognition. The entity shall recognize this difference as an addition to its equity. In subsequent periods, interest is recognized on the loan in the income statement using the effective interest method.

			31 Dec 2025 Rupees	30 June 2025 Rupees
20	**LONG TERM LOANS**			
	-from financial institutions			
	Meezan Bank Limited	- note 20.2	168,645,000	-
	Bank Alfalah Limited	- note 20.3	150,376,500	-
			319,021,500	-
	-from related party			
	Pharmasol private limited	- note 20.4	77,940,000	150,000,000
			396,961,500	150,000,000
	Less: Current maturities of long-term finances		(19,485,000)	-
			377,476,500	150,000,000

Detail particulars, securities, other arrangements and repayment schedules are detailed hereunder -

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	31 Dec 2025 Rupees	30 June 2025 Rupees
20.1 ***The movement during the year in long-term finances is as under:***		
At beginning of the period / year	150,000,000	-
Add: Obtained during the period / year	319,021,500	150,000,000
Less: Paid during the period / year	(72,060,000)	-
Closing balance	396,961,500	150,000,000

20.2 The Company has obtained a long-term financing facility from Meezan Bank Limited with a sanctioned limit of Rs. 400 million. The facility carries mark-up at the rate of six-month KIBOR plus 2.25% per annum, payable quarterly.The facility is secured by an additional ranking charge of Rs. 471 million over the fixed assets of Pharmasol (Private) Limited, cross corporate guarantee of Pharmasol (Private) Limited and personal guarantees of all directors of the Company.

20.3 The Company has obtained long-term financing facilities from Bank Alfalah Limited amounting to Rs. 735 million for the establishment of a production facility for the manufacture of Active Pharmaceutical Ingredients (API), comprising Rs. 160 million for construction of building and Rs. 575 million for import of plant and machinery.The facilities are repayable over six years, including a one-year grace period, and carry mark-up at three-month KIBOR plus 2.25% per annum, payable quarterly.The facilities are secured against first charges over the Company's fixed assets and plant and machinery aggregating Rs. 1,285 million, equitable mortgage over the Company's property valued at Rs. 242.245 million, lien over import documents, token retained margin (TRM) of Rs. 0.100 million, cross corporate guarantee of Pharmasol (Private) Limited and personal guarantees of the directors of the Company and Pharmasol (Private) Limited.

20.4 It represents loan payable to an associated company against working capital requirements. It carries mark-up at the rate of 3 months kibor plus 2.25% per annum. No formal repayment terms have been agreed. Based on management's intention and expected settlement pattern, the liability has been classified as non-current.Management has no intention to pay within next twelve months.

	31 Dec 2025		30 June 2025
	Vehicles Rupees	Aggregate Rupees	Aggregate Rupees
21 LEASE LIABILITIES			
Total lease liabilities	361,675,003	361,675,003	237,010,622
Current portion of leases	(158,902,554)	(158,902,554)	(121,028,354)
Non-current portion of leases	202,772,449	202,772,449	115,982,268
Movement during the year is as follows:			
At beginning of the period / year	237,010,622	237,010,622	225,485,827
New lease contracts	237,201,045	237,201,045	188,836,000
Lease obligations paid	(112,536,664)	(112,536,664)	(177,311,205)
At end of the period / year	361,675,003	361,675,003	237,010,622
Current portion	(158,902,554)	(158,902,554)	(121,028,354)
Non-current portion	202,772,449	202,772,449	115,982,268

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Maturity analysis of lease liabilities is as follows:			
Payable not later than one year	195,425,738	195,425,738	147,187,949
Payable later than one but not later than five years	223,418,194	223,418,194	173,875,899
	418,843,932	418,843,932	321,063,848
Un-allocated finance cost	(57,168,929)	(57,168,929)	(84,053,226)
Lease liabilities	361,675,003	361,675,003	237,010,622

21.1 Vehicles

Purpose of leases — The Company has entered into lease finances with different leasing and banking companies to acquire vehicles. The Company has intention to purchase these assets upon completion of lease period.

Security — These facilities are secured against exclusive ownership of these assets and post dated cheques / direct debit authority.

Repayment — These are payable on monthly basis and include finance cost ranging from 1 Months KIBOR plus 200 BPS to 3 Months KIBOR plus 200 BPS (2024: 3 Months KIBOR plus 225 BPS to 6 Months KIBOR plus 350 BPS).

			31 Dec 2025 Rupees	30 June 2025 Rupees
22	**DEFERRED LIABILITIES**			
	Employee retirement benefits (unfunded gratuity)	- note 22.1	44,145,745	24,150,862
22.1	**Movement in present value of defined benefit obligations is as under:**			
	Present value of obligations at beginning of the year		24,150,862	18,076,735
	Charge for the year -			
	- Statement of profit or loss	- note 22.1.1	9,323,809	6,761,012
	- Other comprehensive income	- note 22.1.2	10,671,074	(686,885)
	Less: Benefits paid		-	-
	Present value of obligations at end of the year		44,145,745	24,150,862
	22.1.1 Charge for the year - Statement of profit or loss			
	Current service cost		7,844,569	4,365,845
	Interest cost		1,479,240	2,395,167
			9,323,809	6,761,012
	22.1.2 Charge for the year - Other comprehensive income			
	Actuarial loss on obligation		10,671,074	(686,885)

		31 Dec 2025	30 June 2025
22.2	**Assumptions used for valuation of the defined benefit scheme for employees are as under:**	--------- *% age per annum*	---------
	Valuation discount rate	12.25	13.25
	Expected rate of increase in salary	11.25	10.00
	Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
	Retirement age	60 years	60 years

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22.3 Historical information for gratuity

	Present value of obligations	*Experience adjustments*
	Rupees	
Period Ended: 31 Dec 2025	44,145,745	10,671,074
Year Ended: 30 June 2025	24,150,862	(686,885)
Year Ended: 30 June 2024	18,076,735	(1,133,049)

22.4 Year end sensitivity analysis on present value of defined benefit obligations -

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the net defined benefit obligation as at 31 Dec 2025 would have been as follows:

	31 Dec 2025		*30 June 2025*	
	Variation of 100 bps		*Variation of 100 bps*	
	Increase	*Decrease*	*Increase*	*Decrease*
	Rupees		*Rupees*	
Discount rate	38,721,135	50,785,617	34,532,050	33,927,550
Future salary	50,844,247	38,567,402	7,504,723	7,369,503

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

22.5 Expected expense for next year

The expected expense to the gratuity scheme for the year ending 30 June 2026 is Rs. 22.57 million.

22.6 Average duration of the obligation

Weighted average duration of the defined benefit obligation is 14 (2025: 5) years gratuity plan.

22.7 Exposure of actuarial risk

The plans expose the Company to the actuarial risks such as:

a) *Salary risks* — The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

b) *Mortality / withdrawal risks* — The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

		31 Dec 2025	30 June 2025
		Rupees	Rupees
23 LONG TERM DEPOSITS			
Securities from dealers	- note 23.1	16,227,928	25,796,384

23.1 This represents securities received from dealers / distributors against credit sales under normal trade credits and executed through contract in writing.

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	31 / Dec / 2025 Rupees	30 / June / 2025 Rupees
24 DEFERRED TAXATION		
Deferred tax liability on taxable temporary differences		
Accelerated depreciation on property, plant and equipment	42,332,177	45,610,616
Lease liabilities	33,090,904	12,189,187
Deferred tax asset on deductible temporary differences		
Provision for employee retirement benefits	(12,802,266)	(7,003,750)
	62,620,815	50,796,053

Movement in deferred tax due to taxable / (deductible) temporary differences -

	Opening balance	Revaluation surplus	Profit and loss account	Other comprehensive income	Closing balance
		Rupees			
As at 31 december 2025					
Accelerated depreciation	45,610,616	-	(3,278,439)	-	42,332,177
Lease liabilities	12,189,187	-	20,901,717	-	33,090,904
Provision for employee benefits	(7,003,750)	-	(2,703,905)	(3,094,611)	(12,802,266)
	50,796,053	-	14,919,373	(3,094,611)	62,620,815
As at 30 June 2025					
Accelerated depreciation	18,889,702	-	26,720,914	-	45,610,616
Lease liabilities	18,236,994	-	(6,047,807)	-	12,189,187
Provision for employee benefits	(4,982,245)	-	(2,220,702)	199,197	(7,003,750)
	32,144,451	-	18,452,405	199,197	50,796,053

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			31 Dec 2025 Rupees	30 June 2025 Rupees
25	TRADE AND OTHER PAYABLES			
	Creditors		385,103,415	358,206,352
	Advance from customers	- note 25.1	471,979,687	715,056,125
	Accrued expenses		169,454,680	157,412,113
	Sales tax payable		11,824,254	8,506,064
	Withholding income taxes	- note 25.2	41,156,125	36,252,677
	Workers participation fund	- note 25.3	44,536,216	20,633,453
	Workers welfare fund	- note 25.4	39,409,807	30,994,271
	Other payables		168,211,528	137,700,706
			1,331,675,712	1,464,761,761

25.1 The advances from customers primarily relate to the advance consideration received from customers for sale of veterinary products, for which revenue is recognised at point in time when goods are transferred. Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

During the year, Performance obligation underlying the opening contract liability of Rs. 715.056 million were satisfied in full. Accordingly the said liability was recorded as a revenue during the year.

25.2 It includes withholding tax payable amounting to Rs. 29.026 million arising from dividend distributions.

		31 Dec 2025 Rupees	30 June 2025 Rupees
25.3	Movement in Workers' profit participation fund		
	Opening balance	20,633,453	7,773,406
	Add: Allocation for the period	21,038,840	20,633,453
	Add: Interest for the period	2,863,923	-
		44,536,216	28,406,859
	Less: Payments during the period	-	(7,773,406)
		44,536,216	20,633,453
25.4	Movement in Workers' welfare fund		
	Opening balance	30,994,271	21,174,717
	Add: Allocation for the period / year	8,415,536	8,253,381
	Add: Interest for the year	-	2,966,203
		39,409,807	32,394,301
	Less: Payments during the period / year	-	(1,400,030)
		39,409,807	30,994,271

			31 Dec 2025 Rupees	30 June 2025 Rupees
26	ACCRUED MARK-UP			
	Long term loan from related party		6,809,093	3,035,123
	Short term borrowings		6,729,644	5,906,845
			13,538,737	8,941,968
27	CURRENT PORTION OF LONG TERM LIABILITIES			
	Long term finances	- note 20	19,485,000	-
	Lease liabilities	- note 21	158,902,554	121,028,354
			178,387,554	121,028,354

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			31 Dec 2025 Rupees	30 June 2025 Rupees
28	SHORT TERM BORROWINGS - secured borrowings from financial institutions			
	Running finances			
	- Bank Al Falah Limited	- note 28.1	4,897,643	-
	- Bank Al Habib Limited	- note 28.2	-	33,445,030
			4,897,643	33,445,030
	FATR			
	- Bank Al Falah Limited	- note 28.3	176,542,178	143,454,796
	- Bank Al Habib Limited	- note 28.4	86,270,191	79,054,182
	- Meezan bank Limited	- note 28.5	88,217,167	82,113,360
			351,029,536	304,622,338
			355,927,179	338,067,368

28.1 The Company has obtained a financing facility from Bank Alfalah Limited with a sanctioned limit of Rs. 70 million (2025: Rs. 70 million). The facility carries mark-up at the rate of one-month KIBOR plus 2.25% per annum, payable quarterly. The facility is secured by a first pari passu charge of Rs. 427 million over the Company's current assets, a first hypothecation charge of Rs. 251 million over its present and future fixed assets, and is further backed by personal guarantees of all directors of the Company.

28.2 The Company has obtained a loan facility from Bank Alhabib Limited with a sanctioned limit of Rs. 45 million (2025: Rs. 45 million). The facility carries mark-up at the rate of 3 months KIBOR plus 225 bps (2025: 3 months KIBOR plus 225 bps) per annum, payable quarterly. The loan is secured through a first pari passu charge of Rs. 191 Million over current assets of the Company, lien over import documents, cash margin and personal guarantees of all directors of the Company.

28.3 The Company has obtained a loan facility from Bank Alfalah Limited with a sanctioned limit of Rs. 180 million (2025: Rs. 180 million). The facility carries mark-up at the rate of 1 Month KIBOR plus 225 bps per annum (2025: 1 Months KIBOR plus 225 bps per annum), payable quarterly. The loan is secured through an equitable mortgage of company's property having value of Rs. 390.522 Million, lien over import documents, TRM of Rs. 0.100 Million and personal guarantees of all directors of the Company.

28.4 The Company has obtained a loan facility from Bank Alhabib Limited with a sanctioned limit of Rs. 98 million (2025: Rs. 98 million). The facility carries mark-up at the rate of 3 Months KIBOR plus 225 bps per annum (2025: 3 Months KIBOR plus 225 bps per annum), payable quarterly. The loan is secured through a 1st Pari passu charge on current assets of the Company and fixed assets of Pharmasol Private Limited of Rs. 400 Million, and personal guarantees of all directors of the Company.

28.5 The Company has obtained a loan facility from Meezan Bank Limited with a sanctioned limit of Rs. 150 million (2025: Rs. 150 million). The facility carries mark-up at the rate of 3 Month KIBOR plus 215 bps per annum, payable quarterly. The loan is secured through a pari passu charge of Rs. 200 Million over present and future current assets of the Pharmasol Private Limited and Ranking charge of Rs. 200 million over current assets of the Company and personal guarantees of all the directors of the Company.

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		31 Dec 2025	30 June 2025
		Rupees	Rupees
29	**PAYABLE TO RELATED PARTY**		
	Associated Company - Pharmasol Private Limited	23,283,710	30,603,735

29.1 This represents the normal trade credit in accordance with the terms of the trade policy of the Company. Moreover, the transactions are carried out an arms' length basis.

30 CONTINGENCIES AND COMMITMENTS

- *Contingencies - There is no known contingent liability of the Company as on year end (2025: Nil).*

	31 Dec 2025	30 June 2025
• *Commitments - against irrevocable letters of credit*	401,284,806	299,121,632
Commitments - against Capital commitment	619,003,473	15,000,000

Other than above, there is no material commitment of the Company as on year end (2025: Nil).

		31 Dec 2025	31 Dec 2024
31	**SALES (NET)**	Rupees	Rupees
	Local	3,240,558,956	1,908,393,916
	Exports	158,565,182	170,435,860
		3,399,124,138	2,078,829,776
	Less: Sales tax	(32,084,768)	(18,947,397)
	Less: Discounts, sale returns and allowances	(4,561,287)	(13,654,255)
		3,362,478,083	2,046,228,124

			31 Dec 2025	31 Dec 2024
32	**COST OF SALES**			
	Raw and packing material consumed	- note 32.1	1,936,069,543	1,201,704,622
	Salaries, wages and other benefits	- note 32.2	98,549,818	84,656,565
	Fuel and power		30,499,127	34,656,128
	Laboratory		29,716,743	16,415,276
	Entertainment		6,713,483	7,412,661
	Insurance		272,968	679,905
	Freight and handling		6,307,750	3,566,595
	Repairs and maintenance		26,973,511	30,907,218
	Depreciation on property, plant and equipment	- note 6.6	10,157,279	35,893,106
	Depreciation on right of use assets	- note 7.1	30,346,335	41,763,661
	Other manufacturing expenses		9,656,549	12,471,294
			2,185,263,106	1,470,127,031
	Adjustment of work in process			
	Opening stocks		-	-
	Less: Closing stocks		(40,031,978)	(27,502,412)
			(40,031,978)	(27,502,412)
	Adjustment of finished goods			
	Opening stocks		192,720,340	161,832,485
	Purchases		-	30,919,411
	Less: Closing stocks		(130,702,022)	(183,420,685)
			62,018,318	9,331,211
			2,207,249,446	1,451,955,830

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			31 Dec 2025 Rupees	31 Dec 2024 Rupees
32.1	**Raw and packing material consumed**			
	Opening stocks		581,672,710	400,237,599
	Add: Purchases and related cost		2,055,563,418	1,145,682,265
	Less: Closing stocks		(701,166,585)	(371,717,654)
			1,936,069,543	1,174,202,210

32.2 It includes employee retirement benefits amounting to Rs. 2,797,143 (2025: Rs. 2,028,304).

			31 Dec 2025	31 Dec 2024
33	**OTHER OPERATING INCOME**			
	from non-financial assets			
	Gain on de-recognition of assets	- note 6.5	19,494,816	39,318,700
	Sale of scrap		4,626,424	3,404,626
	Export rebate income		13,456,693	6,675,413
	Old liabilities written back		9,568,456	-
	Other income		168,972	372,644
			47,315,361	49,771,383
34	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Directors' remuneration		7,176,478	6,874,769
	Salaries and allowances	- note 34.1	37,019,814	34,212,847
	Vehicle running and maintenance		6,170,539	6,052,499
	Travelling and conveyance		1,612,090	1,196,692
	Entertainment		6,085,752	6,944,859
	Electricity, gas and water		3,662,470	3,932,841
	Communications		2,884,201	1,085,135
	Printing and stationary		4,533,330	1,809,191
	Repairs and maintenance		6,288,639	2,224,632
	Rent, rates and taxes		2,800,192	343,442
	Insurance		1,235,807	3,303,369
	Legal and professional		2,799,387	2,701,336
	Auditor's remuneration	- note 34.2	1,050,000	
	Depreciation on property, plant and equipment	- note 6.6	3,979,136	4,785,747
	Depreciation on right of use assets	- note 7.1	6,069,267	5,568,488
	Others		883,719	888,641
			94,250,821	81,924,488

34.1 It include employee retirement benefits amounting to Rs. 466,190 (2025: Rs. 338,051).

			31 Dec 2025	31 Dec 2024
34.2	**Auditor's remuneration**			
	Audit fee		1,000,000	-
	Sales tax		50,000	-
			1,050,000	

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			31 Dec 2025 Rupees	31 Dec 2024 Rupees
35	**DISTRIBUTION AND SELLING COST**			
	Salaries and allowances	- note 35.1	243,768,930	203,313,026
	Business promotions and advertisement		311,253,686	141,963,252
	Vehicle running and maintenance		5,037,843	112,756
	Freight and handling		8,381,025	7,738,613
	Communications		3,524,542	3,348,236
	Insurance		11,460,266	6,654,335
	Depreciation on property, plant and equipment	- note 6.6	14,448,711	7,178,621
	Depreciation on right of use assets	- note 7.1	4,046,178	8,352,732
			601,921,181	378,661,571

35.1 Salaries and allowances

Salaries and allowances include employee retirement benefits amounting to Rs. 6,060,476 (2025: Rs. 4,394,658).

			31 Dec 2025 Rupees	31 Dec 2024 Rupees
36	**OTHER OPERATING EXPENSES**			
	Charity and donations	- note 36.1	24,880,020	4,814,787
	Export rebate written off		14,931,302	-
	Provision for doubtful debt		1,160,556	-
	Workers profit participation fund		21,038,840	8,504,106
	Workers' welfare fund		8,415,536	3,170,135
	Amortization of intangible assets	- note 8	118,846	298,364
			70,545,100	16,787,392

36.1 It includes amount of Rs. 24.290 million donated to Al-Razzaq Foundation, related party. Directors of the Compnay have interest in the donee.

			31 Dec 2025 Rupees	31 Dec 2024 Rupees
37	**FINANCE COST**			
	Mark up on:			
	- Long-term finances		10,070,014	-
	- Lease liabilities		20,812,271	24,768,872
	- Short term borrowings		23,620,196	45,380,369
	- Interest on worker's profit participation fund		2,863,923	-
	- Interest on worker's welfare fund		-	1,178,175
			57,366,404	71,327,416
	Unwinding of:			
	- Discount on interest free directors' loan	- note 19.1	2,061,168	-
	- Liability against right - of - use assets		-	435,676
			2,061,168	435,676
	Bank charges and commission		1,168,755	824,592
			60,596,327	72,587,684

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		31 Dec 2025 Rupees	31 Dec 2024 Rupees
38	**LEVIES AND TAXATION**		
	Levies		
	-Minimum tax	-	39,488,924
	-Prior periods	(1,144,461)	-
		(1,144,461)	39,488,924
	Income tax		
	-Current taxation	124,145,672	-
	-Deferred tax	14,919,373	-
		139,065,045	-
		137,920,584	39,488,924

38.1 -Levies

This represents taxes paid under section 154 and 113 of Income Tax Ordinance, 2001(ITO 2001), representing levies in terms of requirements of IFRIC 21/IAS37.

38.2 -Current taxation

Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.

38.3 Prior period assessments

Income tax assessments of the Company have been finalized up to tax year 2025 in accordance with deeming provision of the Income Tax Ordinance, 2001. Furthermore, there are no tax litigations involving the Company pending litigation.

38.4 Numerical reconciliation between the average tax rate and the applicable tax rate

	31 Dec 2025 % age	31 Dec 2024 % age
Applicable tax rate	29.00%	29.00%
Tax effects of amounts that are:		
Not allowable for tax purposes	2.47%	0.00%
Different tax rates	1.00%	0.00%
Prior periods' tax effects	0.31%	0.00%
Effective tax rate	32.78%	0.00%

			31 Dec 2025	31 Dec 2024
39	**EARNINGS PER SHARE (BASIC AND DILUTIVE)**			
	Profit attributable to ordinary equity holders	*(Rupees)*	237,309,985	54,593,618
	Weighted average number of outstanding ordinary shares	*(Number)*	2,000,000	2,000,000
	Earnings per share - basic and diluted	*(Rupees)*	118.65	27.30

39.1 Basic earnings per share

There is no dilutive effect on the basic earnings per share of the Company as at 31 December 2025 and 31 December 2024.

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			31 Dec 2025 Rupees	31 Dec 2024 Rupees
40	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		375,230,569	299,011,766
	Add / (Less): Adjustment for non cash charges / items			
	Depreciation on property, plant and equipment	- note 6.6	28,585,126	82,244,511
	Depreciation on right of use assets	- note 7.1	40,461,780	106,761,941
	Provision for employee retirement benefits	- note 22.1.1	9,323,809	6,761,012
	Provision for workers' profit participation fund	- note 36	21,038,840	20,633,453
	Provision for workers' welfare fund	- note 36	8,415,536	8,253,381
	Interest on Worker's welfare fund		-	2,966,203
	Interest on Worker's profit participation fund		2,863,923	-
	Export rebate written off		14,931,302	35,029,852
	Provision for doubtful debt		1,160,556	-
	Bad debts expense		-	43,474,816
	Old liabilities written back		(9,568,456)	-
	Amortization of intangible assets	- note 8	118,846	388,362
	Gain on de-recognition of assets	- note 6.5	(19,494,816)	(22,426,848)
	Unwinding of discount on loan from directors		2,061,168	3,305,537
	Discount of leases in respect of right of use assets		-	331,143
	Finance cost		58,535,159	124,344,609
			158,432,773	412,067,972
	Operating profit before changes in working capital		533,663,342	711,079,738
	Working capital changes			
	(Increase) / Decrease in current assets			(212,322,966)
	Stocks in trade		(97,507,535)	(212,322,966)
	Trade debts		(76,193,003)	(20,333,166)
	Receivable from related parties		-	(20,591,489)
	Loans and advances		20,284,521	(155,610,823)
	Tax refund from gov't		(5,367,392)	(40,951,437)
	Trade deposits and prepayments		71,214,655	(86,069,066)
	Payable to related party		(7,320,025)	30,603,735
	Increase in trade and other payables		(165,404,348)	285,011,522
			(260,293,127)	(220,263,690)
	Cash generated from operations		273,370,215	490,816,048

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41 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk;

b) Liquidity risk; and

c) Market risk

The Companys overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

41.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

41.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

41.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 Dec 2025	30 June 2025
At amortized cost	Rupees	Rupees
Trade debts	213,889,374	138,856,927
Receivable from related parties	40,352,991	40,352,991
Bank balances	114,060,327	117,863,470
Loans and advances	548,023,453	568,307,974
Trade deposits	157,117,908	226,508,998
	1,073,444,053	1,091,890,360

41.2.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

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	31 Dec 2025 Rupees	30 June 2025 Rupees
Customers	213,889,374	138,856,927
Banks	114,060,327	117,863,470
Others	745,494,352	835,169,963
	1,073,444,053	1,091,890,360

41.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various financial institutions to meet liquidity requirements.

Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

41.3.1 Exposure to liquidity risk

- ***Contractual maturities of financial liabilities, including estimated interest payments***

The following are the remaining contractual maturities of financial liabilities:

Financial liabilities	*Carrying amount*	*Contractual cash flows*	*Not later than 1 year*	*Later than 1 year*
	Rupees			
As at 31 December 2025				
Long term loan - directors	40,352,991	40,352,991	-	40,352,991
Long term loan	396,961,500	396,961,500	-	396,961,500
Obligation against leases	361,675,003	418,843,932	195,425,738	223,418,194
Short term borrowings	355,927,179	369,465,916	369,465,916	-
Trade payables	1,206,573,564	1,206,573,564	1,206,573,564	-
	2,361,490,237	2,432,197,903	1,771,465,218	660,732,685
As at 30 June 2025				
Loan from related party	150,000,000	153,035,123	-	-
- From directors	40,352,991	40,352,991	-	40,352,991
- From banks	-	33,073,241	11,934,805	21,138,436
Obligation against leases	237,010,622	321,063,848	147,187,949	173,875,899
Short term borrowings	338,067,368	347,009,336	347,009,336	-
Trade payables	1,376,881,360	1,376,881,360	1,376,881,360	-
	2,142,312,341	2,271,415,899	1,883,013,450	235,367,326

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

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41.4 Market risk

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

41.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies.

- ***Exposure to foreign currency risk***

Exposure to foreign currency risk (as denominated in US $) was as follows based on notional amounts:

	31 Dec 2025	30 June 2025
Outstanding letters and credit (in US $)	551,925	770,212

Commitments outstanding at year end amounted to US $ 1,432,546 (2025: US $ 1,054,136) relating to letter of credits for imports. The significant exchange rates applied during the year:

	Average rate		Reporting date mid spot rate	
	31 Dec 2025	30 June 2025	31 Dec 2025	30 June 2025
	---- Rupees ----		------------ Rupees ------------	
USD 1	281.94	281.15	280.12	283.76

- ***Sensitivity analysis***

1% strengthening of Pak Rupee against US $ at reporting date would have varied profit or loss as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant

Decrease in profit and loss account	1,546,052	2,185,554

41.4.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

- ***Fixed rate financial instruments***

There is no financial instrument of the Company bearing fixed rate of interest and as such no fair value sensitivity analysis of same is presented herewith

	31 Dec 2025 Rupees	30 June 2025 Rupees
• ***Variable rate financial instruments***		
Long-term loans	415,705,532	166,682,864
Obligations against leases	361,675,003	237,010,622
Short term borrowings	355,927,179	338,067,368
	1,133,307,714	741,760,854

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(c) Counterparties without external credit ratings

The trade debts as at the reporting date are classified in Pak Rupees. The aging of trade debts at the reporting date is as follows:

	31 Dec 2025 Rupees	30/June/2025 Rupees
Past due 0 - 30 days	151,272,899	97,644,191
Past due 31 - 60 days	56,451,210	34,991,946
Past due 61 - 365 days	6,165,265	6,220,790
	213,889,374	138,856,927

The Company has a policy to provide for impairment of expected credit loss based upon the age analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

(b) Other financial assets

Based on past experience the management believes that no impairment allowance is necessary in respect of receivables from related parties, security deposits and advances, loan from directors and accrued interest on loan to director as there are reasonable grounds to believe that these balances will be recovered.

(a) Counterparties with external credit ratings

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating as of 2025			31 Dec 2025	30 June 2025
	Short-term	*Long-term*	*Agency*	Rupees	Rupees
Habib Bank Limited	A-1+	AAA	JCR-VIS	16,632,405	11,922,514
MCB Bank Limited	A-1+	AAA	PACRA	(502,185)	3,077,135
Bank Alfalah Limited	A-1+	AA+	PACRA	6,618,859	28,976,466
Bank Al Habib Limited	A-1+	AAA	PACRA	29,043,743	43,205,306
The Bank of Khyber	A-1	A+	JCR-VIS	4,887	4,887
JS Bank Limited	A-1+	AA-	PACRA	29,616	29,616
Soneri Bank Limited	A-1+	AA-	PACRA	630,946	630,945
Askari Bank Limited	A-1+	AA+	PACRA	1,487,372	4,644,317
Meezan Bank Limited	A-1+	AAA	JCR-VIS	59,539,230	21,174,171
Faysal Bank Limited	A-1+	AA+	JCR-VIS	518,147	4,140,806
Summit Bank Limited	--- rating suspended ---			10,418	10,418
Samba Bank Limited				46,889	46,889
				114,060,327	117,863,470

41.2.3 *Concentration of credit risk*

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

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- *Cash flow sensitivity analysis for interest rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit before tax by amounts shown below. The analysis assumes that all other variables, remain constant. The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

	Variation in basis points (% age)	Effect on profit before tax 31 Dec 2025 Rupees	30 June 2025 Rupees
• *Variable rate instruments*			
Long-term loans	100 bps or 1.00%	4,157,055	1,666,829
Obligations against leases		3,616,750	2,370,106
Short term borrowings		3,559,272	3,380,674
		11,333,077	7,417,609

41.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

42 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried using equity method. The carrying values of all other financial assets and liabilities reflected in these financial statements approximate their fair values. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for asset or liability that are not based on observable market data inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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	Carrying Amount				Fair Value			
	As at 31 December 2025							
Financial instruments on reporting date	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	213,889,374	-	213,889,374	-	213,889,374	-	213,889,374
Receivable from related parties	-	40,352,991	-	40,352,991	-	40,352,991	-	40,352,991
Bank balances	-	114,060,327	-	114,060,327	-	114,060,327	-	114,060,327
Loans and advances	-	548,023,453	-	548,023,453	-	548,023,453	-	548,023,453
Trade deposits	-	157,117,908	-	157,117,908	-	157,117,908	-	157,117,908
	-	1,073,444,053	-	1,073,444,053	-	1,073,444,053	-	1,073,444,053
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	396,961,500	396,961,500	-	-	-	-
Long term loan from directors	-	-	40,352,991	40,352,991	-	-	-	-
Obligation against leases	-	-	361,675,003	361,675,003	-	-	-	-
Short term borrowings	-	-	355,927,179	355,927,179	-	-	-	-
Trade payables	-	-	1,206,573,564	1,206,573,564	-	-	-	-
	-	-	2,361,490,237	2,361,490,237	-	-	-	-

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	Carrying Amount				Fair Value			
	As at 30 June 2025							
Financial instruments on reporting date	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	138,856,927	-	138,856,927	-	138,856,927	-	138,856,927
Receivable from related parties	-	40,352,991	-	40,352,991	-	40,352,991	-	40,352,991
Bank balances	-	117,863,470	-	117,863,470	-	117,863,470	-	117,863,470
Loans and advances	-	568,307,974	-	568,307,974	-	568,307,974	-	568,307,974
Trade deposits	-	226,508,998	-	226,508,998	-	226,508,998	-	226,508,998
	-	1,091,890,360	-	1,091,890,360	-	1,091,890,360	-	1,091,890,360
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term loans	-	-	150,000,000	150,000,000	-	-	-	-
Long term loan from directors	-	-	40,352,991	40,352,991	-	-	-	-
Obligation against leases	-	-	237,010,622	237,010,622	-	-	-	-
Short term borrowings	-	-	338,067,368	338,067,368	-	-	-	-
Trade payables	-	-	1,376,881,360	1,376,881,360	-	-	-	-
	-	-	2,142,312,341	2,142,312,341	-	-	-	-

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43 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on basis of the debt-to-equity ratio calculated as ratio of total debt to equity.

	31 Dec 2025	30 Jun 2025
	--- Rupees in '000 ---	
Total debt	1,154,917	615,431
Total equity and debt	2,218,325	1,449,106
Debt-to-equity ratio	52%	42%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits to the Executives, Chief Executive and Director of the Company is as follows:

	Chief Executive		*Directors*		*Executives*	
	31 Dec 2025	*30 Jun 2025*	*31 Dec 2025*	*30 Jun 2025*	*31 Dec 2025*	*30 Jun 2025*
			Rupees			
Remuneration	1,408,600	3,775,200	3,256,110	2,145,000	31,613,693	52,883,100
Allowances	541,770	1,452,000	1,252,350	825,000	6,322,739	10,576,620
Benefits	216,708	580,800	500,940	330,000	4,215,159	7,051,080
	2,167,078	5,808,000	5,009,400	3,300,000	42,151,591	70,510,800
Number of persons	1	1	2	1	24	24

44.1 The Company has also provided Chief Executive and working Director with the Company maintained cars. No fees were paid to any Director for attending Board meetings.

45 NUMBER OF EMPLOYEES

	At end of the year		*Average during the year*	
	31 Dec 2025	*30 Jun 2025*	*31 Dec 2025*	*30 Jun 2025*
		Number of Employees		
Company employees	661	650	655	640

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46 **BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Company comprise of associated undertakings, key management personnel and entities under common directorship. Balances are disclosed elsewhere in the financial statements. Significant transactions with related parties other than disclosed elsewhere in the financial statements are as follows.

Related Party	Nature of relationship	Basis of relationship	Nature of transaction	Transaction Value 31 Dec 2025	Transaction Value 30 Jun 2025	Outstanding Balance 31 Dec 2025	Outstanding Balance 30 Jun 2025
				---------- Rupees	----------	----------	----------
Al-Razzaq Foundation	Associated Undertaking	Common Directorship	Donations paid	24,290,020	-	-	-
Pharmasol (Private) Limited	Associated Undertaking	Common Directorship	Balance payable	-	-	(23,283,710)	(30,603,735)
			(Payments) Receipts - net	(7,320,025)	33,925,017		
			Loan paid / (received)	72,060,000	(150,000,000)	(77,940,000)	(150,000,000)
Key management personnel							
Mr. Aimal Akbar	CEO	Shareholder	Remuneration	2,167,078	-	-	-
Mr. Akbar Ali	Directors	Shareholder	Remuneration	3,194,400	5,808,000	-	-
			Advances given (net)	-	24,412,771	40,352,991	40,352,991
Ms. Shazia Akbar	Directors	Shareholder	Remuneration	1,815,000	3,300,000	-	-
			Advances given	-	(500,000)	-	-
			Loan from director	-	-	(40,352,991)	(40,352,991)
Executives	Executives		Remuneration	42,151,591	70,510,800	-	

47 **OPERATING SEGMENTS**

These financial statements have been prepared on the basis of a single reportable segment.

- There is only the geographical segmentation on account of export sales which had been duly disclosed in note 31 to the financial statements of the Company.
- All non current assets of the Company at 31 December 2025 are located in Pakistan.

SELMORE PHARMACEUTICALS LIMITED
(Formerly Selmore Pharmaceuticals (Private) Limited)
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

48 PLANT CAPACITY AND PRODUCTION

The capacity and production of the Company's plant is indeterminable as it is a multi-product plant involving varying processes of manufacture.
Actual production was sufficient to meet the demand. The Company operated the plant considering the market demand and supply of the product.

49 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the shareholders approved the increase in authorised share capital of the Company from 200 million to 1,450 million and subdivision of the equity shares in the ratio of 1:10 resulting in reduction of the face value per share from Rs.100 to Rs.10. These changes become effective on April 22, 2026 and January 14,2026 respectively.These have been treated as non adjusting event as per IAS-10 - Events after the reporting period. Accordingly, no adjustments have been made to the financial statements as at December 31, 2025.

50 RE-CLASSIFICATIONS AND RE-ARRANGEMENTS OF CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. No significant re-classification and re-arrangements are made in the financial statements.

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 23 Jul 2026.

Chief Executive Officer

Director

Lahore.

6.5. ANNUAL AUDITED FINANCIAL STATEMENTS AS AT JUNE 30th, 2025

A member firm of INPACT Asia Pacific an international network of independent professional accountants

INPACT ASIA PACIFIC

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

AUTHORISED TRAINING EMPLOYER

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th June 2025

KAMRAN & CO.
CHARTERED ACCOUNTANTS

Lahore (Head Office): Apt. A/2, Ingola Apartments 24 Jail Road, Lahore	Tel: 042 - 3 742 40 20 - 22 Tel: 0302 - 858 15 16 Fax: 042 - 3 742 40 19
Islamabad (Branch Office): 103, Golden Plaza Fazal-e-Haq Road, Blue Area, Islamabad	Tel: 0300 - 940 5444 email: kamlk@kamranco.com.pk

e-contact: ca@kamranco.com.pk, fatah@brain.net.pk
web: www.kamranco.com.pk

KAMRAN & CO.
CHARTERED ACCOUNTANTS

A member firm of INPACT Asia Pacific, a worldwide network of independent professional accountants

INPACT ASIA PACIFIC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELMORE PHARMACEUTICALS (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the annexed financial statements of **Selmore Pharmaceuticals (Pvt) Limited** ('the Company'), which comprises the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion, to the best of our information and according to the explanation given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give information required by Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ('ISAs') as applicable in Pakistan. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statement' section of our report. We are independent of the Company in accordance with the 'International Ethics Standards Board for Accountants' 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Lahore (Head Office)
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KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Acts, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Boards of directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exist. Misstatement can arise from fraud or error and are consider material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

KAMRAN & CO.
CHARTERED ACCOUNTANTS

INPACT

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) The statements of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

OTHER MATTER:

The Company has converted itself into a Public Unlisted Company subsequent to year end but before the date of authorization of the financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kamran Fatah (FCA).

KAMRAN & CO.
CHARTERED ACCOUNTANTS

KAMRAN & CO. Chartered Accountants

LAHORE
07th October 2025
UDIN: AR202510181BBRWy2JL

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30 June 2025 Rupees	30 June 2024 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	929,086,709	516,219,859
Right-of-use assets	7	279,042,303	291,653,848
Intangible assets	8	1,737,312	1,022,481
Long term investment	9	-	440,000,000
Long term deposits	10	634,219	634,219
		1,210,500,543	1,249,530,407
Current assets			
Stocks in trade	11	774,393,050	562,070,084
Trade debts	12	138,856,927	161,998,577
Receivable from related parties	13	40,352,991	19,761,502
Loans and advances	14	568,307,974	519,197,151
Trade deposits and prepayments	15	229,683,449	143,614,383
Tax refunds due from government	16	98,533,598	98,882,056
Cash and bank balances	17	119,858,008	115,106,392
		1,969,985,997	1,620,630,145
Total assets		3,180,486,540	2,870,160,552

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30 June 2025 Rupees	30 June 2024 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	200,000,000	200,000,000
Equity portion of loan from director	19	23,670,127	26,975,664
Unappropriated profit		610,004,796	725,098,301
		833,674,923	952,073,965
Non-current liabilities			
Long-term loan from director	20	16,682,864	13,377,327
Lease liabilities	21	115,982,268	99,861,127
Deferred liabilities	22	24,150,862	18,076,735
Deferred taxation	23	50,796,053	32,144,451
Long term loan from related party	24	150,000,000	-
Long term deposits	25	25,796,384	25,796,384
		383,408,431	189,256,024
Current liabilities			
Trade and other payables	26	1,464,761,761	1,157,070,636
Accrued mark-up	27	8,941,968	12,756,790
Short term borrowings	28	338,067,368	433,378,437
Payable to related party	29	30,603,735	-
Current portion of long term liabilities	21	121,028,354	125,624,700
Income tax liability	30	-	-
		1,963,403,186	1,728,830,563
Contingencies and commitments	31	-	-
Total equity and liabilities		3,180,486,540	2,870,160,552

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 Rupees	30 June 2024 Rupees
Sales (net)	32	4,744,759,394	3,249,859,971
Cost of sales	33	(3,155,726,333)	(2,287,017,339)
Gross profit		1,589,033,061	962,842,632
Other operating income	34	80,557,473	66,758,126
Administrative and general expenses	35	(163,721,950)	(138,924,101)
Distribution and selling cost	36	(961,094,165)	(571,094,847)
Other operating expenses	37	(114,815,161)	(15,195,892)
Finance cost	38	(130,947,492)	(159,800,569)
		(1,370,578,768)	(885,015,409)
Profit before income tax and levies		299,011,766	144,585,349
Levies	39	(61,053,206)	(38,476,565)
Profit before income tax		237,958,560	106,108,784
Taxation			
- Current taxation	39	(27,239,543)	-
- Prior year's effect		-	1,451,228
- Deferred taxation		(18,452,405)	(23,660,947)
	39	(45,691,948)	(22,209,719)
Profit after income tax		192,266,612	83,899,065
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurement of defined benefits obligation		686,885	1,133,049
Related deferred tax	23	(199,197)	(328,584)
Other comprehensive income		487,688	804,465
Total comprehensive income for the year		192,754,300	84,703,530
Earnings per share (basic and dilutive)	40	96.13	41.95

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share Capital	Equity portion of loan from directors	Reserves *Unappropriated Profit*	Total Equity
	----------	---------- Rupees	----------	----------
Balance as at 30 June 2023	200,000,000	-	640,394,771	840,394,771
Total comprehensive income for the year	-	-	84,703,530	84,703,530
Equity portion of interest free loan from directors	-	26,975,664	-	26,975,664
Unwinding of discount on interest free loan from directors	-	-	-	-
Balance as at 30 June 2024	200,000,000	26,975,664	725,098,301	952,073,965
Total comprehensive income for the year	-	-	192,754,300	192,754,300
Dividend paid during the year			(311,153,342)	(311,153,342)
Unwinding of discount on interest free loan from directors	-	(3,305,537)	3,305,537	-
Balance as at 30 June 2025	200,000,000	23,670,127	610,004,796	833,674,923

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 Rupees	30 June 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	490,816,048	423,504,330
Income tax paid	30	(82,022,706)	(55,814,216)
Workers' profit participation fund payments	26	(7,773,406)	(19,524,891)
Workers' welfare fund payments		(1,400,030)	(4,330,906)
Employee retirement benefits paid	22.1	-	-
Finance cost paid		(128,490,574)	(155,941,558)
Net cash in flows from operating activities		271,129,332	187,892,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets including right of use assets		(307,359,887)	(146,520,773)
Proceeds on disposal of fixed assets	6.4	35,860,980	76,989,229
Long term investment		440,000,000	-
Purchase of intangible asset		(1,103,193)	-
Net cash (out flows) / inflows in investing activities		167,397,900	(69,531,544)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term loan from related party	24	150,000,000	-
(Repayment of) long-term finances - from financial institutions		-	(10,008,037)
(Repayment of) / Proceeds from short-term finances		(95,311,069)	61,610,565
Repayment of lease liabilities	21	(177,311,205)	(140,150,694)
Dividend paid		(311,153,342)	-
Net cash out flows from financing activities		(433,775,616)	(88,548,166)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		4,751,616	29,813,049
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	17	115,106,392	85,293,343
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	17	119,858,008	115,106,392

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Lahore.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1 STATUS AND ACTIVITIES

Selmore Pharmaceuticals (Private) Limited (the 'Company') was incorporated as a private limited company in Pakistan on 8 December 1998 as a private limited company under the Companies Ordinance, 1984 now repealed by Companies Act, 2017.

The Company is primarily engaged in manufacturing and sale of veterinary and related pharmaceutical products. Following are the addresses of the Company:

Location	Particulars
82 R/1 Muhammad Ali Johar Town, Lahore	Registered office
36 KM, Off. Multan Road, Adda Bath, Lahore	Factory premises

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Initial application of International Financial Reporting Standards (IFRSs), Interpretations and amendments to published approved accounting standards that are effective in the current year:

There were certain amendments in accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or have any significant impact on the Company's financial reporting and therefore have not been disclosed in these financial statements, except for the amendments of IAS 1, Presentation of financial statements, which is incorporated in these financial statements.

3.2 IFRSs, IFRIC interpretations and accounting standards not yet effective and have not been early adopted by the Company:

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

4 BASIS OF PREPARATION

4.1 Measurement

These financial statements have been prepared under historical cost convention, except if modified disclosed separately in these financial statements. In these financial statements, except for the amounts reflected in the cash flow statement, all transaction have been accounted for on accrual basis.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

4.2 Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

a)	assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property and equipment;	(notes 5.1 and 6)
b)	assumptions and estimates used in calculating the provision for impairment for trade debts;	(notes 5.12 and 12)
c)	assumptions and estimates used in determining the provision for slow moving stores, spares and loose tools;	(note 5.1)
d)	assumptions and estimates used in writing down items of stock in trade to their net realizable values;	(notes 5.11 and 11)
e)	assumptions and estimates used in disclosure and assessment of provision for contingencies; and	(notes 5.13, 5.18 and 5.21)
f)	assumptions and estimates used in determining current income under relevant tax law and decisions of appellate authorities issued in past.	(notes 5.5 and 30)

Estimates and judgments are continually evaluated, are based on historical experience / other factors, including expectation of future events that are believed to be reasonable under circumstances.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below:

5.1 Property, plant and equipment

Items of property, plant and equipment (except free hold land) are stated at cost less accumulated depreciation and impairment losses, if any. Free hold land is stated at cost less impairment loss, if any. Cost comprises purchase price, including duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to the acquisition or construction including expenditures on material, labor and overheads directly relating to construction, erection and installation of items of property, plant and equipment.

Assets' residual values, if significant and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. When parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Depreciation charge is based on the straight line method, so as to write off the historical cost of an asset over its estimated useful life after taking into account their residual values. The Company charges depreciation on the items of property, plant and equipment from the month asset is available for use till the month of its disposal. The rate of depreciation is specified in note 6 to these financial statements.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The useful lives and depreciation methods are reviewed on periodic intervals to ensure that the methods and period of depreciation charged during the year, are consistent with the expected pattern of economic benefits.

Subsequent costs are recognized as a part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and cost of item can be measured reliably. Assets replaced, if any, are

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on sale of an item of property, plant and equipment are determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment, and are recognized in statement of profit or loss.

5.2 Capital work in progress

Capital work-in-progress is stated at cost less impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these are available for use.

5.3 Right - of - use assets

The entity mainly leases properties for its operations. The entity recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term or asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The right-of-use assets are presented as a separate line item in the statement of financial position.

5.4 Intangibles

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Cost of intangible asset (computer software) that are directly associated with identifiable software and have probable economic benefit exceeding the cost beyond one year, are recognized as intangible asset. Direct costs include the purchase cost of software and related overhead cost, and cost associated with maintaining the computer software is recognized as an expense as and when these expenses are incurred. Useful lives of intangible assets are reviewed at each date of statement of financial position and adjusted if the impact of amortization is significant. Intangible asset is stated at cost less accumulated amortization for finite intangible asset and any identified impairment loss.

Amortization on additions to intangible assets is charged from the month asset is available for use till the month of its disposal. Amortization is charged over estimated useful life of asset on systematic basis applying reducing balance method at the rate of 20% per annum.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

The carrying amount of the intangible is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognized in the profit or loss. However, it is restricted to the original cost of the asset.

5.5 Taxation - Levy and income tax

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 37.

Income tax

Income tax expense comprise current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in 'other comprehensive income' or 'equity'.

a) Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made and finalized during the year.

b) Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred taxliability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the statement of profit or loss and other comprehensive income.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, call deposits and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

5.7 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all its permanent employees subject to completion of prescribed qualifying period of service. The Company recognizes expense in accordance with IAS 19 "Employee Benefits". The Company's net obligation in respect of defined benefit plan is calculated separately by estimating amount of future benefit that employees have earned in current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the "Projected Unit Credit Method".

Remeasurements of the defined benefit liability, which comprise of actuarial gains and losses are recognized immediately in 'other comprehensive income'. The Company determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

5.8 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

5.10 Stores, spare parts and loose tools

These are normally held for internal use and valued at moving average cost less allowances for obsolete and slow moving items except stores in transit which are valued at invoice values plus other charges incurred thereon up to the reporting date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

5.11 Stocks in trade

These are valued at lower of net realizable value and cost, basis of cost valuations are as follows:

Particulars	*Mode of Valuation*
Raw material	raw material cost calculated on average basis
Work-in-process	average manufacturing cost
Finished goods	average manufacturing cost

Cost in relation to work-in-process and finished goods represents average manufacturing cost which consists of prime cost and proportion of manufacturing overheads based on normal capacity.

Provision is made in the financial statements against slow moving and obsolete stock in trade based on management's best estimate regarding their future usability whenever necessary and is recognized in the statement of profit or loss.

Net realizable value signifies selling price in ordinary course of business less estimated costs of completion and estimated cost necessary to make the sale.

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5.12 Trade debts and other receivables

a) Financial assets

These are classified at 'amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs.

Subsequent to initial recognition, trade debts and other receivables are recognized and carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end.

Impairment of trade debts and other receivables is described in note 5.23(a).

b) Non-financial assets

These on initial recognition and subsequently are measured at cost.

5.13 Trade and other payables

a) Financial liabilities

Trade and other payables are obligations to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payable are classified if payment is due within one year or less (or in normal operating cycle of business, if longer), if not, they are classified as non current liabilities. Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

b) Non-financial liabilities

These on initial recognition and subsequently are measured at cost.

5.14 Financial assets

a) Initial measurement

The Company classifies its financial assets in the following categories:

(i) at fair value through profit or loss

(ii) at fair value through comprehensive income

(iii) measured at amortized cost

A financial asset is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

The financial assets are subsequently measured as follows:

(i)	Financial assets at fair value through profit and loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.
(ii)	Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.
(iii)	Debt investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

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	Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.
(iv) Equity investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

5.15 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss'. A financial liability is classified as at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

5.16 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are set off and only net amount is reported in statement of financial position when there is a legally enforceable right to set off recognized amount and the Company intends to either settle on a net basis, or to realize asset and settle the liability simultaneously.

5.17 Lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognized and payments against such leases are recognized as expense on straight line basis in statement of profit or loss.

5.18 Provisions

A provision is recognized in the financial statements when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

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5.19 Foreign currency transactions and translations

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the reporting date. Exchange differences, if any, are charged instatement of profit or loss.

5.20 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in statement of profit or loss as incurred.

5.21 Contingents

a) Contingent liabilities

Contingent liabilities are disclosed when:

(i) there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

b) Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

5.22 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied.

Revenue represents the fair value of the consideration received or receivable for supply of goods, net of sales tax. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Profit on saving accounts, if any, is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective profit rate applicable.

5.23 Impairment

a) Financial assets

The Company recognizes loss allowances for expected credit losses in respect of financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured at 12 months expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and

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- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit loss. Impairment losses (or reversals) are recognized in the statement of profit or loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime expected credit losses are the losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

b) ***Non-financial assets***

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses (or reversals) are recognized in the statement of profit or loss.

5.24 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.25 Earnings per share ("EPS")

The Company calculates both basic and diluted EPS in accordance with IAS 33 "Earnings per Share". Under IAS 33, basic EPS is computed using the weighted average number of shares outstanding during the year.

Diluted EPS is computed using weighted average number of shares outstanding plus dilutive effect of stock options outstanding during the year.

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5.26 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. The total comprehensive income comprises of all the components of profit or loss and other comprehensive income.

Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required by the approved accounting standards, and is presented in the 'statement of profit or loss and other comprehensive income'. The Company uses single reporting statement for both 'profit or loss' and 'comprehensive income'.

5.27 Dividend distribution and other appropriations

a) Dividend distributions

Dividend is recognized as liability in the period in which it is declared. Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed, in the Company's financial statements in the year in which the dividends are approved by Company's shareholders.

b) Appropriations

Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.28 Related party transactions

Related party transactions are carried out on an arm's length basis. Pricing for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

Accounting methods adopted for various types of transactions with related parties are as follows:

a) Sale of goods and services

Revenue from sale of goods and services to related parties is recognized in accordance with the revenue recognition policy of the Company for such transactions.

Receivables against sale of goods outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

b) Purchases of goods and services

Purchases of goods from related parties are recognized at actual cost to the Company. Payables against purchases from related parties outstanding at the reporting date are carried at amortized cost in accordance with the accounting policy of the Company for such balances.

c) Dividend distribution

Distribution to related parties having shareholding in the Company is recognized in accordance with the accounting policy of the Company for dividend distribution to ordinary shareholders.

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5.29 Figures

Figures have been rounded off to the nearest of rupee.

5.30 Determination of fair value

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities.

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A number of Company's accounting policies require determination of fair value, for both financial and non-financial assets and liabilities. Fair values of assets and liabilities is determined as follows:

a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future net cash inflows, discounted at the market rate of interest at the reporting date.

b) Trade and other payables

The fair value of trade and other payables is estimated as the present value of future net cash outflows, discounted at the market rate of interest at the reporting date.

c) Borrowings

The fair value of borrowings is determined using effective interest method.

5.31 Segment reporting

Operating segments are reported in a manner consistent with internal reports issued to the Chief Decision Maker. The Chief Executive Officer has been identified as the chief decision maker, who is responsible for allocating the resources and assessing the performance of various operating segments of the Company.

			30 June 2025 Rupees	30 June 2024 Rupees
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating owned fixed assets	- note 6.1	806,933,888	505,827,459
	Capital work in progress	- note 6.2	122,152,821	10,392,400
			929,086,709	516,219,859

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6.1 Operating owned fixed assets

PARTICULARS	COST: At beginning of the year	COST: Additions / (Disposals)	COST: Transfers in	COST: At end of the year	DEPRECIATION: At beginning of the year	DEPRECIATION: Charge for the year	DEPRECIATION: Adjustment on (disposal) / Transfer	DEPRECIATION: At end of the year	BOOK VALUE: At end of the year	Annual rate of dep.
	Rupees									% age
a) Reconciliation of carrying values at end of the year - as at 30 June 2025										
Freehold land	204,446,210	160,000,000	-	364,446,210	-	-	-	-	364,446,210	-
Buildings on freehold land	142,236,224	64,485,400	-	206,721,624	46,486,450	7,380,500	-	53,866,950	152,854,674	5
Plant and machinery	166,123,201	24,649,180	-	190,772,381	130,281,158	17,458,215	-	147,739,373	43,033,008	10
Generators	5,380,000	-	-	5,380,000	4,900,000	480,000	-	5,380,000	-	10
Laboratory equipment	45,075,304	16,850,934	-	61,926,238	16,337,880	6,249,123	-	22,587,003	39,339,235	10
Electric equipment	21,485,005	824,215	-	22,309,220	15,633,617	2,188,601	-	17,822,218	4,487,002	10
Office equipment	4,930,017	280,000	-	5,210,017	3,228,332	516,335	-	3,744,667	1,465,350	10
Furniture and fixtures	10,710,091	366,600	-	11,076,691	5,598,745	1,087,202	-	6,685,947	4,390,744	10
Computers and accessories	19,373,237	7,991,308	-	27,364,545	16,814,839	5,424,508	-	22,239,347	5,125,198	30
Motor vehicles	259,038,340	21,342,026 (54,808,200)	250,007,000 -	475,579,166	133,689,149	41,460,026 -	150,011,592 (41,374,068)	283,786,699	191,792,467	20
	878,797,629	296,789,663 (54,808,200)	250,007,000 -	1,370,786,092	372,970,170	82,244,510	150,011,592 (41,374,068)	563,852,204	806,933,888	
b) Reconciliation of carrying values at beginning of the year - as at 30 June 2024										
Freehold land	204,446,210	-	-	204,446,210	-	-	-	-	204,446,210	-
Buildings on freehold land	142,236,224	-	-	142,236,224	39,374,639	7,111,811	-	46,486,450	95,749,774	5
Plant and machinery	125,524,762	940,000	39,658,439	166,123,201	94,845,500	12,954,880	22,480,778	130,281,158	35,842,043	10
Generators	5,380,000	-	-	5,380,000	4,362,000	538,000	-	4,900,000	480,000	10
Laboratory equipment	22,731,361	22,343,943	-	45,075,304	13,220,897	3,116,983	-	16,337,880	28,737,424	10
Electric equipment	21,195,005	290,000	-	21,485,005	13,492,428	2,141,189	-	15,633,617	5,851,388	10
Office equipment	2,942,897	1,987,120	-	4,930,017	2,867,805	360,527	-	3,228,332	1,701,685	10
Furniture and fixtures	9,908,491	801,600	-	10,710,091	4,538,228	1,060,517	-	5,598,745	5,111,346	10
Computers and accessories	13,574,738	5,798,499	-	19,373,237	12,090,064	4,724,775	-	16,814,839	2,558,398	30
Motor vehicles	150,116,980	97,558,860 (79,284,800)	90,647,300 -	259,038,340	109,356,994	16,830,349 -	55,762,658 (48,260,852)	133,689,149	125,349,191	20
	698,056,668	129,720,022 (79,284,800)	130,305,739 -	878,797,629	294,148,595	48,839,031	78,243,436 (48,260,852)	372,970,170	505,827,459	

c) It includes land whose title remains registered in the name of a director, Mr Akbar Ali due to the insistence of the relevant registrar. The director has provided a written undertaking, affirming that the title shall be transferred to the Company as and when required, ensuring the Company's beneficial ownership and intended use of the asset.

d) The Company holds fully depreciated fixed assets with a gross carrying amount of Rs. 63.496 million that remain in use. No depreciation is charged on these assets as they have been fully depreciated; however, they continue to be carried at their residual amounts in accordance with IAS 16. Management has assessed that these assets are still operational and continue to provide economic benefits to the Company.

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	30 June 2025				30 June 2024			
	Freehold land	*Plant and machinery*	*Building*	*Aggregate*	*Freehold land*	*Plant and machinery*	*Building*	*Aggregate*
	---------- rupees ----------				---------- rupees ----------			
6.2 Capital work in progress								
At beginning of the year	-	-	10,392,400	10,392,400	-	-	-	-
Expenses incurred	106,500,000	-	5,260,421	111,760,421	-	-	10,392,400	10,392,400
Transferred to assets	-	-	-	-	-	-	-	-
At end of the year	106,500,000	-	15,652,821	122,152,821	-	-	10,392,400	10,392,400

6.3 As part of the expansion strategy of the Company, the Company has started the construction and development of new manufacturing unit, Active Pharmaceutical Ingredient, (API).

6.4 De-recognition of assets

Following are the particulars of motor vehicles having individual book value of Rs. 500,000 or more disposed of during the year is as follows:

Particulars		*Cost*	*Depreciation*	*Book Value*	*Proceeds*	*Gain*	*Mode of*
Asset	*Buyer*	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*	*(Rupees)*	*Disposal*
Audi E tron	Bilal Textile	21,362,000	11,393,067	9,968,933	14,080,000	4,111,067	- Negotiations -
		-	-	-	-	-	
		21,362,000	11,393,067	9,968,933	14,080,000	4,111,067	

Following are the particulars of motor vehicles not having individual book value of Rs. 500,000 or more disposed off during the year is as follows:

	Cost	Depreciation	Book Value	Proceeds	Gain
Motor vehicles	33,446,200	29,981,001	3,465,199	21,780,980	18,315,781
Total : 2025	54,808,200	41,374,068	13,434,132	35,860,980	22,426,848
Total : 2024	79,284,800	48,260,852	31,023,948	76,989,228	45,965,280

		30 June 2025 Rupees	30 June 2024 Rupees
6.5 Depreciation is allocated as follows:			
Cost of sales	- note 33	37,422,442	37,947,625
Administrative and general expenses	- note 35	13,727,049	9,208,371
Selling expenses	- note 36	31,095,020	1,683,035
		82,244,511	48,839,031

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7 RIGHT-OF-USE ASSETS

	Plant and machinery	Motor vehicles	Buildings	Aggregate
	------------	rupees	------------	
As at 30 June 2023				
Cost	39,658,439	517,188,675	16,620,339	573,467,453
Accumulated depreciation	(18,845,421)	(181,178,393)	(11,019,853)	(211,043,667)
Book value	20,813,018	336,010,282	5,600,486	362,423,786
Movement for the year ended 2024				
Additions during the year	-	95,227,351	-	95,227,351
Transferred to owned assets	(39,658,439)	(90,647,300)	-	(130,305,739)
Settlement adjustments	-	-	-	-
Additions in rights of use buildings	-	-	-	-
Adjustments in depreciation on transfers	22,480,778	55,762,658	-	78,243,436
Depreciation charge for the year	(3,635,357)	(107,499,386)	(2,800,243)	(113,934,986)
	(20,813,018)	(47,156,677)	(2,800,243)	(70,769,938)
As at 30 June 2024				
Cost	-	521,768,726	16,620,339	538,389,065
Accumulated depreciation	-	(232,915,121)	(13,820,096)	(246,735,217)
Book value	-	288,853,605	2,800,243	291,653,848
Movement for the year ended 2025				
Additions during the year	-	194,145,803	-	194,145,803
Transferred to owned assets	-	(250,007,000)	-	(250,007,000)
Settlement adjustments	-	-	-	-
Additions in rights of use buildings	-	-	-	-
Adjustments in depreciation on transfers	-	150,011,592	-	150,011,592
Depreciation charge for the year	-	(103,961,697)	(2,800,243)	(106,761,940)
	-	(9,811,302)	(2,800,243)	(12,611,545)
As at 30 June 2025				
Cost	-	465,907,529	16,620,339	482,527,868
Accumulated depreciation	-	(186,865,226)	(16,620,339)	(203,485,565)
Book value	-	279,042,303	-	279,042,303
Depreciation rate	10.00%	20.00%	33.33%	

		30 June 2025 Rupees	30 June 2024 Rupees
7.1 Depreciation is allocated as under:			
Cost of sales	- note 33	77,971,273	84,259,897
Administrative and general expenses	- note 35	18,394,498	18,925,151
Distribution and selling cost	- note 36	10,396,170	10,749,939
		106,761,941	113,934,987

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		30 June 2025 Rupees	30 June 2024 Rupees
8	INTANGIBLE ASSETS		
	At beginning of the year		
	Cost	4,006,120	4,006,120
	Accumulated amortization	(2,983,639)	(2,728,019)
	Book value	1,022,481	1,278,101
	Movement for the year		
	Additions during the year	1,103,193	-
	Amortization charge for the year	(388,362)	(255,620)
		714,831	(255,620)
	At end of the year		
	Cost	5,109,313	4,006,120
	Accumulated amortization	(3,372,001)	(2,983,639)
	Book value	1,737,312	1,022,481

8.1 This represents ERP software license fee and related costs towards implementation of computer software. Amortization is charged to 'other expenses'.

		Share-holding %	30 June 2025 Rupees	30 June 2024 Rupees
9	LONG TERM INVESTMENT - Related party - unquoted			
	Pharmasol Private Limited			
	Nil (2024: 4,400,000) ordinary shares of Rs. 100 each	98%	-	440,000,000

Pharmasol (Private) Limited was incorporated in Pakistan on 24 March 2010 as a private limited company. It is engaged in the manufacturing and sale of pharmaceutical products. The registered office is located at 82-R/1, Muhammad Ali Johar Town, Lahore.

9.1 During the prior years, the Company advanced Rs 440 million to its Director for investment in the share capital of Pharmasol (Pvt.) Limited, which was recorded as an investment based on the Director's undertaking to either transfer the shares to the Company when required or repay the amount. As both entities are wholly owned by the Director & immediate family, beneficial ownership effectively remained with them. During the year, the Director fully repaid the amount, and the investment has been derecognized at its carrying value.

			30 June 2025 Rupees	30 June 2024 Rupees
10	LONG TERM DEPOSITS			
	Deposits with various institutions	- note 10.1	634,219	634,219

10.1 These are interest free refundable deposits with WAPDA and Pakistan Telecommunication Company, which are required to be carried at amortized cost. However, these, being held for indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

		30 June 2025 Rupees	30 June 2024 Rupees
11	STOCKS IN TRADE		
	Raw material		
	- Raw material	420,157,101	317,522,390
	- Packing material	161,515,609	82,715,209
		581,672,710	400,237,599
	Finished goods	192,720,340	161,832,485
		774,393,050	562,070,084

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			30 June 2025 Rupees	30 June 2024 Rupees
12	**TRADE DEBTS**			
	Local - unsecured considered good		138,856,927	161,998,577
			138,856,927	161,998,577
13	**RECEIVABLE FROM RELATED PARTIES**			
	Chief Executive Officer and director	- note 13.1	40,352,991	16,440,220
	Associated companies	- note 13.2	-	3,321,282
			40,352,991	19,761,502

13.1 Chief Executive Officer and director

Name of the director	*Aggregate percentage of shareholding*	*Maximum aggregate balance outstanding at the end of any month during the year*		*Outstanding amount as at reporting date*	
		30 June 2025	*30 June 2024*	*30 June 2025*	*30 June 2024*
		---------- Rupees ----------			
Mr. Akbar Ali | Chief Executive Officer	60%	40,352,991	15,940,220	40,352,991	15,940,220
Ms. Shazia Akbar | Director	24%	500,000	500,000	-	500,000
		40,852,991	16,440,220	40,352,991	16,440,220

This represents unsecured and interest free advances provided to the director to the tune of loan received from director. Other outstanding advances to the director were settled through transfer of land & building and adjustment against dividend payments.

13.2 Associated companies

Name of the related party	*Basis of relationship*	*Maximum aggregate balance outstanding at the end of any month during the year*		*Outstanding amount as at reporting date*	
		30 June 2025	*30 June 2024*	*30 June 2025*	*30 June 2024*
		---------- Rupees ----------			
Pharmasol (Private) Limited	Common directorship	23,580,575	150,263,053	-	3,321,282

This represents the normal trade credit in accordance with the terms of the trade policy of the Company. Moreover, the transactions are carried out an arms' length basis.

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			30 June 2025 Rupees	30 June 2024 Rupees
14	LOANS AND ADVANCES - Advances to: unsecured but considered good			
	- Employees		20,847,295	13,137,828
	- Employees against expenses		1,447,800	1,459,800
	- Suppliers		207,517,197	84,030,808
	Advance for purchase of land		338,495,682	420,568,715
			568,307,974	519,197,151

14.1 As part of the Company's expansion strategy, the Company has entered into agreements for the acquisition of land intended for the construction of a new manufacturing unit. As of the reporting date, the legal formalities concerning the transfer of ownership are still in progress.

			30 June 2025 Rupees	30 June 2024 Rupees
15	TRADE DEPOSITS AND PREPAYMENTS			
	Letters of credit		218,555,308	131,798,478
	Short-term deposits		7,953,690	10,699,513
	Prepayments		3,174,451	1,116,392
			229,683,449	143,614,383
16	TAX REFUNDS DUE FROM GOVERNMENT			
	Rebate on export	- note 16.1	93,496,215	87,574,630
	Income tax refundable	- note 30	5,037,383	11,307,426
			98,533,598	98,882,056
	16.1 Rebate on export			
	At beginning of the year		87,574,630	106,810,900
	Add: Claimed during the year		41,262,860	11,210,518
	Less: Received during the year		(311,423)	(30,446,788)
	Less: Rejected or disallowed		(35,029,852)	-
	At end of the year		93,496,215	87,574,630
17	CASH AND BANK BALANCES			
	In hand		1,994,538	1,151,972
	With banks - on current accounts		117,863,470	113,954,420
			119,858,008	115,106,392

18 SHARE CAPITAL

30 June 2025	30 June 2024		30 June 2025	30 June 2024
------ Number of shares ------			Rupees	Rupees
Authorized capital				
2,000,000	2,000,000	Ordinary shares of Rs. 100 each	200,000,000	200,000,000
Issued, subscribed and paid up capital				
		Ordinary shares of Rs. 100 each		
250,000	250,000	-fully paid in cash	25,000,000	25,000,000
1,750,000	1,750,000	-allotted as bonus shares	175,000,000	175,000,000
2,000,000	2,000,000		200,000,000	200,000,000

18.1 The Company has only one class of ordinary shares which carry no right to fixed income.

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			30 June 2025 Rupees	30 June 2024 Rupees
19	**EQUITY PORTION OF LOAN FROM DIRECTOR**			
	Present value of long-term loan from directors recognized in equity		26,975,664	26,975,664
	Less: Unwinding of interest on loan from directors	- note 20	(3,305,537)	-
	At end of the year		23,670,127	26,975,664

19.1 It represents equity portion relating to interest free loan from directors amounting to Rs. 40.353 million. This loan have been discounted at using effective rate of interest and classified separately in equity portion and long-term loans. Also refer note 20 to the financial statements.

			30 June 2025 Rupees	30 June 2024 Rupees
20	**LONG-TERM LOAN FROM DIRECTOR**			
	Unsecured and interest free loans			
	Loans from directors	- note 20.1	16,682,864	13,377,327
20.1	Loans from directors		40,352,991	40,352,991
	Present value adjustments	- note 19	(26,975,664)	(26,975,664)
	Present value of loans from directors		13,377,327	13,377,327
	Unwinding of interest free directors' loans	- note 38	3,305,537	-
	Net present value of loans from directors		16,682,864	13,377,327

20.2 *Purpose and terms of loan*

It represents unsecured interest free loan from directors amounting to Rs. 40.353 million which is sub-ordinated to the finances obtained from financial institutions.

Recognition and measurement

This has been recognized as per the requirements of Technical Release (TR) 32 issued by Institute of Chartered Accountants of Pakistan (ICAP). As per the same, it is initially recognized at the present value of future payments discounted at a market rate of return/interest for a similar debt instrument. There will be a difference between the cash paid and present value on initial recognition. The entity shall recognize this difference as an addition to its equity. In subsequent periods, interest is recognized on the loan in the income statement using the effective interest method.

		30 June 2025			30 June 2024
		Vehicles Rupees	Building Rupees	Aggregate Rupees	Aggregate Rupees
21	**LEASE LIABILITIES**				
	Total lease liabilities	237,010,622	-	237,010,622	225,485,827
	Current portion of leases	(121,028,354)	-	(121,028,354)	(125,624,700)
	Non-current portion of leases	115,982,268	-	115,982,268	99,861,127
	Movement during the year is as follows:				
	At beginning of the year	222,216,970	3,268,857	225,485,827	276,817,521
	New lease contracts	188,836,000		188,836,000	88,819,000
	Lease obligations paid	(174,042,348)	(3,268,857)	(177,311,205)	(140,150,694)
	At end of the year	237,010,622	-	237,010,622	225,485,827
	Current portion	(121,028,354)	-	(121,028,354)	(125,624,700)
	Non-current portion	115,982,268	-	115,982,268	99,861,127

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Maturity analysis of lease liabilities is as follows:

Payable not later than one year	147,187,949	-	147,187,949	163,621,404
Payable later than one but not later than five years	173,875,899	-	173,875,899	115,828,152
	321,063,848	-	321,063,848	279,449,556
Un-allocated finance cost	(84,053,226)	-	(84,053,226)	(55,801,976)
Lease liabilities	237,010,622	-	237,010,622	223,647,580

21.1 Vehicles

Purpose of leases — The Company has entered into lease finances with different leasing and banking companies to acquire vehicles. The Company has intention to purchase these assets upon completion of lease period.

Security — These facilities are secured against exclusive ownership of these assets and post dated cheques / direct debit authority.

Repayment — These are payable on monthly basis and include finance cost ranging from 1 Months KIBOR plus 200 BPS to 3 Months KIBOR plus 200 BPS (2024: 3 Months KIBOR plus 225 BPS to 6 Months KIBOR plus 350 BPS).

21.2 Building

The Company has head office building on lease as a lessee and has classified them as finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership.

The Company has recognized right-of-use assets and lease liabilities for those leases where the lease term ends after 12 months and has recognized liabilities in respect of leases.

These liabilities were initially measured at the present value of remaining lease payments discounted using the Company's average borrowing rate.

		30 June 2025 Rupees	30 June 2024 Rupees
22 DEFERRED LIABILITIES			
Employee retirement benefits (unfunded gratuity)	- note 22.1	24,150,862	18,076,735
22.1 Movement in present value of defined benefit obligations is as under:			
Present value of obligations at beginning of the year		18,076,735	13,126,455
Charge for the year -			
- Statement of profit or loss	- note 22.1.1	6,761,012	6,083,329
- Other comprehensive income	- note 22.1.2	(686,885)	(1,133,049)
Less: Benefits paid		-	-
Present value of obligations at end of the year		24,150,862	18,076,735
22.1.1 Charge for the year - Statement of profit or loss			
Current service cost		4,365,845	3,950,280
Interest cost		2,395,167	2,133,049
		6,761,012	6,083,329
22.1.2 Charge for the year - Other comprehensive income			
Actuarial loss on obligation		(686,885)	(1,133,049)

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	30 June 2025	30 June 2024
	------- % age per annum -------	
22.2 Assumptions used for valuation of the defined benefit scheme for employees are as under:		
Valuation discount rate	13.25	16.25
Expected rate of increase in salary	10.00	10.00
Expected mortality rate	SLIC 2001-2005	SLIC 2001-2005
Retirement age	60 years	60 years

22.3 Historical information for gratuity

	Present value of obligations	*Experience adjustments*
	------------ *Rupees* ------------	
Year Ended: 30 June 2025	24,150,862	(686,885)
Year Ended: 30 June 2024	18,076,735	(1,133,049)
Year Ended: 30 June 2023	13,126,455	681,079

22.4 Year end sensitivity analysis on present value of defined benefit obligations -

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the net defined benefit obligation as at 30 June 2025 would have been as follows:

	30 June 2025		*30 June 2024*	
	Variation of 100 bps		*Variation of 100 bps*	
	Increase	*Decrease*	*Increase*	*Decrease*
	------------ *Rupees* ------------		------------ *Rupees* ------------	
Discount rate	27,592,360	27,109,343	22,611,298	22,225,604
Future salary	7,504,723	7,369,503	6,752,495	6,630,829

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

22.5 Expected expense for next year

The expected expense to the gratuity scheme for the year ending 30 June 2025 is Rs. 6.67 million.

22.6 Average duration of the obligation

Weighted average duration of the defined benefit obligation is 5 (2024: 5) years gratuity plan.

22.7 Exposure of actuarial risk

The plans expose the Company to the actuarial risks such as:

a) *Salary risks* — The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

b) *Mortality / withdrawal risks* — The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

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23 DEFERRED TAXATION

	30 / June / 2025 Rupees	30 / June / 2024 Rupees
Deferred tax liability on taxable temporary differences		
Accelerated depreciation on property, plant and equipment	45,610,616	18,889,702
Lease liabilities	12,189,187	18,236,994
Deferred tax asset on deductible temporary differences		
Provision for employee retirement benefits	(7,003,750)	(4,982,245)
	50,796,053	32,144,451

Movement in deferred tax due to taxable / (deductible) temporary differences -

	Opening balance	Revaluation surplus	Profit and loss account	Other comprehensive income	Closing balance
		----------	---------- Rupees ----------	----------	
As at 30 June 2025					
Accelerated depreciation	18,889,702	-	26,720,914	-	45,610,616
Lease liabilities	18,236,994	-	(6,047,807)	-	12,189,187
Provision for employee benefits	(4,982,245)	-	(2,220,702)	199,197	(7,003,750)
	32,144,451	-	18,452,405	199,197	50,796,053
As at 30 June 2024					
Accelerated depreciation	(12,864,225)	-	31,753,927	-	18,889,702
Lease liabilities	24,825,817	-	(6,588,823)	-	18,236,994
Provision for employee benefits	(3,806,672)	-	(1,504,157)	328,584	(4,982,245)
	8,154,920	-	23,660,947	328,584	32,144,451

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			30 June 2025 Rupees	30 June 2024 Rupees
24	**LONG TERM LOAN FROM RELATED PARTY**			
	Pharmasol private limited		150,000,000	-
			150,000,000	-

24.1 It represents loan payable to an associated company against working capital requirements. It carries mark-up at the rate of 3 months kibor plus 2.25% per annum. No formal repayment terms have been agreed. Based on management's intention and expected settlement pattern, the liability has been classified as non-current. Management has no intention to pay within next twelve months.

			30 June 2025 Rupees	30 June 2024 Rupees
25	**LONG TERM DEPOSITS**			
	Securities from dealers	- note 25.1	25,796,384	25,796,384

25.1 This represents securities received from dealers / distributors against credit sales under normal trade credits and executed through contract in writing.

			30 June 2025 Rupees	30 June 2024 Rupees
26	**TRADE AND OTHER PAYABLES**			
	Creditors		358,206,352	307,153,251
	Advance from customers		715,056,125	624,082,702
	Accrued expenses		165,918,177	98,357,082
	Withholding income taxes	- note 26.1	36,252,677	2,483,914
	Workers participation fund	- note 26.2	20,633,453	7,773,406
	Workers welfare fund	- note 37	30,994,271	21,174,717
	Other payables		137,700,706	96,045,564
			1,464,761,761	1,157,070,636

26.1 It includes withholding tax payable amounting to Rs. 29.026 million arising from dividend distributions.

		30 June 2025 Rupees	30 June 2024 Rupees
26.2	**Movement in Workers' profit participation fund**		
	Opening balance	7,773,406	19,524,891
	Add: Allocation for the year	20,633,453	7,773,406
		28,406,859	27,298,297
	Less: Payments during the year	(7,773,406)	(19,524,891)
		20,633,453	7,773,406

		30 June 2025 Rupees	30 June 2024 Rupees
27	**ACCRUED MARK-UP**		
	Long term loan from related party	3,035,123	-
	Short term borrowings	5,906,845	12,756,790
		8,941,968	12,756,790

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			30 June 2025 Rupees	30 June 2024 Rupees
28	**SHORT TERM BORROWINGS - secured borrowings from financial institutions**			
•	Bank Al Falah Limited - Running finance	- note 28.1	-	53,467,595
•	Bank Al Habib Limited - Running finance	- note 28.2	33,445,030	32,659,977
•	Samba Bank Limited - Running finance	- note 28.3	-	39,651,736
			33,445,030	125,779,308
•	Bank Al Falah Limited - FATR	- note 28.4	143,454,796	165,550,914
•	Bank Al Habib Limited - FATR	- note 28.5	79,054,182	96,689,401
•	Meezan bank Limited - FATR		82,113,360	-
•	Samba Bank Limited - FATR	- note 28.6	-	45,358,814
			304,622,338	307,599,129
			338,067,368	433,378,437

28.1 The Company has obtained a loan facility from Bank Alfalah Limited with a sanctioned limit of Rs. 70 million (2024: Rs. 70 million). The facility carries mark-up at the rate of 1-month KIBOR plus 225 bps per annum, payable quarterly. The loan is secured through a first pari passu charge of Rs. 334 million over the Company's current assets, a first hypothecation charge of Rs. 225 million over its present and future fixed assets, and is further backed by personal guarantees of all directors of the Company.

28.2 The Company has obtained a loan facility from Bank Alhabib Limited with a sanctioned limit of Rs. 45 million (2024: Rs. 45 million). The facility carries mark-up at the rate of 3 months KIBOR plus 225 bps (2024: 1 months KIBOR plus 225 bps) per annum, payable quarterly. The loan is secured through a first pari passu charge of Rs. 191 Million over current assets of the Company, lien over import documents, cash margin and personal guarantees of all directors of the Company.

28.3 The Company has obtained a loan facility from Samba Bank Limited with a sanctioned limit of Rs. 50 million (2024: Rs. 50 million). The facility carries mark-up at the rate of 1 Month KIBOR plus 225 bps (2024: 1 Month KIBOR plus 225 bps) per annum, payable quarterly. The loan is secured through a first registered pari passu charge of Rs. 194 Million over present and future current assets of the Pharmasol Private Limited and personal guarantees of all the directors of the Company.

28.4 The Company has obtained a loan facility from Bank Alfalah Limited with a sanctioned limit of Rs. 180 million (2024: Rs. 180 million). The facility carries mark-up at the rate of 1 Month KIBOR plus 225 bps per annum (2024: 1 Months KIBOR plus 225 bps per annum), payable quarterly. The loan is secured through an equitable mortgage of company's property having value of Rs. 308.670 Million, lien over import documents, TRM of Rs. 0.100 Million and personal guarantees of all directors of the Company.

28.5 The Company has obtained a loan facility from Bank Alhabib Limited with a sanctioned limit of Rs. 98 million (2024: Rs. 98 million). The facility carries mark-up at the rate of 3 Months KIBOR plus 225 bps per annum (2024: 3 Months KIBOR plus 225 bps per annum), payable quarterly. The loan is secured through a 1st Pari passu charge on current assets of the Company and fixed assets of Pharmasol Private Limited of Rs. 400 Million, and personal guarantees of all directors of the Company.

28.6 The Company has obtained a loan facility from Samba Bank Limited with a sanctioned limit of Rs. 145 million (2024: Rs. 145 million). The facility carries mark-up at the rate of 1 Month KIBOR plus 225 bps per annum, payable quarterly. The loan is secured through a first registered pari passu charge of Rs. 194 Million over present and future current assets of the Company and personal guarantees of all the directors of the Company.

28.7 The Company has obtained a loan facility from Meezan Bank Limited with a sanctioned limit of Rs. 150 million. The facility carries mark-up at the rate of 3 Month KIBOR plus 215 bps per annum, payable quarterly. The loan is secured through a pari passu charge of Rs. 200 Million over present and future current assets of the Pharmasol Private Limited and Ranking charge of Rs. 200 million over current assets of the Company and personal guarantees of all the directors of the Company.

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			30 June 2025 Rupees	30 June 2024 Rupees
29	**PAYABLE TO RELATED PARTY**			
	Associated Company - Pharmasol Private Limited		30,603,735	-

29.1 This represents the normal trade credit in accordance with the terms of the trade policy of the Company. Moreover, the transactions are carried out an arms' length basis.

			30 June 2025 Rupees	30 June 2024 Rupees
30	**INCOME TAX LIABILITY**			
	At beginning of the year		11,307,426	(7,481,453)
	Add: Deductions at source during the year		82,022,706	49,783,991
	Add: Tax paid during the year		-	6,030,225
	Less: Current year's tax expense	- note 39	(86,549,035)	(38,476,565)
	Less: Prior periods taxation		(1,743,714)	1,451,228
			5,037,383	11,307,426

31 CONTINGENCIES AND COMMITMENTS

- *Contingencies - There is no known contingent liability of the Company as on year end (2024: Nil).*

		30 June 2025 Rupees	30 June 2024 Rupees
•	*Commitments - against irrevocable letters of credit*	299,121,632	251,162,267
	Commitments - against Capital commitment	15,000,000	30,000,000

Other than above, there is no material commitment of the Company as on year end (2024: Nil).

			30 June 2025 Rupees	30 June 2024 Rupees
32	**SALES (NET)**			
	Local		4,476,058,859	3,151,195,590
	Exports		343,857,170	161,188,146
			4,819,916,029	3,312,383,736
	Less: Sales tax		(51,353,265)	(46,595,464)
	Less: Discounts, sale returns and allowances		(23,803,370)	(15,928,301)
			4,744,759,394	3,249,859,971
33	**COST OF SALES**			
	Raw and packing material consumed	- note 33.1	2,738,238,650	1,874,712,494
	Salaries, wages and other benefits	- note 33.2	146,811,560	120,297,288
	Fuel and power		64,083,415	49,246,484
	Laboratory		40,242,764	23,326,167
	Entertainment		13,015,458	10,533,418
	Insurance		1,664,008	966,148
	Freight and handling		7,660,377	5,068,145
	Repairs and maintenance		37,720,905	43,919,269
	Depreciation on property, plant and equipment	- note 6.5	37,422,442	37,947,625
	Depreciation on right of use assets	- note 7.1	77,971,273	84,259,897
	Other manufacturing expenses		21,783,336	17,721,754
			3,186,614,188	2,267,998,689
	Adjustment of finished goods			
	Opening stocks		161,832,485	119,012,313
	Add: Purchases		-	61,838,822
	Less: Closing stocks		(192,720,340)	(161,832,485)
			(30,887,855)	19,018,650
			3,155,726,333	2,287,017,339

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		30 June 2025 Rupees	30 June 2024 Rupees
33.1 Raw and packing material consumed			
Opening stocks		400,237,599	365,479,652
Add: Purchases and related cost		2,919,673,761	1,909,470,441
Less: Closing stocks		(581,672,710)	(400,237,599)
		2,738,238,650	1,874,712,494

33.2 Salaries, wages and other benefits

It includes employee retirement benefits amounting to Rs. 2,028,304 (2024: Rs. 1,824,999).

34 OTHER OPERATING INCOME

		30 June 2025 Rupees	30 June 2024 Rupees
from non-financial assets			
Gain on de-recognition of assets	- note 6.4	22,426,848	45,965,280
Sale of scrap		7,921,228	6,707,749
Other income		50,209,397	14,085,097
		80,557,473	66,758,126

35 ADMINISTRATIVE AND GENERAL EXPENSES

		30 June 2025 Rupees	30 June 2024 Rupees
Directors remuneration		9,108,000	10,576,567
Salaries and allowances	- note 35.1	62,913,745	52,635,149
Vehicle running and maintenance		11,401,171	9,311,537
Travelling and conveyance		1,991,340	1,841,064
Entertainment		10,934,973	10,684,399
Electricity, gas and water		7,495,814	6,050,525
Communications		3,464,660	1,669,438
Printing and stationary		5,180,614	2,783,370
Repairs and maintenance		4,378,160	3,422,510
Rent, rates and taxes		483,622	528,373
Insurance		1,426,024	5,082,106
Legal and professional		10,499,139	4,155,902
Auditor's remuneration	- note 35.2	840,000	682,500
Depreciation on property, plant and equipment	- note 6.5	13,727,049	9,208,371
Depreciation on right of use assets	- note 7.1	18,394,498	18,925,151
Others		1,483,141	1,367,139
		163,721,950	138,924,101

35.1 Salaries and allowances

It include employee retirement benefits amounting to Rs. 338,051 (2024: Rs. 304,166).

35.2 Auditor's remuneration

	30 June 2025 Rupees	30 June 2024 Rupees
Audit fee	800,000	650,000
Sales tax	40,000	32,500
	840,000	682,500

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			30 June 2025 Rupees	30 June 2024 Rupees
36	**DISTRIBUTION AND SELLING COST**			
	Salaries and allowances	- note 36.1	390,478,681	312,789,271
	Business promotions and advertisement		488,557,688	218,405,003
	Vehicle running and maintenance		844,032	173,471
	Freight and handling		19,156,640	11,905,559
	Communications		7,564,495	5,151,133
	Insurance		13,001,439	10,237,436
	Depreciation on property, plant and equipment	- note 6.5	31,095,020	1,683,035
	Depreciation on right of use assets	- note 7.1	10,396,170	10,749,939
			961,094,165	571,094,847

36.1 Salaries and allowances

Salaries and allowances include employee retirement benefits amounting to Rs. 4,394,658 (2024: Rs. 3,954,164).

			30 June 2025 Rupees	30 June 2024 Rupees
37	**OTHER OPERATING EXPENSES**			
	Charity and donations	- note 37.1	769,500	4,040,810
	Loss due to fire		6,265,797	-
	Export rebate written off		35,029,852	-
	Bad debts and advances written off		43,474,816	-
	Loss on translation of foreign currencies		-	16,694
	Workers' profit participation fund		20,633,453	7,773,406
	Workers' welfare fund		8,253,381	3,109,362
	Amortization of intangible assets	- note 8	388,362	255,620
			114,815,161	15,195,892

37.1 Charity and donations

It includes amount of Rs. Nil (2024: Rs. 3.5 million) donated to Al-Razzaq Foundation, related party. Directors of the Compnay have interest in the donee.

			30 June 2025 Rupees	30 June 2024 Rupees
38	**FINANCE COST**			
	Mark up on:			
	- Long-term finances		3,035,123	525,316
	- Lease liabilities		47,027,076	61,210,282
	- Short term borrowings		72,095,881	92,131,334
	- Interest on worker's welfare fund		2,966,203	2,356,350
			125,124,283	156,223,282
	Unwinding of:			
	- Discount on interest free directors' loan	- note 20.1	3,305,537	-
	- Liability against right - of - use assets		331,143	871,351
			3,636,680	871,351
	Bank charges and commission		2,186,529	2,705,936
			130,947,492	159,800,569

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			30 June 2025 Rupees	30 June 2024 Rupees
39	**LEVIES AND TAXATION**			
	Levies			
	-Final tax		-	1,132,965
	-Minimum tax		59,309,492	37,343,600
	-Prior periods		1,743,714	-
			61,053,206	38,476,565
	Income tax			
	-Current taxation	- note 16	27,239,543	-
	-Prior periods		-	(1,451,228)
	-Deferred tax		18,452,405	23,660,947
			45,691,948	22,209,719
			106,745,154	60,686,284

39.1 -Levies

This represents taxes paid under section 154 and 113 of Income Tax Ordinance, 2001(ITO 2001), representing levies in terms of requirements of IFRIC 21/IAS37.

39.2 -Current taxation

Provision for current year's taxation has been made in accordance with the relevant provisions of the Income Tax Ordinance, 2001.

39.3 Prior period assessments

Income tax assessments of the Company have been finalized up to tax year 2024 in accordance with deeming provision of the Income Tax Ordinance, 2001. Furthermore, there are no tax litigations involving the Company pending litigation.

39.4 Numerical reconciliation between the average tax rate and the applicable tax rate

	30 June 2025 % age	30 June 2024 % age
Applicable tax rate	29.00%	29.00%
Tax effects of amounts that are:		
Not allowable for tax purposes	0.11%	0.00%
Different tax rates	1.00%	0.00%
Prior periods' tax effects	-0.58%	0.00%
Effective tax rate	29.53%	0.00%

			30 June 2025	30 June 2024
40	**EARNINGS PER SHARE (BASIC AND DILUTIVE)**			
	Profit attributable to ordinary equity holders	*(Rupees)*	192,266,612	83,899,065
	Weighted average number of outstanding ordinary shares	*(Number)*	2,000,000	2,000,000
	Earnings per share - basic and diluted	*(Rupees)*	96.13	41.95

40.1 Basic earnings per share

There is no dilutive effect on the basic earnings per share of the Company as at 30 June 2025 and 30 June 2024.

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			30 June 2025 Rupees	30 June 2024 Rupees
41	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		299,011,766	144,585,349
	Add / (Less): Adjustment for non cash charges / items			
	Depreciation on property, plant and equipment	- note 6.5	82,244,511	48,839,031
	Depreciation on right of use assets	- note 7.1	106,761,941	113,934,987
	Provision for employee retirement benefits	- note 22.1.1	6,761,012	6,083,329
	Provision for workers' profit participation fund	- note 37	20,633,453	7,773,406
	Provision for workers' welfare fund	- note 37	8,253,381	3,109,362
	Interest on Worker's welfare fund		2,966,203	2,356,350
	Export rebate written off		35,029,852	-
	Bad debts expense		43,474,816	-
	Amortization of intangible assets	- note 8	388,362	255,620
	Gain on de-recognition of assets	- note 6.4	(22,426,848)	(45,965,280)
	Unwinding of discount on loan from directors		3,305,537	-
	Discount of leases in respect of right of use assets		331,143	871,351
	Finance cost		124,344,609	156,572,868
			412,067,972	293,831,024
	Operating profit before changes in working capital		711,079,738	438,416,373
	Working capital changes			
	(Increase) / Decrease in current assets			
	Stocks in trade		(212,322,964)	(77,578,119)
	Trade debts		(20,333,166)	(35,389,295)
	Receivable from related parties		(20,591,489)	10,113,304
	Loans and advances		(155,610,823)	(248,139,053)
	Tax refund from gov't		(40,951,437)	19,236,270
	Trade deposits and prepayments		(86,069,066)	(49,912,280)
	Payable to related party		30,603,735	-
	Increase in trade and other payables		285,011,522	366,757,130
			(220,263,690)	(14,912,043)
	Cash generated from operations		490,816,048	423,504,330

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42 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk;
b) Liquidity risk; and
c) Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

42.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors of the Company.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

42.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

42.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

At amortized cost	30 June 2025 Rupees	30 June 2024 Rupees
Trade debts	138,856,927	161,998,577
Receivable from related parties	40,352,991	19,761,502
Bank balances	117,863,470	113,954,420
Loans and advances	568,307,974	519,197,151
Trade deposits	226,508,998	142,497,991
	1,091,890,360	957,409,641

42.2.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty.

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- *(a) Counterparties without external credit ratings*

The trade debts as at the reporting date are classified in Pak Rupees. The aging of trade debts at the reporting date is as follows:

	30 June 2025	30 June 2024
	Rupees	Rupees
Past due 0 - 30 days	97,644,191	113,917,399
Past due 31 - 60 days	34,991,946	40,823,641
Past due 61 - 365 days	6,220,790	7,257,537
	138,856,927	161,998,577

The Company has a policy to provide for impairment of expected credit loss based upon the age analysis which is being implemented. Based on past experience the management believes that no further impairment allowance is necessary in respect of trade debts as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

- *(b) Other financial assets*

Based on past experience the management believes that no impairment allowance is necessary in respect of receivables from related parties, security deposits and advances, loan from directors and accrued interest on loan to director as there are reasonable grounds to believe that these balances will be recovered.

- *(a) Counterparties with external credit ratings*

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly credit risk is minimal. The credit quality of Company's bank balances can be assessed with reference to external credit rating agencies as follows:

	Rating as of 2025			30 June 2025	30 June 2024
	Short-term	*Long-term*	*Agency*	Rupees	Rupees
Habib Bank Limited	A-1+	AAA	JCR-VIS	11,922,514	5,187,090
MCB Bank Limited	A-1+	AAA	PACRA	3,077,135	4,780,834
Bank Alfalah Limited	A-1+	AA+	PACRA	28,976,466	8,377,284
Bank Al Habib Limited	A-1+	AAA	PACRA	43,205,306	67,905,489
The Bank of Khyber	A-1	A+	JCR-VIS	4,887	4,887
JS Bank Limited	A-1+	AA-	PACRA	29,616	29,616
Soneri Bank Limited	A-1+	AA-	PACRA	630,945	1,830,944
Askari Bank Limited	A-1+	AA+	PACRA	4,644,317	413,338
Meezan Bank Limited	A-1+	AAA	JCR-VIS	21,174,171	22,251,496
Faysal Bank Limited	A-1+	AA+	JCR-VIS	4,140,806	3,163,024
Summit Bank Limited	--- rating suspended ---			10,418	10,418
Samba Bank Limited				46,889	-
				117,863,470	113,954,420

42.2.3 *Concentration of credit risk*

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

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	30 June 2025 Rupees	30 June 2024 Rupees
Customers	138,856,927	161,998,577
Banks	117,863,470	113,954,420
Others	835,169,963	681,456,644
	1,091,890,360	957,409,641

42.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various financial institutions to meet liquidity requirements.

Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

42.3.1 Exposure to liquidity risk

- *Contractual maturities of financial liabilities, including estimated interest payments*

The following are the remaining contractual maturities of financial liabilities:

Financial liabilities	*Carrying amount*	*Contractual cash flows*	*Not later than 1 year*	*Later than 1 year*
	Rupees			
As at 30 June 2025				
Loan from related party	150,000,000	153,035,123	-	-
- From directors	40,352,991	40,352,991	-	40,352,991
- From banks	-	33,073,241	11,934,805	21,138,436
Obligation against leases	237,010,622	321,063,848	147,187,949	173,875,899
Short term borrowings	338,067,368	347,009,336	347,009,336	-
Trade payables	1,376,881,360	1,376,881,360	1,376,881,360	-
	2,142,312,341	2,271,415,899	1,883,013,450	235,367,326
As at 30 June 2024				
Loan from related party	-	-	-	-
- From directors	40,352,991	40,352,991	-	40,352,991
- From banks	-	33,073,241	11,934,805	21,138,436
Obligation against leases	225,485,827	279,449,556	163,621,404	115,828,152
Short term borrowings	433,378,437	446,135,227	446,135,227	-
Trade payables	1,125,638,599	1,125,638,599	1,125,638,599	-
	1,824,855,854	1,924,649,614	1,747,330,035	177,319,579

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

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42.4 Market risk

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

42.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies.

- *Exposure to foreign currency risk*

Exposure to foreign currency risk (as denominated in US $) was as follows based on notional amounts:

	30 June 2025	30 June 2024
Outstanding letters and credit (In US $)	770,212	473,193

Commitments outstanding at year end amounted to US $ 1,054,136 (2024: US $ 901,742) relating to letter of credits for imports. The significant exchange rates applied during the year:

	Average rate		Reporting date mid spot rate	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	---- Rupees ----		------------ Rupees ------------	
USD 1	281.15	282.22	283.76	278.53

- *Sensitivity analysis*

1% strengthening of Pak Rupee against US $ at reporting date would have varied profit or loss as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Decrease in profit and loss account	2,185,554	1,317,984

42.4.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

- *Fixed rate financial instruments*

There is no financial instrument of the Company bearing fixed rate of interest and as such no fair value sensitivity analysis of same is presented herewith.

	30 June 2025 Rupees	30 June 2024 Rupees
• *Variable rate financial instruments*		
Long-term loans	166,682,864	13,377,327
Obligations against leases	237,010,622	225,485,827
Short term borrowings	338,067,368	433,378,437
	741,760,854	672,241,591

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- *Cash flow sensitivity analysis for interest rate instruments*

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit before tax by amounts shown below. The analysis assumes that all other variables, remain constant. The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

	Variation in basis points (% age)	Effect on profit before tax 30 June 2025 Rupees	30 June 2024 Rupees
• *Variable rate instruments*			
Long-term loans	100 bps or 1.00%	1,666,829	133,773
Obligations against leases		2,370,106	2,254,858
Short term borrowings		3,380,674	4,333,784
		7,417,609	6,722,415

42.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried using equity method. The carrying values of all other financial assets and liabilities reflected in these financial statements approximate their fair values. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for asset or liability that are not based on observable market data inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company has not disclosed the fair values for some financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

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Financial instruments on reporting date	Carrying Amount				Fair Value			
	As at 30 June 2025							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	138,856,927	-	138,856,927	-	138,856,927	-	138,856,927
Receivable from related parties	-	40,352,991	-	40,352,991	-	40,352,991	-	40,352,991
Bank balances	-	117,863,470	-	117,863,470	-	117,863,470	-	117,863,470
Loans and advances	-	568,307,974	-	568,307,974	-	568,307,974	-	568,307,974
Trade deposits	-	226,508,998	-	226,508,998	-	226,508,998	-	226,508,998
	-	1,091,890,360	-	1,091,890,360	-	1,091,890,360	-	1,091,890,360
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances								
- from directors	-	-	40,352,991	40,352,991	-	-	-	-
- from related party	-	-	150,000,000	150,000,000	-	-	-	-
Obligation against leases	-	-	237,010,622	237,010,622	-	-	-	-
Short term borrowings	-	-	338,067,368	338,067,368	-	-	-	-
Trade payables	-	-	1,376,881,360	1,376,881,360	-	-	-	-
	-	-	2,142,312,341	2,142,312,341	-	-	-	-

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Financial instruments on reporting date	Carrying Amount				Fair Value			
	As at 30 June 2024							
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade debts	-	161,998,577	-	161,998,577	-	161,998,577	-	161,998,577
Receivable from related parties	-	19,761,502	-	19,761,502	-	19,761,502	-	19,761,502
Bank balances	-	113,954,420	-	113,954,420	-	113,954,420	-	113,954,420
Loans and advances	-	519,197,151	-	519,197,151	-	519,197,151	-	519,197,151
Trade deposits	-	142,497,991	-	142,497,991	-	142,497,991	-	142,497,991
	-	957,409,641	-	957,409,641	-	957,409,641	-	957,409,641
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Long term finances								
- from directors	-	-	40,352,991	40,352,991	-	-	-	-
- from related party	-	-	-	-	-	-	-	-
Obligation against leases	-	-	225,485,827	225,485,827	-	-	-	-
Short term borrowings	-	-	433,378,437	433,378,437	-	-	-	-
Trade payables	-	-	1,125,638,599	1,125,638,599	-	-	-	-
	-	-	1,824,855,854	1,824,855,854	-	-	-	-

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44 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on basis of the debt-to-equity ratio calculated as ratio of total debt to equity.

	30 Jun 2025	30 Jun 2024
	--- Rupees in '000 ---	
Total debt	615,431	699,217
Total equity and debt	1,449,106	1,651,291
Debt-to-equity ratio	42%	42%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

45 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits to the Executives, Chief Executive and Director of the Company is as follows:

	Chief Executive		Directors		Executives	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	--- Rupees ---					
Remuneration	3,775,200	3,432,000	2,145,000	1,950,000	52,883,100	51,950,000
Allowances	1,452,000	1,320,000	825,000	750,000	10,576,620	19,625,000
Benefits	580,800	528,000	330,000	300,000	7,051,080	7,805,000
	5,808,000	5,280,000	3,300,000	3,000,000	70,510,800	79,380,000
Number of persons	1	1	2	1	24	26

45.1 The Company has also provided Chief Executive and working Director with the Company maintained cars. No fees were paid to any Director for attending Board meetings.

46 NUMBER OF EMPLOYEES

	At end of the year		Average during the year	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	30 Jun 2024
	--- Number of Employees ---			
Company employees	650	629	640	614

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47 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, key management personnel and entities under common directorship. Balances are disclosed elsewhere in the financial statements. Significant transactions with related parties, other than disclosed elsewhere in the financial statements are as follows.

Related Party	Nature of relationship	Basis of relationship	Nature of transaction	Transaction Value 30 Jun 2025	Transaction Value 30 Jun 2024	Outstanding Balance 30 Jun 2025	Outstanding Balance 30 Jun 2024
				Rupees			
Chief Executive Officer							
Mr. Akbar Ali	CEO	Shareholder	Remuneration	5,800,000	5,200,000	-	-
			Advances			48,382,991	15,948,220
			Given (net)	34,412,771	-		
Key management personnel							
Ms. Shazia Akbar	Directors	Shareholder	Remuneration	3,300,000	3,600,000	-	-
			Advances given	(300,000)	300,000	-	500,000
			Loan from director	-	-	(48,382,991)	(48,332,991)
Executives	Executives		Remuneration	70,540,200	79,380,000	-	
Pharmasol (Private) Limited	Associated Undertaking	Common Directorship				(30,448,735)	3,381,382
			receipts - net	11,923,017	18,613,384		
			Long term loan	130,000,000	-	(130,000,000)	-

48 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

- There is only the geographical segmentation on account of export sales which had been duly disclosed in note 32 to the financial statements of the Company
- All non-current assets of the Company at 30 June 2025 are located in Pakistan.

SELMORE PHARMACEUTICALS (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

49 **PLANT CAPACITY AND PRODUCTION**

The capacity and production of the Company's plant is indeterminable as it is a multi-product plant involving varying processes of manufacture.

Actual production was sufficient to meet the demand. The Company operated the plant considering the market demand and supply of the product.

50 **RE-CLASSIFICATIONS AND RE-ARRANGEMENTS OF CORRESPONDING FIGURES**

Corresponding figures have been re-classified and re-arranged, wherever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. No significant re-classification and re-arrangements are made in the financial statements.

51 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 07 OCT 2025

Chief Executive Officer

Director

Lahore.

6.6. LATEST MANAGEMENT ACCOUNTS AS AT 31ST MARCH, 2026

SELMORE PHARMACEUTICALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31, MARCH 2026

	Note	31 Mar 2026 Rupees	30 Jun 2025 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	1.1	1,363,911,764	929,086,709
Right-of-use assets	1.2	454,863,077	279,042,303
Intangible assets	2	5,084,749	1,737,312
Long term investment	3	-	-
Long term deposits	4	1,734,219	634,219
		1,825,593,809	1,210,500,543
Current assets			
Stocks in trade	5	814,237,010	774,393,050
Trade debts	6	273,739,980	138,856,927
Receivable from related parties	7	64,182,243	40,352,991
Loans and advances	8	576,640,015	568,307,974
Trade deposits and prepayments	9	202,094,335	229,683,449
Tax refunds due from government	10	39,585,203	98,533,598
Cash and bank balances	11	210,431,547	119,858,008
		2,182,930,332	1,969,985,997
Total assets		4,008,524,141	3,180,486,540
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	12	200,000,000	200,000,000
Equity portion of loan from director	13	20,578,375	23,670,127
Unappropriated profit		967,347,997	610,004,796
		1,187,926,372	833,674,923
Non-current liabilities			
Long term loan from director	14	19,774,616	16,682,864
Long-term finances from financial institutions	15	228,846,539	-
Liabilities against assets subject to leases	16	216,068,829	115,982,268
Deferred Liabilities	17	44,145,746	24,150,862
Deferred taxation	18	62,620,815	50,796,053
Long term loan from related party	19	77,940,000	150,000,000
Long term deposits	20	16,227,928	25,796,384
		665,624,473	383,408,431
Current liabilities			
Trade and other payables	21	1,411,955,081	1,464,761,761
Accrued mark-up	22	13,464,137	8,941,968
Short term borrowings	23	303,169,501	338,067,368
Payable to related party	24	-	30,603,735
Current portion of long term liabilities	25	297,209,376	121,028,354
Income tax Liability		129,175,201	-
		2,154,973,296	1,963,403,186
Contingencies and commitments	26	-	-
Total equity and liabilities		4,008,524,141	3,180,486,540

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Financial Officer	Director

SELMORE PHARMACEUTICALS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2026

	Note	31 Mar 2026 Rupees	%	31 Mar 2025 Rupees	%
Sales (net)	27	5,017,394,482		3,376,169,498	
Cost of sales	28	3,324,559,876	66%	2,405,861,129	71%
Gross profit		1,692,834,606	34%	970,308,369	29%
Other operating income	29	73,992,772	1%	25,789,652	1%
Administrative and general expenses	30	134,039,858	3%	110,657,821	3%
Distribution and selling cost	31	869,531,058	17%	615,507,825	18%
Other operating cost	32	86,823,842	2%	13,515,373	0%
Finance cost	33	84,932,107	2%	95,544,573	3%
		1,175,326,866	23%	835,225,592	25%
Profit before taxation		591,500,512	12%	160,872,429	5%
Taxation		229,672,599	7%	46,653,004	1%
Profit after taxation		361,827,912	7%	114,219,425	3%
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Remeasurement of defined benefits obligation		(7,576,463)		-	
Other comprehensive income		(7,576,463)		-	
Total comprehensive income for the year		354,251,449		114,219,425	

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Financial Officer

Director

SELMORE PHARMACEUTICALS LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2026

	Share Capital	Equity portion of loan from directors	Reserves Unappropriated profit	Total Equity
	----------	----------	Rupees ----------	----------
Balance as at 30 June 2024	200,000,000	26,975,664	725,098,301	952,073,965
Total comprehensive income for the year	-	-	114,219,425	114,219,425
Dividend paid during the year	-	-	(193,506,284)	(193,506,284)
Balance as at 31 March 2025	200,000,000	26,975,664	645,811,442	872,787,106
Total comprehensive income for the year	-	-	78,534,875	78,534,875
Dividend paid during the year			(117,647,058)	(117,647,058)
Unwinding of discount on interest free loan from directors	-	(3,305,537)	3,305,537	-
Balance as at 30 June 2025	200,000,000	23,670,127	610,004,796	833,674,923
Total comprehensive income for the period	-	-	354,251,449	354,251,449
Unwinding of discount on interest free loan from directors	-	(3,091,752)	3,091,752	-
Balance as at 31 March 2026	200,000,000	20,578,375	967,347,997	1,187,926,372

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Financial Officer

Director

SELMORE PHARMACEUTICALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED ENDED 31 MARCH 2026

	Note	31 Mar 2026 Rupees	31 Mar 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	569,931,898	320,234,217
Income tax paid		(80,540,642)	-
Workers' profit participation fund payments		(22,206,690)	(7,772,898)
Workers' welfare fund payments		(6,000,635)	(500,015)
Employee retirement benefits paid		-	-
Finance cost paid		(42,185,386)	(65,979,186)
Net cash in / (out) flow from operating activities		418,998,544	245,982,121
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets including right of use assets		(486,784,342)	(381,317,514)
Long Term Deposits - Net		(1,100,000)	-
Proceeds on disposal of fixed assets		42,266,281	32,367,350
Long term investments - Net		-	440,000,000
Purchase of intangible asset		(3,784,278)	(409,500)
Net cash (out) flow in investing activities		(449,402,339)	90,640,336
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of) / Proceeds from long term finances from related party		(72,060,000)	-
Proceeds from long term finances - from financial institutions		418,021,500	-
(Repayment of) / Proceeds from short-term finances		(34,897,867)	(7,397,666)
Dividend paid		-	(193,506,284)
(Repayment of) / increase in lease liabilities		(190,086,300)	(168,078,702)
Net cash in / (out) flow from financing activities		120,977,333	(368,982,652)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		90,573,539	(32,360,195)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	11	119,858,008	115,106,392
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11	210,431,547	82,746,197

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Financial Officer

Director

SELMORE PHARMACEUTICALS LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

		31-Mar-26	30-Jun-25
		Rupees	Rupees
1	Fixed Assets		
1.1	Property, Plant and Equipment		
	Operating owned fixed assets	778,349,582	886,933,888
	Capital work in progress		
	- Land	106,500,000	106,500,000
	- Building	186,598,905	15,653,821
	- Machinery	172,563,279	-
		565,662,183	122,153,821
		1,343,911,764	929,088,705

PARTICULARS	COST: At beginning of the period	COST: Additions / (Disposals)	COST: Transfers in	COST: At end of the period	DEPRECIATION: At beginning of the period	DEPRECIATION: Charge for the period	DEPRECIATION: Adjustment on (disposal) / Transfer	DEPRECIATION: At end of the period	BOOK VALUE: At end of the period	Annual rate of dep.
	March 31, 2026									
	Rupees									% age
Freehold land	304,446,210		-	304,446,210				-	304,446,210	
Buildings on freehold land	206,721,634	2,488,200	-	209,179,824	53,866,950	5,765,278	-	59,632,228	149,547,596	5
Plant and machinery	190,772,381	-	-	190,772,381	147,738,373	3,227,476	-	150,966,849	39,805,533	10
Generators	5,380,000	-	-	5,380,000	5,380,000	-		5,380,000		10
Laboratory equipment	61,926,239	-	-	61,926,239	22,547,000	2,990,443	-	25,537,443	36,388,795	10
Electric equipment	22,309,220	112,448	-	22,421,668	17,822,218	338,616	-	18,160,834	4,261,034	10
Office equipment	5,218,017	-	-	5,218,017	3,744,667	109,981	-	3,854,548	1,358,469	10
Furniture and fixtures	11,076,601	129,000	-	11,205,601	6,688,947	332,531	-	7,018,478	4,187,211	10
Computers and accessories	27,364,548	2,077,642	-	29,442,187	22,239,347	1,257,288	-	23,496,636	5,945,551	30
Motor vehicles	475,370,166	18,297,498 (50,628,900)	-	443,248,156	383,786,499	32,711,587	(45,362,104)	371,135,982	172,112,284	20
	1,330,786,097	23,274,980 (50,628,900)	-	1,343,432,375	963,092,384	46,693,097	(45,362,384)	965,183,992	778,248,585	

1.2 Right to use the Assets

PARTICULARS	COST: At beginning of the period	COST: Additions / (Disposals)	COST: Transfers in	COST: At end of the period	DEPRECIATION: At beginning of the period	DEPRECIATION: Charge for the period	DEPRECIATION: Adjustment on (disposal) / Transfer	DEPRECIATION: At end of the period	BOOK VALUE: At end of the period	Annual rate of dep.
	Rupees									% age
Motor vehicles	465,907,530	244,910,043	-	710,817,574	186,089,227	69,089,270		255,954,497	454,863,077	20
Buildings on freehold land	16,620,339	-		16,620,339	16,620,339	-	-	16,620,339	-	5
	482,527,869	244,910,043		727,437,913	201,443,566	69,089,270	-	272,574,836	454,863,077	

Depreciation charges for the year have been allocated as follows

		2026	2026
		Rupees	Rupees
		FA	ROU
COS	75%	35,019,849	51,816,953
ADMIN	10%	4,669,309	6,908,927
SELLING	15%	7,003,964	10,363,391
		46,693,097	69,089,270

SELMORE PHARMACEUTICALS LIMITED
NOTES TO AND FORMING PART OF THESE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 MARCH 2026

June 30, 2025										
	COST				DEPRECIATION				BOOK VALUE	
PARTICULARS	At beginning of the period	Additions / (Disposals)	Transfers in	At end of the period	At beginning of the period	Charge for the period	Adjustment on (disposal) / Transfer	At end of the period	At end of the period	Annual rate of
	Rupees									% age
Freehold land	204,446,210	160,000,000	-	364,446,210	-	-	-	-	364,446,210	-
Buildings on freehold land	142,236,224	64,485,400	-	206,721,624	46,486,450	7,380,500	-	53,866,950	152,854,674	5
Plant and machinery	166,123,201	24,649,180	-	190,772,381	130,281,158	17,458,215	-	147,739,373	43,033,008	10
Generators	5,380,000	-	-	5,380,000	4,900,000	480,000	-	5,380,000	-	10
Laboratory equipment	45,075,304	16,850,934	-	61,926,238	16,337,880	6,249,123	-	22,587,003	39,339,235	10
Electric equipment	21,485,005	824,215	-	22,309,220	15,633,617	2,188,601	-	17,822,218	4,487,002	10
Office equipment	4,930,017	280,000	-	5,210,017	3,228,332	516,335	-	3,744,667	1,465,350	10
Furniture and fixtures	10,710,091	366,600	-	11,076,691	5,598,745	1,087,202	-	6,685,947	4,390,744	10
Computers and accessories	19,373,237	7,991,308	-	27,364,545	16,814,839	5,424,508	-	22,239,347	5,125,198	30
Motor vehicles	259,038,340	21,342,026	250,007,000	475,579,166	133,689,149	41,460,026	150,011,592	283,786,699	191,792,467	20
		(54,808,200)	-			-	(41,374,068)			
	878,797,630	296,789,663	250,007,000	1,370,786,092	372,970,170	82,244,510	150,011,592	563,852,204	806,933,888	
		(54,808,200)	-				(41,374,068)			

1.2 Right to Use Assets

	COST				DEPRECIATION				BOOK VALUE	
PARTICULARS	At beginning of the period	Additions / (Disposals)	Transfers in	At end of the period	At beginning of the period	Charge for the period	Adjustment on (disposal) / Transfer	At end of the period	At end of the period	Annual rate of
	Rupees									% age
Motor vehicles	521,768,726	194,145,803	(250,007,000)	465,907,529	232,915,121	103,961,697	(150,011,592)	186,865,226	279,042,303	20
Buildings on freehold land	16,620,339	-	-	16,620,339	13,820,096	2,800,243	-	16,620,339	-	5
	538,389,065	194,145,803	(250,007,000)	482,257,868	246,735,217	106,761,940	(150,011,592)	203,485,565	279,042,303	

SELMORE PHARMACEUTICALS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

		31 Mar 2026 Rupees	30 Jun 2025 Rupees
2	**INTANGIBLE ASSETS**		
	Cost	8,893,591	5,109,313
	Accumulated depreciation	(3,808,842)	(3,372,001)
		5,084,749	1,737,312
3	**Long term investment**	-	-
4	**Long term deposits**		
	Deposits with various institutions	1,734,219	634,219
5	**STOCK-IN-TRADE**		
	Raw material		
	- Raw material	460,726,369	420,157,101
	- Packing material	157,108,134	161,515,609
		617,834,503	581,672,710
	Work-in-process	88,085,653	-
	Finished goods	108,316,855	192,720,340
		814,237,010	774,393,050
6	**TRADE DEBTS**		
	Local - Unsecured		
	- Considered good	273,739,980	138,856,927
	- Considered doubtful	1,160,556	-
		274,900,536	138,856,927
	Less: Doubtful debts written off	(1,160,556)	-
		273,739,980	138,856,927
7	**RECEIVABLES FROM RELATED PARTIES**		
	Chief Executive Officer and director	40,383,311	40,352,991
	Associated companies - Pharmasol Private Limited	25,798,932	-
		66,182,243	40,352,991
8	**LOANS AND ADVANCES**		
	Advances to: unsecured but considered good		
	- Employees	23,795,196	22,295,095
	- Contractors and Suppliers	205,616,397	207,517,197
	Advances for purchase of land	347,248,422	338,495,682
		576,660,015	568,307,974
9	**TRADE DEPOSITS AND PREPAYMENTS**		
	Letters of credit	138,668,034	218,555,308
	Short term deposits	61,129,450	7,953,690
	Prepayments	2,296,851	3,174,451
		202,094,335	229,683,449

SELMORE PHARMACEUTICALS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

		31 Mar 2026 Rupees	30 Jun 2025 Rupees
10	**TAX REFUNDS DUE FROM GOVERNMENT**		
	Rebate on export	39,585,203	93,496,215
	Income tax refundable	-	5,037,383
		39,585,203	98,533,598
11	**CASH AND BANK BALANCES**		
	In hand	4,808,690	1,994,538
	With banks - on current accounts	205,622,857	117,863,470
		210,431,547	119,858,008

		31 Mar 2026	30 Jun 2025	31 Mar 2026	30 Jun 2025
		------- Number of shares -------		Rupees	Rupees
12	**SHARE CAPITAL**				
	Authorized capital				
	Fully paid ordinary shares of Rs. 10 each (2025: Rs. 100)	20,000,000	2,000,000	200,000,000	200,000,000
	Issued, subscribed and paid up capital				
	Fully paid ordinary shares of Rs. 10 each (2025: Rs. 100)	20,000,000	2,000,000	200,000,000	200,000,000
		20,000,000	2,000,000	200,000,000	200,000,000

			31 Mar 2026 Rupees	30 Jun 2025 Rupees
13	**EQUITY PORTION OF LOAN FROM DIRECTOR**		20,578,375	23,670,127
14	**LONG TERM LOAN FROM DIRECTOR**		19,774,616	16,682,864
15	**LONG TERM FINANCES FROM FINANCIAL INSTITUTIONS**			
	Bank Al Falah Limited	15.1	249,376,500	-
	Meezan Bank Limited	15.2	168,645,000	-
			418,021,500	-
	Less: Current portion shown under current liabilities		189,174,961	-
			228,846,539	-

15.1 The Company has obtained a long term loan facility from Bank Alfalah Limited for establishment of a production facility for manufacturing of Active Pharmaceutical Ingredients (API), with sanctioned limits of Rs. 160 million with respect to construction of building, and Rs. 575 million with respect to import of plant and machinery. The facility is for a tenure of 6 years (including 1 year grace period), and carries mark-up at the rate of 3-month KIBOR plus 225 bps per annum, payable quarterly, even during grace period. The loan is secured through a first charge of Rs. 630 million over the Company's present and future fixed assets, a first charge of Rs. 655 million over its present and future plant and machinery, an equitable mortgage of company's property having value of Rs. 242.245 Million, lien over import documents, TRM of Rs. 0.100 Million, cross corporate guarantee of Pharmasol Private Limited, and personal guarantees of all directors of the Company and Pharmasol Private Limited.

15.2 The Company has obtained a long term loan facility from Meezan Bank Limited for establishment of a production facility for manufacturing of Active Pharmaceutical Ingredients (API),with a sanctioned Limit of Rs. 150 million with respect to construction of building, and Rs. 400 million with respect to import of plant and machinery. The facility carries mark-up at the rate of 6 Month KIBOR plus 225 bps per annum, payable quarterly. The loan is secured through additional ranking charge of Rs. 471 Million over fixed assets of the Pharmasol Private Limited and cross corporate guarantee of Pharmasol Private Limited and specific charge over imported machinery of the company and personal guarantees of all the directors of the Company.

SELMORE PHARMACEUTICALS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

			31 Mar 2026 Rupees	30 Jun 2025 Rupees
16	**LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**			
	Present value of minimum lease payments		324,103,244	237,010,622
	Less: Current portion shown under current liabilities		108,034,415	121,028,354
			216,068,829	115,982,268
17	**DEFERRED LIABILITIES**			
	Employee retirement benefits (unfunded staff gratuity)		44,145,746	24,150,862
18	**DEFERRED TAXATION**		62,620,815	50,796,053
19	**LONG TERM LOAN FROM RELATED PARTY**			
	Pharmasol Private Limited		77,940,000	150,000,000
20	**LONG TERM DEPOSITS**			
	Securities from dealers		16,227,928	25,796,384
21	**TRADE AND OTHER PAYABLES**			
	Creditors		478,648,198	358,206,352
	Advance from customers		468,320,051	715,056,125
	Accrued expenses		187,493,000	165,918,177
	Withholding income taxes		33,806,891	36,252,677
	Workers participation fund		33,091,789	20,633,453
	Workers welfare fund		37,714,077	30,994,271
	Other payables		172,881,075	137,700,706
			1,411,955,081	1,464,761,761
22	**ACCRUED MARK-UP**		13,464,137	8,941,968
23	**SHORT TERM BORROWINGS**			
	Running and cash finances			
	- Bank Al Falah Limited	23.1	-	-
	- Meezan Bank Limited		-	-
	- Bank Al Habib Limited	23.2	-	33,445,030
			-	33,445,030
	FATR AND FIM			
	- Bank Al Falah Limited	23.3	174,160,060	143,454,796
	- Meezan Bank Limited	23.4	43,573,295	82,113,360
	- Bank Al Habib Limited	23.5	85,436,147	79,054,182
			303,169,501	304,622,338
			303,169,501	338,067,368

23.1 The Company has obtained a loan facility from Bank Alfalah Limited with a sanctioned limit of Rs. 70 million (2025: Rs. 70 million). The facility carries mark-up at the rate of 1-month KIBOR plus 225 bps per annum, payable quarterly. The loan is secured through a first pari passu charge of Rs. 427 million over the Company's current assets, a first hypothecation charge of Rs. 251 million over its present and future fixed assets, and is further backed by personal guarantees of all directors of the Company.

SELMORE PHARMACEUTICALS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2026

23.2 The Company has obtained a loan facility from Bank Alhabib Limited with a sanctioned limit of Rs. 45 million (2025: Rs. 45 million). The facility carries mark-up at the rate of 3 months KIBOR plus 225 bps (2025: 1 months KIBOR plus 225 bps) per annum, payable quarterly. The loan is secured through a first pari passu charge of Rs. 191 million over current assets of the Company, lien over import documents, cash margin and personal guarantees of all directors of the Company.

23.3 The Company has obtained a loan facility from Bank Alfalah Limited with a sanctioned limit of Rs. 250 million (2025 Rs. 180 million) The facility carries mark-up at the rate of 1 Month KIBOR plus 225 bps per annum (2025: 1 Months KIBOR plus 225 bps per annum), payable quarterly The loan is secured through an equitable mortgage of company's property having value of Rs. 390 522 million, lien over import documents, TRM of Rs. 0.100 million and personal guarantees of all directors of the Company.

23.4 The Company has obtained a loan facility from Meezan Bank Limited with a sanctioned Limit of Rs. 150 million. The facility carries mark-up at the rate of 3 Month KIBOR plus 215 bps per annum, payable quarterly. The loan is secured through a pari passu charge of Rs. 200 million over present and future current assets of the Pharmasol Private Limited and Ranking charge of Rs. 200 million over current assets of the Company and personal guarantees of all the directors of the Company.

23.5 The Company has obtained a loan facility from Bank Alhabib Limited with a sanctioned limit of Rs. 98 million (2025 Rs. 98 million) The facility carries mark up at the rate of 3 Months KIBOR plus 225 bps per annum (2025. 3 Months KIBOR plus 225 bps per annum). payable quarterly. The loan is secured through a 1st Pari passu charge on current assets of the Company and fixed assets of Pharmasol Private Limited of Rs. 400 million, and cross corporate guarantee of Pharmasol Private Limited, and personal guarantees of all directors of the Company.

		31 Mar 2026 Rupees	30 Jun 2025 Rupees
24	**PAYABLE TO RELATED PARTY**		
	Associated Company - Pharmasol Private Limited	-	30,603,735
25	**CURRENT PORTION OF LONG TERM LIABILITIES**		
	Long term finances from financial institutions	189,174,961	-
	Liabilities against asset subject to finance lease	108,034,415	121,028,354
		297,209,376	121,028,354

26 **CONTINGENCIES AND COMMITMENTS**

There is no known contingent liability of the Company as on period end (2025: Nil)

		31 Mar 2026 Rupees	31 Mar 2025 Rupees
27	**SALES (NET)**		
	Local	4,922,839,950	3,162,229,835
	Exports	158,152,728	259,375,397
		5,080,992,678	3,421,605,233
	Less: Sales tax	(48,733,009)	(32,489,754)
	Less: Discounts, sales return and allowances	(14,865,187)	(12,945,980)
		5,017,394,482	3,376,169,498

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			31 Mar 2026	31 Mar 2025
			Rupees	Rupees
28	COST OF SALES			
	Raw and packing material consumed	*Note 26.1*	2,941,668,678	2,072,003,499
	Salaries, wages and other benefits		146,823,198	109,714,888
	Fuel and power		42,404,172	41,276,824
	Laboratory		39,619,366	26,429,995
	Entertainment		10,029,981	9,719,098
	Insurance		964,605	582,398
	Freight and handling		9,035,429	5,985,185
	Repairs and maintenance		34,343,805	29,467,260
	Depreciation on property, plant and equipment		35,019,819	52,757,298
	Depreciation on right of use assets		51,816,953	64,284,391
	Other manufacturing expenses		16,515,959	15,477,684
			3,328,242,044	2,427,298,528
	Adjustment of work-in-process			
	Add: Opening stocks		-	-
	Less: Closing stocks		(88,085,653)	-
			(88,085,653)	-
	Adjustment of finished goods			
	Add: Opening stocks		192,720,340	161,832,485
	Add: Purchases		-	-
	Less: Closing stocks		(108,316,855)	(183,269,884)
			84,403,485	(21,437,399)
			3,324,559,876	2,405,861,129
28.1	Raw and packing material consumed			
	Opening stocks		581,672,710	400,237,599
	Add: Purchases and related cost		2,977,830,471	2,135,055,055
	Less: Closing stocks		(617,834,503)	(463,289,155)
			2,941,668,678	2,072,003,499
29	OTHER OPERATING INCOME			
	from non-financial assets			
	Gain on disposal of property, plant and equipment		37,000,085	18,336,290
	Sale of scrap		6,842,159	5,684,083
	Old liabilities written back		9,568,456	-
	Other income		20,582,072	1,769,279
			73,992,772	25,789,652

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		31 Mar 2026 Rupees	31 Mar 2025 Rupees
30	**ADMINISTRATIVE AND GENERAL EXPENSES**		
	Directors remuneration	11,610,768	8,747,505
	Salaries and allowances	54,737,193	43,611,820
	Vehicle running and maintenance	8,367,808	8,746,659
	Travelling and conveyance	2,252,660	976,340
	Entertainment	8,972,566	7,703,226
	Electricity, gas and water	4,673,330	5,426,158
	Communications	3,543,932	1,688,597
	Printing and stationary	5,891,775	4,216,274
	Repairs and maintenance	7,584,639	3,497,010
	Rent, rates and taxes	3,081,692	250,289
	Insurance	2,345,402	1,385,024
	Legal and professional	5,667,987	7,575,062
	Auditor's remuneration	1,050,000	-
	Depreciation on property, plant and equipment	4,669,309	7,034,306
	Depreciation on right of use assets	6,908,927	8,571,252
	Others	2,181,869	1,228,298
		134,039,858	110,657,821
31	**DISTRIBUTION AND SELLING COST**		
	Salaries and allowances	380,939,818	285,423,964
	Business promotions and advertisement	436,350,805	277,311,684
	Vehicle running and maintenance	6,295,309	704,624
	Freight and handling	10,366,749	12,744,974
	Communications	6,178,050	5,420,674
	Insurance	12,032,973	10,493,567
	Depreciation on property, plant and equipment	7,003,964	10,551,460
	Depreciation on right of use assets	10,363,391	12,856,878
		869,531,058	615,507,825
32	**OTHER OPERATING COST**		
	Charity and donations	25,664,170	350,000
	Loss due to fire	-	-
	Export rebate written off	14,931,302	-
	Provision for doubtful debts	1,160,356	-
	Bad debts written off	109,429	836,433
	Workers profit participation fund	31,801,103	8,650,567
	Workers' welfare fund	12,720,441	3,460,227
	Amortization of intangible assets	436,841	218,146
		86,823,842	13,515,373

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			31 Mar 2026 Rupees	31 Mar 2025 Rupees
33	**FINANCE COST**			
	Mark up on.			
	- Long-term finances		10,070,014	-
	- Lease liabilities		32,268,877	34,876,704
	- Short term borrowings		35,079,548	59,401,574
	- Interest on WWF / WPPF		2,863,923	-
			80,282,362	94,278,278
	Unwinding of discount on interest free directors loan		3,091,752	-
	Liability against right - of use assets		-	-
			3,091,752	-
	Bank charges and commission		1,557,993	1,266,295
			84,932,107	95,544,573
34	**LEVIES AND TAXATION**		229,672,599	46,653,004
35	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		591,500,312	160,872,429
	Add / (Less): Adjustment for non cash charges / items			
	Depreciation on property, plant and equipment	- note 1.1	46,693,092	70,343,064
	Depreciation on right to use assets	- note 1.2	69,089,270	85,712,522
	Provision for employee retirement benefits		-	-
	Provision for workers' profit participation fund	- note 32	31,801,103	8,650,567
	Provision for workers' welfare fund	- note 32	12,720,441	3,460,227
	Interest on WPPF		2,863,923	-
	Gratuity expense		9,323,809	-
	Export rebate written off		14,931,302	-
	Provision for doubtful debts		1,160,554	-
	Old liabilities written back		(9,568,456)	-
	Amortization of intangible assets	- note 32	434,841	218,146
	Gain on de-recognition of assets	- note 29	(37,000,085)	(18,336,290)
	Unwinding of discount on loan from directors		3,091,752	-
	Discount of leases in respect of right of use assets		-	-
	Finance cost		78,976,432	95,544,573
			224,519,980	245,592,809
	Operating profit before changes in working capital		816,020,492	406,465,239
	Working capital changes			
	(Increase) / Decrease in current assets			
	Stock in trade		(39,843,960)	(84,488,955)
	Trade debts		(136,043,609)	35,541,958
	Receivables from related parties		(25,829,252)	(129,860,145)
	Loans and advances		(8,352,041)	73,015,267
	Trade refund from govt		38,979,710	(51,705,918)
	Trade deposits and prepayments		27,589,114	10,232,359
	Increase / (Decrease) in Payable to related party		(30,603,735)	-
	Increase / (Decrease) in trade and other payables		(71,984,822)	61,034,412
			(246,088,595)	(86,231,022)
	Cash generated from operations		569,931,898	320,234,217

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34 General

Figures in these financial statements have been rounded off to the nearest rupee.

Chief Financial Officer

Director

6.7. SUMMARY OF FINANCIAL HIGHLIGHTS OF SELMORE PHARMACEUTICALS LIMITED

(PKR)	FY23	FY24	FY25	6MFY26	9MFY26
Income Statement	**(Audited)**	**(Audited)**	**(Audited)**	**(Audited)**	**(Unaudited)**
Net Sales	3,065,705,404	3,249,859,971	4,744,759,394	3,362,478,083	5,017,394,482
Cost of Sales	(2,126,247,470)	(2,287,017,339)	(3,155,726,333)	(2,207,249,446)	(3,324,559,876)
Gross Profit	939,457,934	962,842,632	1,589,033,061	1,155,228,637	1,692,834,606
Administrative Expenses	(115,563,906)	(138,924,101)	(163,721,950)	(94,250,821)	(134,039,858)
Selling & Distribution Expenses	(530,495,781)	(571,094,847)	(961,094,165)	(601,921,181)	(869,531,058)
Other Operating Charges	(16,229,171)	(15,195,892)	(114,815,161)	(70,545,100)	(86,823,842)
Other Operating Income	49,429,416	66,758,126	80,557,473	47,315,361	73,992,772
Operating Profit (EBIT)	326,598,492	304,385,918	429,959,258	435,826,896	676,432,620
Financial Charges	(125,211,344)	(159,800,569)	(130,947,492)	(60,596,327)	(84,932,107)
Profit/ (Loss) before Taxation	201,387,148	144,585,349	299,011,766	375,230,569	591,500,513
Taxation	(62,985,809)	(60,686,284)	(106,745,154)	(137,920,584)	(229,672,599)
Profit/ (Loss) after Taxation	138,401,339	83,899,065	192,266,612	237,309,985	361,827,912
EBITDA	467,589,845	467,415,556	619,354,072	504,992,648	792,651,823
Depreciation & Amortization	140,991,353	163,029,638	189,394,814	69,165,752	116,219,203
Balance Sheet					
Non-Current Assets	1,208,244,219	1,249,530,407	1,210,500,543	1,714,960,512	1,825,593,809
Current Assets	1,197,840,497	1,620,630,145	1,969,985,997	2,097,393,966	2,182,930,332
Total Assets	2,406,084,716	2,870,160,552	3,180,486,540	3,812,354,478	4,008,524,141
Paid-up Capital	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Unappropriated Profit	640,394,771	725,098,301	610,004,796	841,799,486	967,347,997
Equity	840,394,771	952,073,965	833,674,923[64]	1,063,408,445	1,187,926,372
Non-Current Liabilities	247,582,184	189,256,024	383,408,431	721,987,469	665,624,473
Current Liabilities	1,318,107,761	1,728,830,563	1,963,403,186	2,026,958,564	2,154,973,296
Stock In Trade	484,491,965	562,070,084	774,393,050	871,900,585	814,237,010
Trade debts	126,609,282	161,998,577	138,856,927	213,889,374	273,739,980
Trade and Other Payables	800,930,183	1,157,070,636	1,464,761,761	1,331,675,712	1,411,955,081
Total Borrowings	698,946,421	672,241,591	741,760,854	1,133,307,714	1,143,008,861
Short-Term Borrowings	371,767,872	433,378,437	338,067,368	355,927,179	303,169,501
Cash Flow Statement					
Operating Activities	73,101,522	187,892,759	271,129,332	161,743,492	418,998,544
Investing Activities	66,339,919	(69,531,544)	167,397,900	(316,929,860)	(449,402,339)
Financing Activities	(140,504,103)	(88,548,166)	(433,775,616)	152,284,647	120,977,333
Net increase/(decrease) in Cash	(1,062,662)	29,813,049	4,751,616	(2,901,721)	90,573,539
Cash & Cash Equivalents at the Beginning of year	86,356,005	85,293,343	115,106,392	119,858,008	119,858,008
Cash & Cash Equivalents at the end of year	85,293,343	115,106,392	119,858,008	116,956,287	210,431,547
Capex[65]	(77,305,522)	(146,520,773)	(308,463,080)	(338,427,909)	(490,568,620)
Growth					
Sales Growth[66] (%)	21.11%	6.01%[67]	46.00%	N/A	N/A

[64] Net Worth declined in FY25 primarily due to the distribution of dividends.
[65] Total CAPEX includes purchases of fixed assets & purchases of Intangible Assets.
[66] Calculated as the percentage change in net revenue of the current period compared with the previous period.
[67] Sales growth declined due to the appreciation of the PKR, which led to a decline in the cost of imported APIs; this benefit was largely passed on to customers, limiting revenue expansion.

Operating Profit Growth[68] (%)	41.40%	(6.80%)[69]	41.25%	N/A	N/A
EBITDA Growth[70] (%)	37.38%	(0.04%)	32.51%	N/A	N/A
Net Profit Growth[71] (%)	11.15%	(39.38%)	129.16%	N/A	N/A
Margins					
Gross Margin[72] (%)	30.64%	29.63%	33.49%	34.36%	33.74%
Operating Margin[73] (%)	10.65%	9.37%	9.06%	12.96%	13.48%
EBITDA Margin[74] (%)	15.25%	14.38%	13.05%	15.02%	15.80%
Net Margin[75] (%)	4.51%	2.58%	4.05%	7.06%	7.21%
Profitability and Earnings Ratio					
BVPS – Corresponding Period[76]	420.20	476.04	416.84	531.70	59.40[77]
BVPS – Adjusted[78]	10.50	11.90	10.42	13.29	14.85
Earnings per Share – Corresponding Period[79]	69.20	41.95	96.13	118.65	18.09[80]
Earnings per Share – Adjusted[81]	1.73	1.05	2.40	2.97	4.52
Number of shares	2,000,000	2,000,000	2,000,000	2,000,000	20,000,000
Return on Equity[82] (%)	17.94%	9.36%	21.53%	N/A	N/A
Return on Asset[83] (%)	6.36%	3.18%	6.36%	N/A	N/A
Balance Sheet Ratios					
Fixed Asset Turnover[84] (x)	5.23	4.13	4.71	N/A	N/A
Asset Turnover[85] (x)	1.41	1.23	1.57	N/A	N/A
Current Ratio[86] (x)	0.91	0.94	1.00	1.03	1.01
Receivables Turnover[87] (days)	11	16	12	N/A	N/A
Inventory Turnover[88] (days)	64	84	77	N/A	N/A
Creditor Turnover[89] (days)	50	48	38	N/A	N/A
Leverage Ratios					

[68] Calculated as the percentage change in operating profit (Gross Profit – Admin Expenses – Selling & Distribution Expenses – Other Operating Charges + Other Operating Income) of the current period compared with the previous period.
[69] Operating profit growth declined in FY24 due to higher production cost and operating cost.
[70] Calculated as the percentage change in earnings before interest, tax, depreciation and amortization of the current period compared with the previous period.
[71] Calculated as the percentage change in profit after tax of the current period compared with the previous period.
[72] Gross Profit/ Net Sales.
[73] Operating Profit (Gross Profit – Admin Expenses – Selling & Distribution Expenses – Other Operating Charges + Other Operating Income) / Net Sales.
[74] EBITDA / Net Sales.
[75] Profit after tax / Net Sales
[76] Book Value per Share (BVPS) for the corresponding period is calculated by dividing the total equity at the end of the respective period by the number of outstanding shares at the end of that period.
[77] BVPS for 9MFY26 declined primarily due to the increase in the number of outstanding shares following a 1-for-10 share split approved through a special resolution passed on 14 January 2026. As a result, the number of outstanding shares increased from 2.0 million to 20.0 million, thereby reducing BVPS despite the increase in Total Equity/ Net Worth.
[78] Adjusted BVPS is calculated by dividing the total equity/ net worth at the end of the period by the adjusted number of outstanding shares of 80,000,000 ordinary shares, as certified in the Auditor's Certificate on Paid-up Capital dated September 04th, 2026 reflecting the post-share split and bonus share capital.
[79] Earnings per Share (EPS) for the corresponding period is calculated by dividing the Profit After Tax for the period by the number of outstanding shares at the end of the respective period.
[80] EPS for 9MFY26 declined primarily due to the increase in the number of outstanding shares following a 1-for-10 share split approved through a special resolution passed on 14 January 2026. As a result, the number of outstanding shares increased from 2.0 million to 20.0 million, thereby reducing EPS despite the increase in Profit After Tax.
[81] Adjusted EPS is calculated by dividing the Profit After Tax for the period by the adjusted number of outstanding shares of 80,000,000 ordinary shares, as certified in the Auditor's Certificate on Paid-up Capital dated September 04th, 2026 reflecting the post-share split and bonus share capital.
[82] Profit after tax / Average Total Equity
[83] Profit after tax / Average Total Assets
[84] Net Sales / Average Fixed Assets. Fixed assets include Property, Plant & Equipment and Right of Use of Assets.
[85] Net Sales / Average Total Assets
[86] Current Assets / Current Liabilities
[87] (Average Trade Receivables / Net Sales) * 365
[88] (Average Inventory / Cost of Goods Sold) * 365
[89] Average Creditors / Cost of Goods Sold) * 365

Debt to Equity[90]	83.17%	70.61%	88.97%	106.57%	96.22%
Debt to Total Capital[91]	45.41%	41.39%	47.08%	51.59%	49.04%
EBITDA/Interest[92] (x)	3.73	2.92	4.73	8.33	9.33
Interest Coverage[93] (x)	2.61	1.90	3.28	7.19	7.96
(EBITDA - Capex)	390,284,323	320,894,783	310,890,992	166,564,739	302,083,203
(EBITDA - Capex)/Interest (x)	3.12	2.01	2.37	2.75	3.56
Debt / EBITDA	1.49	1.44	1.20	N/A	N/A

**Source: Company Financials*

6.7.1. COMMMENTARY ON SELECTED RATIOS

i. Revenue, Margins & Earnings

The Company exhibited a strong growth trajectory, with revenue expanding significantly in FY25 following moderate growth in FY24. Net revenue increased from PKR 3,065.71 million in FY23 to PKR 3,249.86 million in FY24, reflecting a modest year-on-year growth of 6.01%. Despite an improvement in sales volumes, topline growth remained modest due to the appreciation of the PKR, which led to a decline in the cost of imported APIs; this benefit was largely passed on to customers, limiting revenue expansion.

In FY25, the Company recorded a substantial uptick in revenue, which surged to PKR 4,744.76 million, representing a robust growth of 46.00% YoY. This performance was driven by a combination of significant volume expansion and favourable pricing dynamics.

Gross profitability improved notably over the period from FY23 to FY25. Gross profit increased from PKR 939.46 million in FY23 to PKR 962.84 million in FY24, before rising sharply to PKR 1,589.03 million in FY25. As a result, gross margins expanded from 30.64% in FY23 to 33.49% in FY25, reflecting enhanced cost efficiencies, improved pricing power, and a more favourable product mix with a higher contribution from high-margin products.

Operating performance remained resilient, with operating profit increasing from PKR 326.60 million in FY23 to PKR 429.96 million in FY25. However, operating margins declined from 10.65% in FY23 to 9.06% in FY25, primarily due to elevated operating expenses, largely driven by higher selling and distribution costs in line with the expansion of the Company's business and growth in sales volumes.

Profit After Tax (PAT) increased from PKR 138.40 million in FY23 to PKR 192.27 million in FY25, translating into a CAGR of 17.87%. This growth was largely driven by strong topline expansion, which recorded a CAGR of 24.41% over the same period.

In FY24, PAT declined to PKR 83.90 Mn from PKR 138.40 Mn in FY23 due to higher production costs, which resulted in a slight decline in gross margins, together with increased operating expenses and a higher effective tax rate. These factors collectively reduced the Company's net profitability in FY24. In line with this, the net margin in FY24 declined to 2.58% as compared to 4.51 % in the previous year.

The Company's net sales, gross profit and bottom-line for 9MFY26 exceeded the full-year figures for FY25, primarily driven by higher sales volumes, better pricing dynamics and improved margins resulting from effective cost management across production and operating activities. This reflects the Company's ability to scale its operations efficiently while maintaining disciplined cost management, resulting in enhanced profitability.

[90] (Total Debt / Total Equity). The ratio increased significantly in 6MFY26 and 9MFY26 as the Company availed additional long-term borrowings to finance the construction of buildings and civil works, as well as the procurement of plant and machinery for a new API Plant.

[91] (Total Debt / Total Capital)

[92] (EBITDA / finance cost)

[93] (EBIT / finance cost)

ii. Profitability Ratios

The Company's profitability indicators demonstrated strong resilience and a notable improvement in FY25. Return on Equity (ROE) stood at 21.53% in FY25, reflecting a significant enhancement from 9.36% in FY24 and exceeding the FY23 level of 17.94%, indicating robust returns to shareholders and improved earnings generation. Similarly, Return on Assets (ROA) improved to 6.36% in FY25 from 3.18% in FY24, aligning with the FY23 level of 6.36%. Overall, the improvement in both ROE and ROA in FY25 underscores the Company's enhanced operational performance and profitability momentum.

iii. Liquidity

The Company maintained a healthy liquidity position during FY2025. The current ratio improved slightly from 0.94x in FY24 to 1.00x in FY25, indicating a stronger short-term liquidity profile. Receivable days remained largely stable over the period, increasing marginally to 12 days in FY2025 from 11 days in FY2023, indicating consistent and efficient collection of trade receivables. Inventory days have slightly increased from 64 days in FY23 to 77 days in FY25. While creditor payables decreased from 50 days in FY23 to 38 days in FY25.

iv. Turnover Ratios

The Company's efficiency ratios reflected improvement in FY25. Fixed Asset Turnover increased to 4.71x in FY25 from 4.13x in FY24. Although, it remained below FY23 levels i.e. 5.23x due to higher asset base as the Company initiated its API facility project. Similarly, Asset Turnover improved to 1.57x in FY25 from 1.23x in FY24, demonstrating better overall asset efficiency.

v. Leverage Ratios

The Company's Debt-to-Equity ratio increased from 70.61% in FY24 to 88.97% in FY25, primarily due to higher borrowings and a reduction in equity following dividend distributions. Furthermore, the Debt-to-Equity ratio increased to 96.22% in 9MFY26, primarily due to additional bank borrowings obtained to finance the establishment of a new Active Pharmaceutical Ingredient (API) manufacturing facility.

Despite the higher leverage, the Company's debt servicing capacity strengthened during the year. The Debt-to-EBITDA ratio improved from 1.44x in FY24 to 1.20x in FY25, supported by strong topline growth and improved operating performance.

Furthermore, Interest Coverage improved significantly to 3.28x in FY25 from 1.90x in FY24, indicating an enhanced ability to meet finance costs and reflecting stronger earnings generation.

vi. Cashflow from Operations

In FY25, cash flows from operations improved significantly to PKR 271.13 million, compared to PKR 187.89 million in FY24. This increase was primarily driven by stronger profitability, as earnings before tax rose from PKR 144.59 million in FY24 to PKR 299.01 million in FY25.

6.8. SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENSES

6.8.1. Revenue Breakup

	FY23 (PKR Mn)	% of Total Sales	FY24 (PKR Mn)	% of Total Sales	FY25 (PKR Mn)	% of Total Sales	9MFY26 (PKR Mn)	% of Total Sales
Livestock	2,285.12	74.19%	2,517.12	77.08%	3,392.72	71.15%	3,261.10	64.80%
Poultry	794.85	25.81%	748.66	22.92%	1,375.84	28.85%	1,771.16	35.20%
Total Sales**	**3,079.97**	**100.00%**	**3,265.79**	**100.00%**	**4,768.56**	**100.00%**	**5,032.26**	**100.00%**

**Source: Company*

***Net of sales tax.*

6.8.2. Bifurcation of Revenue with Respect to Local and Export Sales, if applicable.

Revenue (PKR)	FY23	% of Gross Sales	FY24	% of Gross Sales	FY25	% of Gross Sales	9MFY26 (PKR Mn)	% of Gross Sales
Local Sales	2,965,241,541	94.77%	3,151,195,590	95.13%	4,476,058,859	92.87%	4,922,839,950	96.89%
Export Sales	163,665,109	5.23%	161,188,146	4.87%	343,857,170	7.13%	158,152,728	3.11%
Gross Sales	**3,128,906,650**	**100.00%**	**3,312,383,736**	**100.00%**	**4,819,916,029**	**100.00%**	**5,080,992,678**	**100.00%**
Sales Tax	(48,936,250)	-	(46,595,464)	-	(51,353,265)	-	(48,733,009)	-
Sales Discount/Returns	(14,264,996)	-	(15,928,301)	-	(23,803,370)	-	(14,865,187)	-
Net Sales	**3,065,705,404**	**-**	**3,249,859,971**	**-**	**4,744,759,394**	**-**	**5,017,394,482**	**-**

**Source: Company Financials*

6.8.3. Expenses Breakup

In PKR	FY23	% of Total	FY24	% of Total	FY25	% of Total	9MFY26	% of Total
Cost of Sales								
Raw and Packing Material Consumed	1,868,935,290	85.60%	1,874,712,494	82.66%	2,738,238,650	85.93%	2,941,668,678	88.39%
Salaries, Wages & Other Benefits	93,039,654	4.26%	120,297,288	5.30%	146,811,560	4.61%	146,823,198	4.41%
Fuel and Power	33,264,780	1.52%	49,246,484	2.17%	64,083,415	2.01%	42,404,172	1.27%
Laboratory	19,621,922	0.90%	23,326,167	1.03%	40,242,764	1.26%	39,619,366	1.19%
Entertainment	9,002,529	0.41%	10,533,418	0.46%	13,015,458	0.41%	10,029,981	0.30%
Insurance	2,672,449	0.12%	966,148	0.04%	1,664,008	0.05%	964,685	0.03%
Freight and Handling	3,868,612	0.18%	5,068,145	0.22%	7,660,377	0.24%	9,035,429	0.27%
Repair and Maintenance	30,376,934	1.39%	43,919,269	1.94%	37,720,905	1.18%	34,343,805	1.03%
Depreciation on PPE	43,671,587	2.00%	37,947,625	1.67%	37,422,442	1.17%	35,019,819	1.05%
Depreciation on ROUA	63,808,496	2.92%	84,259,897	3.72%	77,971,273	2.45%	51,816,953	1.56%
Other manufacturing expenses	15,098,804	0.69%	17,721,754	0.78%	21,783,336	0.68%	16,515,959	0.50%
Cost of Goods Manufactured	**2,183,361,057**	**100.00%**	**2,267,998,689**	**100.00%**	**3,186,614,188**	**100.00%**	**3,328,242,044**	**100.00%**
Finished Goods								
Opening Stock	47,284,624	-	119,012,313	-	161,832,485	-	192,720,340	-
Purchases	14,614,102	-	61,838,822	-	-	-	-	-
Closing Stock	(119,012,313)	-	(161,832,485)	-	(192,720,340)	-	(196,402,508)	-
Cost of Goods Sold	**2,126,247,470**	**-**	**2,287,017,339**	**-**	**3,155,726,333**	**-**	**3,324,559,876**	**-**
Administrative & General Expenses								
Directors Remuneration	7,680,000	6.65%	10,576,567	7.61%	9,108,000	5.56%	11,610,768	8.66%
Salaries & Allowances	45,170,711	39.09%	52,635,149	37.89%	62,913,745	38.43%	54,737,193	40.84%
Vehicle Running & Maintenance	9,048,985	7.83%	9,311,537	6.70%	11,401,171	6.96%	8,867,808	6.62%
Travelling & Conveyance	291,495	0.25%	1,841,064	1.33%	1,991,340	1.22%	2,252,660	1.68%
Entertainment	7,497,667	6.49%	10,684,399	7.69%	10,934,973	6.68%	8,972,566	6.69%
Electricity, Gas and Water	4,246,602	3.67%	6,050,525	4.36%	7,495,814	4.58%	4,673,330	3.49%
Communications	1,728,602	1.50%	1,669,438	1.20%	3,464,660	2.12%	3,543,932	2.64%
Printing & Stationary	3,803,387	3.29%	2,783,370	2.00%	5,180,614	3.16%	5,891,775	4.40%
Repair and Maintenance	2,659,088	2.30%	3,422,510	2.46%	4,378,160	2.67%	7,584,639	5.66%
Rent, Rates & Taxes	445,847	0.39%	528,373	0.38%	483,622	0.30%	3,081,692	2.30%
Insurance	4,403,797	3.81%	5,082,106	3.66%	1,426,024	0.87%	2,345,402	1.75%
Legal & Professional Charges	4,341,242	3.76%	4,155,902	2.99%	10,499,139	6.41%	5,667,987	4.23%
Auditor's Renumeration	682,500	0.59%	682,500	0.49%	840,000	0.51%	1,050,000	0.78%
Depreciation on PPE	7,813,971	6.76%	9,208,371	6.63%	13,727,049	8.38%	4,669,309	3.48%

Depreciation on ROUA	14,768,773	12.78%	18,925,151	13.62%	18,394,498	11.24%	6,908,927	5.15%
Others	981,239	0.85%	1,367,139	0.98%	1,483,141	0.91%	2,181,869	1.63%
Total Administrative & General Expenses	**115,563,906**	**100.00%**	**138,924,101**	**100.00%**	**163,721,950**	**100.00%**	**134,039,858**	**100.00%**
Distribution & Selling Expenses								
Salaries & Allowances	257,469,966	48.53%	312,789,271	54.77%	390,478,681	40.63%	380,939,818	43.81%
Business Promotions and Advertisement	231,779,124	43.69%	218,405,003	38.24%	488,557,688	50.83%	436,350,805	50.18%
Vehicle Running & Maintenance	7,764,993	1.46%	173,471	0.03%	844,032	0.09%	6,295,309	0.72%
Freight and Handling	8,246,948	1.55%	11,905,559	2.08%	19,156,640	1.99%	10,336,749	1.19%
Communications	3,620,756	0.68%	5,151,133	0.90%	7,564,495	0.79%	6,178,050	0.71%
Insurance	11,004,993	2.07%	10,237,436	1.79%	13,001,439	1.35%	12,032,973	1.38%
Depreciation on PPE	2,629,981	0.50%	1,683,035	0.29%	31,095,020	3.24%	7,003,964	0.81%
Depreciation on ROUA	7,979,020	1.50%	10,749,939	1.88%	10,396,170	1.08%	10,363,391	1.19%
Total – Distribution & Selling Expenses	**530,495,781**	**100.00%**	**571,094,847**	**100.00%**	**961,094,165**	**100.00%**	**869,501,058**	**100.00%**
Other Operating Expenses								
Charity & Donations	560,000	3.45%	4,040,810	26.59%	769,500	0.67%	25,664,170	29.56%
Loss Due To Fire	-	0.00%	-	0.00%	6,265,797	5.46%		0.00%
Export Rebate Written Off	-	0.00%	-	0.00%	35,029,852	30.51%	14,931,302	17.20%
Provision for doubtful debts	-	0.00%	-	0.00%	-	0.00%	1,160,556	1.34%
Bad Debts and Advances written off	-	0.00%	-	0.00%	43,474,816	37.87%	109,429	0.13%
Loss on Translation of Foreign Currencies	191,474	1.18%	16,694	0.11%	-	0.00%	-	0.00%
Workers' Profit Participation Fund	10,827,266	66.71%	7,773,406	51.15%	20,633,453	17.97%	31,801,103	36.63%
Workers' Welfare Fund	4,330,906	26.69%	3,109,362	20.46%	8,253,381	7.19%	12,720,441	14.65%
Amortization of Intangible Assets	319,525	1.97%	255,620	1.68%	388,362	0.34%	436,841	0.50%
Total Other Operating Charges	**16,229,171**	100.00%	**15,195,892**	100.00%	**114,815,161**	100.00%	**86,823,842**	100.00%

**Source: Company Financials*

6.9. SUMMARY OF OTHER INCOME

	FY23	FY24	FY25	9MFY26
Other Income - PKR	49,429,416	66,758,126	80,557,473	73,992,772
Other Income - % of Operating Profit	15.13%	21.93%	18.74%	10.94%
Other Income -% of Net Sales	1.61%	2.05%	1.70%	1.47%

**Source: Company Financials*

The table below shows the breakdown of Other Income:

PKR	FY23	FY24	FY25	9MFY26
Gain on de-recognition of assets	20,636,152	45,965,280	22,426,848	37,000,085
Sale of scrap	4,059,272	6,707,749	7,921,228	6,842,159
Old liabilities written back	-	-	-	9,568,456
Other Income**	24,733,992	14,085,097	50,209,397	20,582,072
Total Other Income	**49,429,416**	**66,758,126**	**80,557,473**	**73,992,772**

**Source: Company Financials*

***Other Income mainly constitutes provision for tax refund on export and profit on saving accounts.*

6.10. IF MATERIAL PART OF REVENUE (50%) IS DEPENDENT UPON A SINGLE / FEW CUSTOMERS

For local sales, the Company's revenue is well diversified and is not dependent on any single customer or a limited number of customers. However, export sales are relatively more concentrated. During the nine-month period ended FY2026 ("9MFY26"), the Company's top four export customers collectively accounted for 76.26% of the Company's total export revenue.

Please refer to Section 3.10.1

6.11. IF MATERIAL PART OF PURCHASES (50%) IS DEPENDANT UPON A SINGLE / FEW SUPPLIER

During the nine-month period ended FY2026 ("9MFY26"), the top five local suppliers accounted for 89.11% of the Company's locally procured raw materials and 47.64% of its locally procured packing materials.

For imported purchases, the top five suppliers accounted for 38.80% of the Company's imported raw materials, while the top three suppliers accounted for 98.70% of its imported packing materials during 9MFY26.

Please refer to Section 3.14.1

6.12. CONTINGENCIES AND COMMITMENTS

Contingencies:

There is no contingent liability as at 30th June 2025 and 30th June 2024.

Commitments:

PKR	FY24	FY25
Against irrevocable letters of credit	251,162,267	299,121,632
Against Capital Commitment	30,000,000	15,000,000

Source: Company financials

6.13. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

Company	Share Price[94] (PKR)	EPS[95] – TTM (PKR)	BVPS[96] (PKR)	P/E[97] (x)	P/B[98] (x)	Free Float (Shares in Mn)	Free Float (%)	ROA[99]	ROE[100]
Abbott Laboratories (Pakistan) Ltd.	935.86	87.47	327.85	10.70	2.85	21.17	21.63%	17.56%	26.68%
AGP Ltd.	163.37	14.99	59.81	10.90	2.73	84.00	30.00%	12.90%	25.05%
BF Biosciences Limited	130.62	6.70	58.04	19.50	2.25	26.50	30.00%	6.45%	11.54%
Citi Pharma Ltd.	75.57	4.80	47.94	15.74	1.58	114.23	50.00%	5.81%	10.01%
Ferozsons Laboratories Ltd.	355.36	27.03	349.96	13.15	1.02	17.39	40.00%	4.44%	7.72%
Glaxosmithkline Pakistan Ltd.	323.08	32.69	108.12	9.88	2.99	63.69	20.00%	19.80%	30.23%
Haleon Pakistan Ltd	713.21	56.41	138.76	12.64	5.14	15.74	13.44%	21.64%	40.66%
Highnoon Laboratories Ltd.	937.18	78.82	243.23	11.89	3.85	21.19	40.00%	22.68%	32.41%
Hoechst Pakistan Ltd.	4,023.94	388.64	886.68	10.35	4.54	0.96	10.00%	24.17%	43.83%
IBL HealthCare Ltd.	45.31	2.44	25.28	18.57	1.79	24.63	25.00%	5.53%	9.65%
Macter International Ltd.	265.67	18.08	88.45	14.70	3.00	18.32	40.00%	10.64%	20.44%
Otsuka Pakistan Ltd.	392.53	39.02	95.95	10.06	4.09	3.03	25.00%	15.62%	40.67%
The Searle Company Ltd.	84.83	3.72	59.86	22.79	1.42	294.11	50.00%	4.28%	6.22%

[94] Share Price as at 03rd September 2026
[95] EPS based on TTM PAT divided by Total No. of Outstanding Shares
[96] Equity divided by Total No. of Outstanding Shares
[97] P/E calculated based on price as at 03rd September 2026 divided by TTM EPS
[98] P/B calculated based on price as at 03rd September 2026 divided by BVPS
[99] ROA is calculated based on TTM PAT divided by Total Assets
[100] ROE is calculated based on TTM PAT divided by Total Equity

Peer Group Average				13.91	2.87				
Peer Group Weighted Average (x)				12.68	3.21				
Peer Group Median (x)				12.64	2.85				
KSE-100[101]				7.90	1.57				
Selmore Pharmaceuticals Limited (Pre-Issue)	42.00	5.50	14.85	7.64	2.83	-	-	10.97%	37.03%
Selmore Pharmaceuticals Limited (Post-Issue)	42.00	3.42	9.24	12.28	4.55	48.61	37.80%	-	-

6.14. SUMMARY OF FINANCIAL PROJECTIONS FOR TEN YEARS

6.14.1. Income Statement

PKR Mn	FY26(E)	FY27(F)	FY28(F)	FY29(F)	FY30(F)	FY31(F)	FY32(F)	FY33(F)	FY34(F)	FY35(F)	FY36(F)
Sales (Net)	6,675	7,907	13,951	16,588	19,526	22,998	26,847	31,036	35,888	41,236	47,390
Cost of Sales	(4,421)	(5,201)	(10,239)	(12,189)	(14,254)	(16,702)	(19,395)	(22,358)	(25,794)	(29,557)	(33,886)
Gross Profit	2,254	2,706	3,712	4,399	5,272	6,296	7,453	8,679	10,094	11,679	13,504
Administrative and General Expenses	(179)	(197)	(273)	(311)	(338)	(368)	(401)	(438)	(479)	(525)	(576)
Distribution and Selling Expenses	(1,245)	(1,466)	(1,739)	(2,043)	(2,356)	(2,721)	(3,146)	(3,607)	(4,137)	(4,748)	(5,451)
Other Operating Income	77	41	49	58	67	78	91	105	121	139	160
Other Operating Expenses	(102)	(76)	(116)	(145)	(187)	(235)	(288)	(343)	(405)	(474)	(553)
Total Operating Expenses	(1,449)	(1,697)	(2,079)	(2,441)	(2,814)	(3,246)	(3,744)	(4,282)	(4,901)	(5,608)	(6,420)
EBIT	806	1,009	1,634	1,958	2,458	3,050	3,709	4,396	5,193	6,071	7,084
Finance Cost	(110)	(100)	(205)	(163)	(123)	(95)	(74)	(69)	(70)	(73)	(75)
EBT	695	909	1,429	1,795	2,335	2,955	3,635	4,328	5,122	5,999	7,009
Taxation	(271)	(336)	(390)	-	-	-	-	-	-	-	(2,593)
Profit After Tax	424	573	1,039	1,795	2,335	2,955	3,635	4,328	5,122	5,999	4,416
Sales Growth	40.68%	18.46%	76.44%	18.90%	17.71%	17.78%	16.74%	15.60%	15.63%	14.90%	14.92%
Gross Margin	33.77%	34.23%	26.61%	26.52%	27.00%	27.37%	27.76%	27.96%	28.13%	28.32%	28.49%
EBIT Margin	12.07%	12.77%	11.71%	11.80%	12.59%	13.26%	13.82%	14.17%	14.47%	14.72%	14.95%
Net Margin	6.35%	7.25%	7.45%	10.82%	11.96%	12.85%	13.54%	13.94%	14.27%	14.55%	9.32%
Effective Tax Rate[102]	39.00%	37.00%	27.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	37.00%

**Source: Company*

6.14.2. Balance Sheet

PKR Mn	FY26(E)	FY27(F)	FY28(F)	FY29(F)	FY30(F)	FY31(F)	FY32(F)	FY33(F)	FY34(F)	FY35(F)	FY36(F)
Non-Current Assets											
Property Plant And Equipment	1,663	3,408	5,101	4,832	4,668	4,530	4,415	4,322	4,250	4,197	4,162
Assets Subject To Finance Lease	432	402	384	376	377	385	399	420	447	479	518
Intangibles	5	5	5	5	5	5	6	6	7	7	8
Long term investment	-	-	-	-	-	-	-	-	-	-	-
Long Term Securities Deposits	2	2	2	2	2	2	2	2	2	2	2
Long Term Loans	-	-	-	-	-	-	-	-	-	-	-

[101] Source: Bloomberg, Date: 04/09/2026

[102] Effective Tax Rate has been calculated as the average tax rate for FY26–FY35. As the Company is relocating to an SEZ, the Formulation Plant will be tax-exempt from FY29–FY35, while the API Plant will be tax-exempt from FY28–FY35.

Total Non-Current Assets	**2,102**	**3,816**	**5,492**	**5,215**	**5,052**	**4,922**	**4,822**	**4,750**	**4,705**	**4,685**	**4,690**
Current Assets											
Stocks in Trade	1,085	1,276	2,131	2,545	2,973	3,480	4,046	4,661	5,374	6,163	7,072
Trade Debts	242	287	535	636	749	883	1,031	1,193	1,380	1,586	1,822
Receivable from Related Party	66	66	66	66	66	66	66	66	66	66	66
Stores & Spares	-	-	0	0	1	1	1	1	1	1	1
Loans and advances	581	704	460	497	538	585	640	698	765	843	932
Trade deposits and prepayments	259	307	464	550	646	758	884	1,020	1,177	1,353	1,555
Tax refunds due from government	40	35	35	38	43	50	58	67	77	89	102
Cash and Bank Balances	150	1,176	150	1,476	3,197	5,406	8,230	11,677	15,715	20,424	23,823
Total Current Assets	**2,423**	**3,852**	**3,841**	**5,809**	**8,213**	**11,229**	**14,956**	**19,383**	**24,556**	**30,524**	**35,373**
Total Assets	**4,525**	**7,668**	**9,333**	**11,024**	**13,265**	**16,150**	**19,777**	**24,133**	**29,261**	**35,210**	**40,062**
Equity											
Paid Up Capital	200	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286
Share Premium	-	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556	1,556
Equity Portion of Loan from Directors	21	21	21	21	21	21	21	21	21	21	21
Unappropriated profit	1,037	896	1,727	3,163	5,031	7,395	10,303	13,765	17,863	22,661	26,194
Total Equity	**1,258**	**3,758**	**4,589**	**6,025**	**7,893**	**10,257**	**13,165**	**16,627**	**20,725**	**25,524**	**29,056**
Non-Current Liabilities											
Long Term Loan from Director	20	20	20	20	20	20	20	20	20	20	20
Long Term finances from FI	409	788	550	311	105	-	-	-	-	-	-
Liabilities Against Assets Subject To Finance Lease	135	97	77	68	66	67	70	75	82	90	98
Deferred liabilities	24	24	24	24	24	24	24	24	24	24	24
Deferred taxation	51	51	51	51	51	51	51	51	51	51	51
Long Term Loan from Related Party	78	78	78	78	78	78	78	78	78	78	78
Long term deposits	16	16	16	16	16	16	16	16	16	16	16
Total Non-Current Liabilities	**733**	**1,074**	**816**	**569**	**359**	**256**	**259**	**264**	**271**	**278**	**287**
Current Liabilities											
Trade and other payables	1,877	2,188	3,245	3,812	4,429	5,154	5,971	6,854	7,871	9,005	10,308
Payable to Related Party	-	-	-	-	-	-	-	-	-	-	-
Accrued mark-up	9	9	9	9	9	9	9	9	9	9	9
Short term borrowings	438	300	355	300	300	300	300	300	300	300	300
Current portion of long-term liabilities	211	339	319	309	275	174	73	79	85	93	102
Income Tax Liability	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**2,535**	**2,837**	**3,928**	**4,430**	**5,013**	**5,637**	**6,354**	**7,241**	**8,265**	**9,407**	**10,719**
Total Liabilities	**3,267**	**3,911**	**4,744**	**4,999**	**5,372**	**5,893**	**6,613**	**7,506**	**8,536**	**9,686**	**11,006**
Total Liabilities + Equity	**4,525**	**7,668**	**9,333**	**11,024**	**13,265**	**16,150**	**19,777**	**24,133**	**29,261**	**35,210**	**40,062**

**Source: Company*

6.14.3. Cashflow Statement

PKR Mn	FY26(E)	FY27(F)	FY28(F)	FY29(F)	FY30(F)	FY31(F)	FY32(F)	FY33(F)	FY34(F)	FY35(F)	FY36(F)
Cashflows from Operating Activities											
Profit Before Taxation	695	909	1,429	1,795	2,335	2,955	3,635	4,328	5,122	5,999	7,009
Depreciation	154	156	367	480	464	453	446	444	446	451	460
Old Liabilties written back	(10)	-	-	-	-	-	-	-	-	-	-
Amortization of intangible assets	1	1	1	1	1	1	1	1	1	1	1
Gain on de-recognition of assets	(37)	-	-	-	-	-	-	-	-	-	-
Unwinding of discount on loan from directors	3	-	-	-	-	-	-	-	-	-	-
Finance Cost	107	100	205	163	123	95	74	69	70	73	75
Operating Profit before changes in Working Capital	914	1,166	2,002	2,439	2,923	3,504	4,156	4,842	5,640	6,523	7,545
(Increase)/Decrease in Current Assets	(310)	(191)	(855)	(414)	(429)	(507)	(565)	(615)	(713)	(789)	(908)
Stock In Trade	(104)	(45)	(247)	(101)	(113)	(134)	(148)	(162)	(187)	(205)	(236)
Trade Debts	(26)	-	-	-	-	-	-	-	-	-	-
Receivables from Related Parties	(13)	(123)	(56)	(37)	(40)	(47)	(55)	(58)	(67)	(77)	(89)
Loans and Advances	59	5	(0)	(3)	(5)	(7)	(8)	(9)	(10)	(12)	(13)
Tax Refund from govt	(30)	(48)	(157)	(87)	(95)	(112)	(126)	(136)	(157)	(176)	(202)
Trade Deposits and prepayments	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Stores & Spares	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Current Liabilities	(31)	-	-	-	-	-	-	-	-	-	-
Payable to related party	412	311	1,057	567	617	725	817	882	1,017	1,135	1,303
Trade & Other Payables	(41)	(91)	(258)	(76)	(66)	(82)	(86)	(98)	(118)	(125)	(147)
	(310)	(191)	(855)	(414)	(429)	(507)	(565)	(615)	(713)	(789)	(908)
Cash Generated from Operations	**873**	**1,075**	**1,744**	**2,363**	**2,857**	**3,422**	**4,071**	**4,744**	**5,522**	**6,399**	**7,398**
Income Tax Paid	(271)	(336)	(390)	-	-	-	-	-	-	-	(2,593)
Finance cost paid	(107)	(100)	(205)	(163)	(123)	(95)	(74)	(69)	(70)	(73)	(75)
	(378)	(437)	(595)	(163)	(123)	(95)	(74)	(69)	(70)	(73)	(2,668)
Net cash (outflows)/ inflows from operating activities	494	639	1,149	2,200	2,734	3,327	3,996	4,675	5,451	6,326	4,730
Cash Flows from Investing Activities											
Purchase of Fixed assets including ROUA	(802)	(1,799)	(1,665)	(117)	(206)	(218)	(232)	(246)	(261)	(278)	(296)
Long Term Deposits	(1)	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of fixed assets	42	-	-	-	-	-	-	-	-	-	-
Long Term Investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	(4)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)
Net cash (outflows)/ inflows from investing activities	(764)	(1,800)	(1,666)	(118)	(207)	(220)	(233)	(248)	(263)	(280)	(298)
Cash Flows from Financing Activities											
(Repayment)/Proceeds from long term loan from related party	(72)	-	-	-	-	-	-	-	-	-	-
(Repayment of)/ proceeds long term finances - from FI	479	547	(238)	(238)	(238)	(207)	(105)	-	-	-	-
(Repayment of) / Proceeds from short term finances	100	(138)	55	(55)	-	-	-	-	-	-	-
Repayment of lease liabilities	(206)	(148)	(118)	(105)	(100)	(102)	(107)	(115)	(125)	(137)	(150)
Dividend Paid	-	(115)	(208)	(359)	(467)	(591)	(727)	(866)	(1,024)	(1,200)	(883)

IPO Proceeds	-	2,042	-	-	-	-	-	-	-	-	-
Net cash (outflows)/ inflows from financing activities	300	2,188	(509)	(757)	(805)	(899)	(939)	(981)	(1,150)	(1,337)	(1,033)
Net Increase/ (Decrease) in cash and cash equivalents	30	1,026	(1,026)	1,326	1,722	2,208	2,824	3,447	4,039	4,709	3,399
Cash and cash equivalents - Beg	120	150	1,176	150	1,476	3,197	5,406	8,230	11,677	15,715	20,424
Cash and cash equivalents - End	150	1,176	150	1,476	3,197	5,406	8,230	11,677	15,715	20,424	23,823

**Source: Company*

6.14.4. Macro-Economic Assumptions

PKR Mn	FY27(F)	FY28(F)	FY29(F)	FY30(F)	FY31(F)	FY32(F)	FY33(F)	FY34(F)	FY35(F)	FY36(F)
CPI - PKR	10.00%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
USD - PKR	294	309	324	340	357	375	394	414	434	456
USD - PKR Depreciation	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
KIBOR	12.00%	11.00%	10.50%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

**Source: Company*

6.14.5. CERTIFICATE OF REASONABLENESS OF FINANCIAL PROJECTIONS

KTrade

KTRADE SECURITIES LIMITED

Date: August 20th, 2026

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi

Chief Listing Officer
Listing Department
Pakistan Stock Exchange Limited
Karachi

Subjects: Certification of Reasonableness of Financial Projections as per Schedule 1.14 (viii); (xii) of the Public Offering Regulations, 2017

Dear Sir(s),

We, KTrade Securities Limited, acting as the Consultant to the Issue in connection with the proposed Initial Public Offering of Selmore Pharmaceuticals Limited, hereby confirm that we have reviewed the financial projections for the ten-year period ending FY2036 included in the draft Prospectus and submitted to the Exchange.

Based on our sector's expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, effective tax rate, and relevant macroeconomic factors, are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP).

Disclaimer:

The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected. This certification should not be construed as a guarantee of the attainment of the projected results. Please read the prospectus to understand the investment policies, risks and tax implications involved.

For and on behalf of **KTrade Securities Limited**

Omar Salah Ahmed
Managing Director
KTrade Securities Limited

KTRADE SECURITIES LIMITED

6.15. REVALUATION OF ASSETS

There has been no revaluation of its fixed assets conducted by the Company from previous years till date.

6.16. DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its shareholders, subject to profitability, future growth, expansion & strategy, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required. The following table discloses a non-binding expected dividend pay-out ratio over the five-year projection period.

	FY26F	FY27F	FY28F	FY29F	FY30F
Payout Ratio (Dividend/Earnings)	-	20%	20%	20%	20%

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company may declare dividends in its general meeting but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act, 2017.

The Board of Directors may from time to time declare interim dividends as they deem it justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act, 2017.

Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the applicants must provide "Dividend Mandate" while Subscription of shares of the Company.

SELMORE's dividend and bonus history for the last five years is as follows:

	FY21	FY22	FY23	FY24	FY25	9MFY26
Dividends - PKR	Nil	Nil	Nil	Nil	311,153,342	Nil
Dividend Per Share	Nil	Nil	Nil	Nil	155.58*	Nil
Bonus Shares – No.	Nil	1,750,000**	Nil	Nil	Nil	Nil
Bonus Shares - PKR	Nil	175,000,000	Nil	Nil	Nil	Nil

**Dividend per share of PKR 155.58/- is based on the number of shares at the corresponding period end i.e. 2 Mn shares at a face value of PKR 100.0/-*

***Bonus shares in FY22 were issued at a face value of 100*

***The Company also issued 60 Mn bonus shares on August 13th, 2026 at a face value of PKR 10 per share following the subdivision (stock split) of the Company's ordinary shares in the ratio of 1:10 on 14th January 2026.*

Covenants / Restriction on Payment of Dividends

It is stated that there is no restriction on the Company by any regulatory authority, creditor, stakeholder, etc. on the distribution and capitalization of its profits.

Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

6.15(B).DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES OVER WHICH THE ISSUER HAS CONTROL

SELMORE has no listed associated company over which it has control.

7. BOARD & MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS

S.No	Name	Designation	Address	CNIC	Current Directorships	Past Directorships	Directorship in SELMORE since
1	Mr. Akbar Ali	Chairman	89-A PCSIR Colony Lahore.	35202-2477885-9	1. Selmore Pharmaceuticals Limited 2. Pharmasol (Private) Limited 3. PS Biotech (Private) Limited 4. Farcef (Private) Limited 5. Piyur Cosmetics (Private) Limited	-	1998
2	Mr. Aimal Akbar	Executive Director / Chief Executive Officer	89-A PCSIR Colony Lahore.	35202-5468375-3	1. Selmore Pharmaceuticals Limited 2. Pharmasol (Private) Limited 3. PS Biotech (Private) Limited 4. Farcef (Private) Limited 5. Piyur Cosmetics (Private) Limited	-	2025
3	Mr. Adil Akbar	Non-Executive Director	89-A PCSIR Colony Lahore.	35202-5469325-4	1. Selmore Pharmaceuticals Limited 2. Pharmasol (Private) Limited	-	2022
4	Mrs. Shazia Akbar	Executive Director	89-A PCSIR Colony Lahore.	35202-4349704-4	1. Selmore Pharmaceuticals Limited 2. Pharmasol (Private) Limited 3. PS Biotech (Private) Limited 4. Farcef (Private) Limited 5. Piyur Cosmetics (Private) Limited	-	2005
5	Mrs. Seerat Fatima	Non-Executive Director	89-A PCSIR Colony Lahore.	35202-8517243-4	1. Selmore Pharmaceuticals Limited 2. Pharmasol (Private) Limited	-	2025
6	Mr. Ayaz Dawood	Independent Director	House No. F-68 Block 5, Kehkashan, Clifton Cantt, Karachi	42201-0438110-3	1. B.R.R Guardian Limited 2. B.R.R Investment (Pvt.) Limited 3. Dawood Family Takaful Limited 4. HydroChina Dawood Power (Pvt) Limited 5. SSGC LPG (Pvt) Limited	1. Sui Southern Gas Company Limited 2. Systems Limited 3. First Dawood Investment Bank Limited 4. PERAC – State Petroleum Refining & Petrochemical	2026

					6. Sindh Energy Holding Company (Pvt) Limited 7. Sindh Lakhra Coal Minning Company (Pvt) Limited 8. Eye Television Network Limited (Hum TV)	5. Japan Power Limited 6. NBFI & Modaraba Association 7. Leasing Association of Pakistan 8. General Modaraba Services (Pvt) Limited 9. Dawood Capital Management Limited 10. Dawood Islamic Bank Limited	
7	Mrs. Nadia Ishtiaq	Independent Director	Flat No. W-2302, Com 3 Apartments, Clifton Block 6, Karachi	42301-6797730-2	1. Selmore Pharmaceuticals Limited 2. Barkat Frisian Agro Limited 3. Falak Foods Limited	-	2026

**Source: Company*

- *Mrs. Shazia Akbar is the spouse of Mr. Akbar Ali. Mr. Aimal Akbar and Mr. Adil Akbar are the sons of Mr. Akbar Ali and Mrs. Shazia Akbar, while Mrs. Seerat Fatima is their daughter.*

7.2. NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors, including the Chief Executive Officer.

7.3. PROFILE OF DIRECTORS

7.3.1. Mr. Akbar Ali – Chairman

Mr. Akbar Ali is a seasoned entrepreneur and pharmaceutical industry leader with over three decades of experience in Pakistan's veterinary and human pharmaceutical sectors. He began his career in 1992 with Punjab Pharma and subsequently established Selmore Agencies in 1995, focusing on the import of veterinary medicines.

Recognizing the growing potential for locally manufactured veterinary pharmaceuticals, he founded SELMORE in 1998. Under his leadership, the Company emerged as a leading player in Pakistan's veterinary pharmaceutical industry and expanded its footprint internationally through exports to multiple countries, including South Korea, where SELMORE became the first Pakistani veterinary pharmaceutical company to export medicines.

In 2006, SELMORE achieved ISO 9001 and ISO 14001 certifications from SGS Pakistan under his leadership, reflecting the Company's commitment to quality and environmental standards. Mr. Ali further diversified into the human pharmaceutical segment through the establishment of Pharmasol (Pvt.) Limited in 2010, with a state-of-the-art manufacturing facility operational at Sundar Industrial Estate, Lahore.

Mr. Akbar Ali has played a significant role in advancing Pakistan's pharmaceutical manufacturing sector through his focus on innovation, quality assurance, and export development.

7.3.2. Mr. Aimal Akbar – Executive Director / Chief Executive Officer

Mr. Aimal Akbar is a business executive with experience in strategic management, marketing, and operations within the pharmaceutical sector. He currently serves as the Chief Executive Officer of SELMORE and Director at Pharmasol (Pvt.) Limited, where he oversees business operations, strategic planning, product development, and organizational growth.

He holds a Bachelor's degree in Marketing with a minor in Media Studies from the Lahore School of Economics and is pursuing a Master's degree in Management from Nova School of Business and Economics, Portugal. Mr. Aimal Akbar has played an active role in strengthening operational efficiency, supporting product expansion, and advancing the Company's growth initiatives in both local and international markets.

7.3.3. Mr. Adil Akbar – Executive Director

Mr. Adil Akbar holds a Bachelor of Science in Marketing, with a minor in Finance, from the University of Illinois at Chicago, USA (2020). He currently serves as a Director of SELMORE and of Pharmasol (Private) Limited, an associated concern of Selmore Pharmaceuticals Limited. In his current role, he oversees the company's core operations spanning production, supply chain, marketing, sales, and regulatory compliance, and supervises the research and development function in the launch of new pharmaceutical products. He brings expertise in strategic marketing, business development, and cross-departmental leadership, and has contributed to sales growth and an improvement in the company's standing within the pharmaceutical industry.

7.3.4. Mrs. Shazia Akbar

Ms. Shazia Akbar holds a Bachelor of Arts degree from the Board of Intermediate & Secondary Education, Multan, along with intermediate (FA) and matriculation qualifications from the same board. She is one of the long-serving members of the Board, having been associated with the group's pharmaceutical businesses for over two decades. She has served as a Director of Selmore Pharmaceuticals (Private) Limited since 2000, and as a Director of Pharmasol (Private) Limited, an associated concern, since 2011. Over this extended tenure she has contributed to the governance and continuity of both companies, bringing long-standing institutional knowledge of the group's operations to the Board.

7.3.5. Mrs. Seerat Fatima

Ms. Seerat Fatima holds an MPhil in Business Administration (2021) and a BSc in Economics (2019), both from Kinnaird College for Women University, Lahore. She currently serves as a Director of SELMORE and of Pharmasol (Private) Limited, an associated concern of SELMORE. She brings a strong academic foundation in economics and business administration, complemented by skills in leadership, organization, and problem-solving.

7.3.6. Mr. Ayaz Dawood

Mr. Ayaz Dawood holds an MBA in Finance and Money & Financial Markets from Columbia Business School, New York (1993), where he was elected to Beta Gamma Sigma and the Dean's List, and a BA in Economics, with distinction, from McGill University, Montreal (1991). He has further enhanced his credentials through certifications from the Pakistan Institute of Corporate Governance and the Institute of Financial Markets of Pakistan.

With over three decades of experience across financial services, capital markets, and the energy sector, Mr. Dawood currently serves as Chief Executive of B.R.R. Guardian Limited, listed on the Pakistan Stock Exchange following its merger with BRR Guardian Modaraba. He is also leading B.R.R. Investment (Private) Limited for over two decades, during which he managed one of Pakistan's largest and oldest modarabas.

He brings extensive board-level expertise, presently serving as a Director of SSGC LPG (Private) Limited, Sindh Energy Holding Company (Private) Limited, and Sindh Lakhra Coal Mining Company (Private) Limited, and as Chairman of the Board of Dawood Family Takaful Limited. He also serves as Vice Chairman of HydroChina Dawood Power (Private) Limited. Over his career he has held directorships and leadership positions at numerous institutions, including Sui Southern Gas Company Limited, Systems Limited, First Dawood Investment Bank Limited, and Dawood Islamic Bank Limited, and has chaired the NBFI & Modaraba Association of Pakistan.

7.3.7. Mrs. Nadia Ishtiaq

Mrs. Nadia Ishtiaq is the Executive Vice President - Head of Investment Banking & Private Equity at Pak Oman Investment Company Ltd., with over 21 years of diverse experience in Investment and Corporate Banking. Her expertise spans Equity and Advisory, Syndications, Debt Capital Markets, and Project Finance.

Throughout her career, she has led notable transactions for corporations, SMEs, startups, and the Government of Pakistan. Her contributions include pioneering initiatives such as the launch of E-IPO in Pakistan and the issuance of the first commercial paper for a startup, showcasing her role in driving innovation within the country's financial sector.

Mrs. Ishtiaq has also served on the Listing Committee of the Pakistan Stock Exchange as an Industry Expert, further solidifying her position as a leader in the financial landscape. With her exceptional skills and proven track record, she brings valuable expertise to drive growth and innovation, particularly in the digital technology sector.

7.4. PROFILE OF MANAGEMENT

7.4.1. Mr. Imran Faiz – Chief Financial Officer

Mr. Imran Faiz has been serving as the Chief Financial Officer of SELMORE and Pharmasol (Pvt.) Limited since April 2015. With over 33 years of professional experience, he possesses extensive expertise in financial management, debt and equity financing, corporate governance, taxation, and regulatory compliance.

Over the course of his tenure, Mr. Faiz has played a key role in strengthening the financial position of the Group through the formulation and execution of strategic financial plans, implementation of cost optimization initiatives, and efficient utilization of financial resources. His professional relationships within the financial sector and strong reputation have contributed significantly to the Group's growth, operational stability, and long-term expansion objectives.

Mr. Faiz is a Chartered Accountant (Finalist) and holds a Bachelor of Commerce degree. He has also completed a one-year Executive Business Administration program from Northumbria University, Newcastle, United Kingdom.

7.4.2. Mr. Muhammad Sajjad – Chief Operating Officer

Mr. Muhammad Sajjad has been serving as the Chief Operating Officer of SELMORE and Pharmasol (Pvt.) Limited since November 1995. With approximately 30 years of experience in the pharmaceutical industry, he possesses extensive expertise in operational management, strategic transformation, and cross-functional leadership.

Over the course of his tenure, Mr. Sajjad has played a key role in enhancing operational efficiency through the implementation of end-to-end operational strategies, budgeting frameworks, and agile management methodologies. He has contributed significantly toward organizational growth by restructuring operational processes, optimizing resource allocation, and strengthening team capabilities across various functions.

His core competencies include strategic business planning and execution, supply chain optimization, risk management and compliance, change management, business intelligence, and operational transformation. Mr. Sajjad holds a Bachelor's degree in Pharmacy.

7.4.3. Umair Bin Zekreya – Company Secretary

Mr. Umair Bin Zekreya is a Chartered Accountant (ACA) and a member of the Institute of Chartered Accountants of Pakistan (ICAP), with over ten years of professional experience in audit, finance, taxation, corporate governance, and financial reporting. He currently serves as Manager – Finance & Accounts and Company Secretary at Selmore Pharmaceuticals Limited, where he is responsible for managing key finance and accounting functions, overseeing the preparation of financial statements, ensuring compliance with applicable financial reporting standards and statutory requirements, and supporting the Board of Directors in matters relating to corporate governance and regulatory compliance. Previously, he served as Assistant Manager – Finance & Accounts at Agrow Limited, Assistant Manager – Internal Audit at the Institute of Chartered Accountants of Pakistan (ICAP), and held positions in costing and internal audit at Azgard Nine Limited, as well as in audit and assurance at RSM Avais Hyder Liaquat Nauman, Chartered Accountants. He brings expertise in audit and assurance, financial reporting under IFRS, budgeting and variance analysis, corporate governance, and legal and tax compliance.

7.4.4. Riaz Hussain – General Manager Plant

Mr. Riaz Hussain is a qualified pharmacist with over two decades of senior experience in pharmaceutical manufacturing, with particular specialization in veterinary medicine. He holds a Bachelor of Pharmacy degree from Bahauddin Zakariya University, Multan.

Mr. Hussain has served as General Manager (Plant) at Selmore Pharmaceuticals since 2001, where he leads plant operations and is actively engaged in the technical training and professional development of incoming pharmacists. Prior to joining SELMORE, he held the position of Production Manager at Nawan Laboratories (Pvt.) Limited, Karachi, for five years, and earlier served for thirty months as a Medical Promotion Officer at Glaxo Pakistan Limited.

His expertise spans pharmaceutical production management, technical operations, and team development, supported by a strong foundation in pharmaceutical sciences and hands-on experience across leading industry establishments.

7.5. QUALIFICATION OF DIRECTORS

No person shall be appointed as a director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.6. APPOINTMENT AND ELECTION OF DIRECTORS & CHIEF EXECUTIVE

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in Section 159 of the Companies Act, 2017.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161,162 and 167 of the Companies Act,2017 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Companies Act, 2017, the Company may from time to time increase or decrease the number of Directors.

As per Article 46, no person shall be appointed as a Director unless he is a member of the Company.

As per Article 48, the Directors shall appoint a Chief Executive Officer in accordance with the provisions of Sections 186 and Section 187 Company's Act, 2017.

As per Article 53, no person shall become the director of a Company if he suffers from any of the disabilities or disqualifications mentioned in section 153 or disqualified or debarred from holding such office under any provision of the Companies Act, 2017.

The Company may remove a director in accordance with the provision of Companies Act, 2017.

The last election of Directors was held on August 19th, 2025.

The Company shall have a Chief Executive appointed in accordance with the provisions of the Act. The Chief Executive is a deemed director, with respect to rights and privileges associated with that of a director. Lastly, The Chief Executive may be removed by the Board in accordance with the provisions of section 190 of the Companies Act, 2017.

7.7. INTEREST OF DIRECTORS & PROMOTERS

The Directors may have deemed to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested to the extent of remuneration payable to them by the Company. The nominee directors have an interest in the Company to the extent of representing the sponsors in the Company

Furthermore, the directors are required to abstain from participating in discussions or voting on matters in which they have a personal interest. Such contracts or arrangements are subject to approval by the Board of Directors. In accordance with Section 207 of the Companies Act, 2017, a director who is directly or indirectly interested in any contract or arrangement with the Company shall not participate in discussions or vote on the matter, and their presence shall not count towards a quorum. In a listed company, a director with a material personal interest shall not be present during consideration of the matter. Where a majority of directors are interested, the matter shall be submitted to the general meeting for approval. All other contracts or arrangements in which Directors or Promoters have an interest are subject to Board approval, ensuring compliance with corporate governance standards and regulatory requirements.

7.8. INTEREST OF DIRECTORS AND PROMOTERS IN PROPERTIES/ASSETS AND PROFIT OF THE COMPANY

Directors and Promoters have no interest in the property/ assets and profits of the Company. There is no profit-sharing arrangement with the Company, however, when the Company declares dividends, they will be entitled to receive the payment based on their shareholding in the Company.

7.9. REMUNERATION OF THE DIRECTORS

The remuneration of the Directors shall, from time to time, be determined by the Company in general meeting subject to the provisions of the Companies Act.

Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a director may be paid, subject to law, such extra remuneration by way of salary, percentage of profits or otherwise as the Company in general meeting may determine. No remuneration has been paid to directors for attending board meetings.

7.1. BENEFITS (MONETARY OR OTHERWISE) PROVIDED TO SPONSORS, SUBSTANTIAL SHAREHOLDERS, AND DIRECTORS DURING THE LAST 3 YEARS

No benefit (monetary or otherwise) has been given by the Company to the Sponsors, promoters, substantial shareholders and Directors of the Company other than remuneration for services rendered by them as full-time executives of the Company.

7.10. VOTING RIGHTS

As outlined in Article 37, Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hand every member present in person shall have one vote except for election of directors in which case the provisions of section 159 of the Companies Act, 2017 shall apply. On a poll every member shall have voting rights as laid down in section 134 of the Companies Act, 2017.

As per Article 38, In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link shall be accepted to the exclusion of the votes of other joint-holders; and for this purpose, seniority shall be determined by the order in which the names stand in the register of members.

As per Article 39, A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll or through video link, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

7.11. AUDIT COMMITTEE

SELMORE's audit committee reviews, and reports to the board on, financial reporting, internal controls, and risk management process, providing oversight of key internal functions, including the internal audit department, as well as monitoring the external auditor.

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are well versed with the policies and procedures of the Company and are involved in the internal audit function on a full-time basis.

The internal audit function is under the supervision of the Board Audit Committee, which consists of three (03) members. The chairman of the Committee is an independent director. The Audit Committee comprises of the following members:

S.No	Name of the Member	Category
1	Nadia Ishtiaq – Independent Director	Chairman
2	Adil Akbar – Non-Executive Director	Member
3	Seerat Fatima – Non-Executive Director	Member

**Source: Company*

7.12. HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full-time basis.

The human resource and remuneration committee comprises of the following members:

S.No	Name of the Member	Category
1	Ayaz Dawood – Independent Director	Chairman
2	Aimal Akbar – Chief Executive Officer	Member
3	Shazia Akbar – Executive Director	Member

**Source: Company*

7.13. POWERS OF DIRECTORS INCLUDING ANY BORROWING POWER

As outlined in Article 47, the business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Companies Act, 2017 or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in general meetings, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meetings but no regulation made by the Company in general meetings shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

As per Article 50, the Directors shall comply with the provisions of the Companies Act, 2017 or any statutory modification thereof for the time being in force and in particular with the provisions in regard to the registration of the particulars of mortgages, charges, and pledge affecting the property of the Company or created by it, to the keeping of a register of the Directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consideration or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

7.14. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per Article 90, every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgement is given in his favor or in which he is acquitted, or in connection with any application under section 492 of the Companies Act, 2017 in which relief is granted to him by the Court.

7.15. CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.

8. LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. OUTSTANDING LEGAL PROCEEDINGS

There are no outstanding legal proceedings against the issuer (i.e. SELMORE) at the time of this offering, which could have a material impact on the Company.

8.2. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its Sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

8.3. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Pakistan Stock Exchange against the issuer or its associated companies over which the issuer has control.

9. UNDERWRITING ARRANGEMENT, COMISSIONS, BROKERAGE AND OTHER EXPENSES

9.1. UNDERWRITING

The retail portion of IPO comprising of 12,152,778 Ordinary Shares have been underwritten by the following underwriters, who have undertaken to underwrite the shares at the strike price to be determined through the book building mechanism at the underwriting commission of 1.00% (One Percent) of the amount underwritten.

Underwriters	Number of Shares Underwritten	Amount Underwritten (PKR Mn)
Dawood Equities Limited	7,291,667	306.25-459.38
Sherman Securities (Pvt) Limited	3,645,833	153.12-229.69
KTrade Securities Limited	1,215,278	51.04-76.56

The Underwriters will also charge the take-up commission of 1.00% (One Percent) on the amount of shares take-up by them by virtue of underwriting commitment.

9.2. OPINION OF THE DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors of Selmore Pharmaceuticals Limited, the resources of the Underwriters are sufficient to discharge their underwriting commitments

9.3. STATEMENT ABOUT NON-EXECUTION OF ANY BUY-BACK, OR REPURCHASE AGREEMENT BETWEEN THE UNDERWRITERS OR THEIR ASSOCIATES AND THE ISSUER OR ITS ASSOCIATES

Neither the company or any of its associates have entered into any buy back / re-purchase agreement with the underwriter(s) or its associates. The company and its associates shall not buy back / re-purchase shares from the underwriters taken up by them (if any) by virtue of their respective underwriting commitments.

9.4. FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (CES)

Commission on applications received through PES and CES will be paid to PSX and CDC, which shall be not more than 0.80% of the total applications. PSX and CDC will share the fee with other participants of the e-IPO system at a ratio agreed amongst them.

9.5. RATE OF BROKERAGE COMISSION

The Issuer will pay brokerage to the TRE Certificate Holder of PSX at the rate of 1.00% of the value of on successful applications. No brokerage shall be payable in respect of shares taken up by the underwriter by virtue of their underwriting commitment.

9.6. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 89,743,335. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR) at Floor Price
Advisory & Arrangement Fee	1.75% of the Issue Size	35,729,167
TREC Holder Commission	1.00% of the Issue Size	20,416,667
Balloter & Share Registrar Fee		1,500,000
CDC & PSX e-IPO facility charges	0.80% of the retail portion	4,083,333
CDC Annual Fees		800,000
CDC Fresh Issue Fee	0.144% of Capital Raised	2,940,000
PSX Initial Listing Fee	0.1% of Post Issue Paid up Capital	1,286,111
PSX Software Charges for Book Building		1,250,000
SECP Processing Fee		200,000
SECP Supervisory Fee	10% of PSX Initial Listing Fee	128,611

Marketing Expenses		5,000,000
Underwriting Fee	1.00% of the Retail Portion	5,104,167
Miscellaneous Expenses		3,000,000
Total Expenses		**79,938,056**

10. MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE / CORPORATE OFFICE

Lahore Office
Office No: 82, R-1, Muhammad Ali Johar Town, Lahore, Punjab;
Contact No: +92-42-111773227
Email: info@selmorepharma.com
Website: https://selmorepharma.com/

10.2. BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

S.No.	Name	Address	Contact Person	Contact No.	Email
1	Bank Alfalah Limited	88 – Shadman I, Lahore, Pakistan.	Mr. Sohail Alvi	0321-4070750	sohail.alvi@bankalfalah.com
2	Bank Alfalah Limited (Islamic)	69-R-I, M.A. Johar Town, Lahore	Mr. Muhammad Saleem	0321-4842586	m.sa@bankalfalah.com
3	Habib Bank Limited	Plot # 875 R-1, Shadiwal Chowk, M.A. Johar Town, Lahore, Pakistan.	Mr. Ali Zar	0321-4411149	ali.zar@hbl.com
4	MCB Bank Limited	13-G Shaukat Ali Road, Block G PIA Housing Scheme, Lahore, Pakistan	Mr. Afzaal	0334-4119556	mcb1522@mcb.com.pk
5	Faysal Bank Limited	11-A, Shadman 1, Jail Road, Lahore, Pakistan.	Mr. Amer Waheed	0321-4014201	amerwaheed@faysalbank.com
6	Meezan Bank Limited	Main Blvd, Block R 1 Phase 2 Johar Town, Lahore, Pakistan	Mr. Hassan Iftikhar	0301-8899108	hassan.iftikhar@meezanbank.com
7	Bank Al Habib Limited	Abdul Haque Road, Block G Phase 1, Johar Town, Lahore, Pakistan.	Mr. Yasir Shahid	0321-4244694	yasir.shahid@bankalhabib.com
8	Askari Bank Limited	Plot 474, Block G3 Phase 2 Johar Town, Lahore, Pakistan	Mr. Amer Farooq	0300-9493073	amer.farooq@askaribank.com.pk

**Source: Company*

10.3. AUDITOR OF THE COMPANY

Name: KAMRAN & Co. Chartered Accountants
Address: Apt: A/2, Ingola Apartments 24 Jail Road, Lahore.
Contact Person: Kamil Fateh
Contact No: 0300-9405444
Email: kamil@kamranco.com.pk

10.4. LEGAL ADVISOR OF THE ISSUE

Name: A. Qadir & Company
Address: Office Nos. 206 and 209, Business Arcade, Shahrah-e-Faisal, Block 6, PECHS, Karachi
Contact Person: Ehtisham Qadir
Contact No: +92-21-34315163
Email: ehtisham@aqadirncompany.com

10.5. COMPUTER BALLOTER AND SHARE REGISTRAR

Name: FD Registrar Services (Pvt) Limited
Address: Suite 1705 – A, 17th Floor Saima Trade Tower, I.I Chundrigar Road Karachi
Email: info@fdregistrar.com
Website: www.fdregistrar.com
Contact No: +92-21-32271905-6

10.6. CONSULTANT TO THE ISSUE

Name: KTrade Securities Limited
Address: Plot # 33-C, Lane 13 Khayaban-e-Bukhari, D.H.A Phase 6 Bukhari Commercial Area Phase 6 Defence Housing Authority, Karachi, 75500
Contact No: +92-323-4747479
Email: s.mustafa@kasb.com
Website: www.kasb.com

10.7. ELIGIBLE PARTICIPANTS

All Eligible participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing member of NCCPL.

11. MATERIAL CONTRACTS

11.1. DETAILS OF SHORT-TERM FINANCING FACILITIES

S.No.	Bank	Facility	Limit (PKR Mn)	Mark-up/Commission	Tenor/Review Date
1	Bank Al Habib Limited	Running Finance	45.00	3 Month KIBOR +2.25% p.a.	28-Aug-2026
2	Bank Al Habib Limited	FATR	98.00	3 Month KIBOR +2.25% p.a.	28-Aug-2026
3	Meezan Bank Limited	Istisna	150.00	1 Month/ 3 Month/ 6 Month KIBOR +2.15%	31-Aug-2026
4	Meezan Bank Limited	Musawamah (Sub Limit of Istisna)	150.00	1 Month/ 3 Month/ 6 Month KIBOR +2.15%	31-Aug-2026
5	Meezan Bank Limited	Istisna (Sub Limit of Istisna)	75.00	1 Month/ 3 Month/ 6 Month KIBOR +2.15%	31-Aug-2026

**Source: Company*

***The above mentioned facilities are currently in the process of renewal.*

11.2. LETTER OF CREDITS AND BANK/CORPORATE GUARANTEES

S.No.	Bank	Facility	Limit (PKR Mn)	Mark-up/Commission	Tenor/Review Date
1	Bank Al Habib Limited	Letter of Credit – Sight	60.00	0.20% per quarter	28-Aug-2026
2	Bank Alfalah	Letter of Credit – Sight	575.00	0.10% per quarter	31-March-2026
3	Meezan Bank Limited	Sight L/C under MSFA (foreign)	150.00	As per Bank's schedule of Charges	31-Aug-2026
4	Meezan Bank Limited	Sight L/C under Musharakah Agreement (Sub Limit of Diminishing Musharakah)	400.00	As per Bank's schedule of Charges	31-Aug-2026

**Source: Company*

***The above-mentioned facilities are currently in the process of renewal*

11.3. DETAILS OF LONG-TERM FINANCING

S.No.	Bank	Facility	Limit (PKR Mn)	Total Availed Limit (PKR MN)	Mark-up/Commission	Maturity Date
1	Bank Alfalah	Term Finance	160.00	99.00	3 Month KIBOR +2.25% p.a.	6 years from the date of disbursement
2	Bank Alfalah	Term Finance (Sub Limit of LC - Sight)	575.00	150.38	3 Month KIBOR +2.25% p.a.	6 years from the date of disbursement

4	Meezan Bank Limited	Diminishing Musharakah	400.00	18.65	6 Month KIBOR +2.25% p.a.	5 years from the date of disbursement
5	Meezan Bank Limited	Diminishing Musharakah (Sub Limit)	150.00	150.00	6 Month KIBOR +2.25% p.a.	5 years from the date of disbursement

**Source: Company*
***As of 31st March 2026*

11.4. DETAILS OF FINANCE LEASE

S.No.	Bank	Facility	Limit (PKR Mn)	Outstanding (PKR MN)	Mark-up/Commission	Maturity Date
1	Bank Al Habib Limited	Lease Finance	86.36	48.58	3 Month KIBOR +2.50% p.a.	3 & 5 years from the date of disbursement
4	Askari Bank Limited	Lease Finance	263.04	166.63	3 Month KIBOR +2.00% p.a.	3 years from the date of disbursement
6	Habib Bank Limited	Lease Finance	186.27	108.59	1 Year KIBOR +2.00% p.a.	3 years from the date of disbursement

**Source: Company*
***As of 31st March 2026*

11.5. CUSTOMER & VENDOR AGREEMENTS

The Company has no material agreements or contracts with any of its customers or vendors/suppliers.

11.6. UNDERWRITING AGREEMENTS

S.No	Contracting Parties	Date of signing /Effective Date	Ending Date	Nature of Contract	Brief Detail of the Contract
1	Dawood Equities Limited	20th August 2026	05 (Five) Business Days from the Last Date for Subscription of Shares by General Public under the Retail Portion.	Underwriting Agreement	The Underwriting Agreement has been executed by and between SELMORE (Issuer) & Underwriter for underwriting the retail portion of the Issue.
2	Sherman Securities (Pvt) Limited				
3	KTrade Securities Limited				

**Source: Company*

11.7. INSPECTION OF DOCUMENTS & CONTRACTS

Documents relating to the Issuer (i.e. SELMORE) and the issue, including copies of all agreements, contracts and reports referred to in the prospectus, will be made available for inspection at the registered office of the company at 82, R-1, Muhammad Ali Johar Town, Lahore, Punjab; during usual business hours from the date of publication of this prospectus till the closing of subscription list.

11.8. MEMORENDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.9. FINANICAL YEAR OF THE COMPANY

The financial year of the Company commences on July 1 and ends on June 30.

12. BOOK BUILDING / INSTRUCTION FOR REGISTERING & BIDDING

12.1. IN CASE OF ISSUE THROUGH BOOK BUILDING, INFORMATION NEEDED TO BE DISCLOSED I.E. NUMBER OF SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION AND RETAIL PORTION, FLOOR PRICE AND THE PRICE BAND

The Issue comprises of 48,611,112 Ordinary Shares of face value worth PKR 10.00/- each, which constitutes 37.80% of the Post-IPO Paid Up Capital of the Company.

Of the entire Issue of 48,611,112 Ordinary Shares, seventy five percent (75%) of the issue i.e. 36,458,334 shares will be offered through the Book Building process at a Floor Price of PKR 42.00/- per share with a price band of 50% above the floor price i.e. PKR 63.00/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue i.e. 12,152,778 Ordinary Shares will be offered to retail investors. The retail portion will be fully underwritten, with Dawood Equities Limited, Sherman Securities (Pvt) Limited and KTrade Securities Limited acting as the underwriter to the issue.

Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriter to the issue.

Within 1 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, names of the underwriters of the retail portion, underwriting commission bifurcating as take up commission or any other, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.2. TYPES OF BIDS AND PROCEDURE FOR MAKING A BID

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Designated Institution, which is then used to determine the Strike Price through the **"Dutch Auction Method"**.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a "Limit Bid", or a "Step Bid", each of which are explained below:

Limit Bid: Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares. The amount of any individual limit bid shall not be less than PKR. 2,000,000/-.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 42.00/- per share, based on which the total Application Money would amount to PKR 42.00 Mn. In this case the Bid Amount will be also be PKR 42.00 Mn. Since the Bidder has placed a Limit Bid of PKR 42.00/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 42.00/- per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR 2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 5 Mn shares at PKR 42.00/- per share, 3 Mn shares at PKR 42.50/- per share and 2 Mn shares at PKR 44.00/- per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 425.50 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

Restrictions:

(i) AN ELEGIBLE INVESTOR SHALL NOT:

- **(a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
- **(b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION**
- **(c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
- **(d) PLACE CONSOLIDATED BID**
- **(e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
- **(f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
- **(g) WITHDRAW BID**

(i) IT IS THE RESPONSIBILITY OF THE CTI TO ENSURE IMPLEMENTATION OF THE FOLLOWING RESTRICTIONS BY INCORPORATING RELEVANT UINS / CUINS IN THE PSX BOOK BUILDING SYSTEM:

- **a. The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered though Book Building.**
- **b. The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.**

Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.

(ii) RELATED EMPLOYEES (I.E. EMPLOYEES OF THE ISSUER, THE OFFEROR, THE UNDERWRITERS, AND THE CONSULTANTS TO THE ISSUE, WHO ARE INVOLVED IN THE ISSUE) ARE NOT ELIGIBLE TO PARTICIPATE IN THE BIDDING.

(iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.

(iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

(v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE TO THE ISSUE SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE CONSULTANT TO THE ISSUE THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER AND LEAD MANAGER ARE PROVIDED IN SECTION 3A.

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process one working day after the close of the bidding period, by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures as notified in PSX vide letter dated Nov 07, 2025. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants one working day after the close of the bidding period within banking hours.

As per PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.3. TIME FRAME FOR INTIMATION TO THE SUCCESSFUL BIDDERS AND MECHANISM FOR PAYMENT OF THE BALANCE AMOUNT BY THE SUCCESSFUL BIDDERS

At the end of bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1 (one day after the end of the bidding) within designated time specified in the Joint Procedures.

Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures.

12.4. NCSS DESIGNATED TIME SCHEDULE FOR BOOK BUILDING

Activity[103]		Start Time:	End Time:
Monday to Friday	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	9:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	9:00 AM	16:30 PM
	Margin collection during the bidding period for the registration of new bidders	9:00 AM	16:30 PM
	Final collection from bank account of successful bidders (B+1)	9:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	9:00 AM	12:00 PM

12.5. ELIGIBLE PARTICIPANT(S) FOR BOOK BUILDING

All Eligible Participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL.

Functions of the Eligible Participant as per PSX and NCCPL Joint Procedures for Book Building:

i. Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.
ii. Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding
iii. Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction. For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member — PCM (EClear Services Limited).
iv. Eligible Participant shall collect advance amount/margin money against bids from the bidders.

12.6. NAME OF THE DESIGNATED INSTITUTION AND ITS ROLES AND RESPONSIBILITIES

PSX being the Designated Institution, shall ensure that Book Building System shall smoothly perform following functions:

1. record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;

[103] Joint Procedures, Nov 07, 2025, Annexure – A: NCSS Designated Time Schedule (DTS) for book building

2. provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;
3. generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. display the bids revised, and date and time of upward revision;
6. neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above the upper limit of the Price Band;
7. display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and indicative Strike Price;
8. build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
9. discover the strike price at the close of the Bidding Period;
10. generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and
11. ensure that system must provide the bidders the option to revise their bids during the period permitted under these Regulations;

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.7. ROLES AND RESPONSIBILITIES OF THE ISSUER

The Issuer shall ensure that:

1. The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:
    I. which had been declared defaulter by the securities exchange or futures exchange; or
    II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
    III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Consultant to the Issue, Underwriter, Balloter and Share Registrar, are appointed through separate agreements in writing.
4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.
5. The shares shall be issued in book-entry form only.

12.8. OPENING AND CLOSING OF THE REGISTRATION PERIOD

The Registration period shall be for Five (5) working days as under:

REGISTRATION PERIOD	
(…)	9:00am to 5:00pm
(…)	9:00am to 5:00pm
(…)	9:00am to 5:00pm

(...)	9:00am to 3:00pm

12.9. OPENING AND CLOSING OF THE BIDDING PERIOD

The Bidding Period shall be for Two (2) working days as under:

BIDDING PROCESS STARTS ON	(...)
BIDDING PROCESS ENDS ON	(...)

12.10. ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (PKR Two Million only).

12.11. INFORMATION FOR BIDDERS

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus can be obtained from the Registered Office of SELMORE, and KTrade (CTI). Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, PSX and the Company i.e. http://www.kasb.com, http://www.psx.com.pk and https://selmorepharma.com/
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Consultant to the Issue for registration for submitting their Bids.
4. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.

12.12. PROCEDURE FOR REGISTRATION

1. All Eligible Participants shall be required to get registered with the Designated Institution i.e. PSX.
2. For registration purposes, each Eligible Participant shall submit an Expression of Interest for participation in the Book Building.
3. In order to commence registration, PSX shall issue a public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.
4. Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.
5. Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be transmitted by the Book Building System to the authorized person of Eligible Participants at their registered email addresses and designated mobile numbers.
6. The Designated Institution and NCCPL shall jointly develop and notify the detailed procedures covering the operational and procedural requirements for Book Building, after obtaining prior approval from the Commission.
7. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration.

8. The bidding process shall be conducted electronically through the Book Building System in a fair, efficient, and transparent manner.
9. The registration of bidders by the Eligible Participants shall commence at least three (3) working days prior to the start of the bidding period and shall remain open until 3:00 p.m. on the last day of the bidding period.
10. The bidding period shall remain open for at least two (2) working days.
11. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
12. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
13. The Eligible Participant shall register bidders, including both individual and institutional investors, and create user bidding accounts for them. The Eligible Participant may also create bidding accounts for proprietary participation.
14. The creation of a user bidding account shall require minimum information such as the bidder's name, bid amount, UIN/CNIC, incorporation number or CUIN (where applicable), contact details, CDC sub-account or investor account number, and IBAN. An IPO Facilitation Account may be used if the bidder does not have a CDC sub-account or investor account. All such details shall be captured by the Eligible Participant at the time of registration.
15. Bidders can opt for disclosed or undisclosed bidding at the time of registration. In the case of disclosed bidding, bids shall be placed by the Eligible Participant, and in the case of undisclosed bidding, bids shall be placed directly by the bidder

    Explanation:
    - In the case of disclosed bidding, the bidder shall convey the bid amount and bid price (profit rate/spread) to the Eligible Participant for entry into the Book Building System.
    - In the case of undisclosed bidding, the bidder shall enter the bid amount and bid price (profit rate/spread) directly into the Book Building System.
16. In case of disclosed bidding, the bidder at the time of registration, shall authorize the Eligible Participant for placing bid on his behalf.
17. In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (email, name, phone number etc.). Book Building System will share the User ID, PIN and password directly with the bidder via registered email and mobile number.
18. Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
19. At the end of the bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via registered email that their bids have been accepted. Such bidders shall arrange settlement with NCCPL at B+1 within the time specified in the Joint Procedures.
20. Upon conclusion of the Book Building process and determination of successful bidders, NCCPL shall commence its pay and collect process at B+1 by debiting the settling bank accounts of the Eligible Participants. In the event of any shortfall in payments due to failure to meet commitments, NCCPL shall initiate its shortfall management process in accordance with the Joint Procedures.
21. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 within banking hours.
22. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.
23. The Book Building process shall be deemed cancelled if the Issuer fails to receive bids for the total number of shares allocated under the Book Building Portion or if the total number of bids received is less than forty (40). In such an event, the Consultant to the Issue/Issuer shall immediately notify the Commission and the Securities Exchange accordingly.

12.13. PROCEDURE FOR BIDDING

The following procedures shall be followed for bidding:

1. Bids may be placed as either a Limit Bid or a Step Bid. Provided that the minimum size of a Limit Bid, as well as any incremental step in the case of a Step Bid, shall not be less than PKR 2 million.
2. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration by the Eligible Participants and before the issuance of the public notice by the Designated Institution announcing the opening of the Book Building process.
3. The bidding shall commence at 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
4. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bids for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.
5. The Designated Institution shall issue a public notice regarding the Book Building process at least three (3) working days before the commencement of the Bidding Period (B-3). The notice shall include, among other details, the name of the issuer, issue size, floor price, bidding dates, and salient features of the issue.
6. At the time of registration, bidders shall authorize the Eligible Participant to place the bid on their behalf in the case of disclosed bidding.
7. Eligible Participants shall collect the margin money from the bidders and deposit the same with the NCCPL.
8. Individual and institutional investors shall pay 100% of the bid amount as margin money to the Eligible Participant; provided that the Eligible Participant may accept a lower margin from bidders based on its own risk assessment.
9. In the case of undisclosed bidding, for creating user bidding accounts, the Eligible Participants shall use the bidder's details such as name, email address, and phone number. The Book Building System shall share the User ID, URL for the bid screen, PIN, and password directly with the bidder through their registered email and mobile number.
10. Once a user is created and confirmed by the Eligible Participant, the credentials for participation in the bidding process shall be forwarded by the Book Building System to the user — i.e., the investor in the case of undisclosed bidding or their Eligible Participant in the case of disclosed bidding — via their registered email and mobile number.
11. Eligible Participants may limit the amount of bidding by their bidders, depending on the margin money received and their own risk assessment criteria
12. In the event of a Trading Only Broker and their clients, the user bidding account must be created through a Professional Clearing Member (PCM).
13. Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1) Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.
14. Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.
15. NCCPL shall communicate the confirmation of advance/margin money received against the bid amount of Eligible Participants to the Designated Institution in accordance with the Joint Procedures.
16. Based on the information shared by the NCCPL, the Designated Institution (PSX) shall activate the Eligible Participants who have submitted advance/margin money for bidding purposes
17. NCCPL shall continue to share real-time information with PSX regarding margin money deposited by Eligible Participants during the bidding period, including new bidder registrations or increases in bid amounts, in line with the Joint Procedures.
18. Eligible Participants may bid on behalf of their clients in the case of disclosed bids, whereas users may bid anonymously using their provided credentials during the bidding period, within the maximum participation amount assigned.
19. The Book Building System shall ensure that all bids are submitted within the assigned limits, based on the advance/margin money confirmed by the NCCPL and the resultant maximum participation amount.

20. The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL, until 4:30 pm on the last day of the bidding period, as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
21. Bidders may revise their bids upward until 5:00 p.m. on the last day of the bidding period
22. At the close of the bidding period, the Strike Price shall be determined by the Book Building System on the basis of the Dutch Auction Method.
23. At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL by 12:00 pm, one working day after the end of the bidding period (B+1), as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
24. After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants
25. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
26. The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.
27. Bidders who have submitted bids at prices above the Strike Price shall be allotted shares at the Strike Price.
28. In cases where the bids received are sufficient to cover the total number of shares offered under the Book Building Portion, the allotment shall be made based on highest bid priority — that is, bids made at the highest price shall be considered first for share allocation.
29. If all bids above the Strike Price are accommodated and shares are still available for allotment, the remaining shares shall be allotted on a proportionate basis among the bids made at the Strike Price
30. Bidders who have made bids below the Strike Price shall not qualify for allotment of shares.
31. Restrictions:
    a. The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of system, etc. In such case, the Issuer or the Consultant to the Issue shall apply to the Commission for extension in the bidding period after obtaining NOC from the Securities Exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and on the website of the Issuer, Consultant to the Issue, the Designated Institution, and the Securities Exchange.
    b. The bidder shall not:
        - make bid below the Floor Price and above the upper limit of the Price Band;
        - make bid for more than 10% of the shares allocated under the Book Building Portion;
        - subject to the provision of clause (A) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
        - make consolidated bid;
        - make more than one bid either severally or jointly;
        - make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same; or
        - withdraw the Bid.
    c. No person shall take part in the book building process, directly or indirectly, severally or jointly in any manner, or engage in any act or practice which creates a false or misleading appearance of active bidding for raising or depressing the strike price in the book building process.

12.14. TITLE AND NUMBER OF THE BANK ACCOUNT FOR BOOK BUILDING PORTION OF THE ISSUE AND MECHANISM FOR PAYMENT OF THE MARGIN MONEY INTO THE BOOK BUILDING ACCOUNT

The margin requirements for Eligible Participants shall be as under:

i. Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.

ii. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.

iii. A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DFI is acting as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.

iv. The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.

v. For participation with 0% margin money for proprietary trades:

  a. Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.

  b. Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.

  c. If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorized to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.

  d. The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.

vi. Eligible Participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts. NCCPL shall communicate the confirmation of advance/margin money against the bid amount of Eligible Participants to Designated Institution as per the Joint Procedures. Based on the information shared by NCCPL, Designated Institution will activate the Eligible Participants who have submitted advance/margin money for the bidding purposes.

PAYMENT PROCEDURES

The payment procedures for a Limit Bid or a Step Bid are explained below:

PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 42.00/- per share, then the total Application Money would amount to PKR 42.00 Mn. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 5 Mn shares at PKR 42.00/- per share, 3 Mn shares at PKR 42.50/- per share and 2 Mn shares at PKR 44.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 425.50 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

12.15. PROCEDURE FOR PAYMENT OF MARGIN MONEY BY FOREIGN INVESTOR

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e.

i) A Pakistan national resident outside Pakistan,

ii) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan,

iii) A foreign national, whether living in or outside Pakistan and

iv) A company or firm (including a partnership) or trust or mutual fund or private fund incorporated, registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government

The issue price of such shares must be paid in foreign exchange through normal banking channels, either by remittance from abroad or from a foreign currency account maintained by the subscriber or purchaser in Pakistan.

Non-resident investors who wish to participate in the book-building process for subscription of shares may do so through the Roshan Digital Account (RDA) — an initiative of the State Bank of Pakistan designed to facilitate Non-Resident Individual Pakistanis (NRIPs) in opening and operating digital bank accounts with designated SBP banks. Through the RDA, NRIPs can conduct banking transactions, make remittances, pay utility bills, and invest in various financial instruments in Pakistan, including the Pakistan Stock Market.

To invest in the Pakistan Stock Market through a Roshan Digital Account, the Non-Resident Individual Pakistani (NRIP) must authorize the respective bank to share the RDA details with the Central Depository Company of Pakistan Limited (CDC) and agree to the Terms and Conditions for Investing in Pakistan's Capital Market. Upon receipt of this information, the CDC forwards the investor's details to the National Clearing Company of Pakistan Limited (NCCPL) for the creation and registration of a Unique Identification Number (UIN). The CDC also facilitates the opening of a trading account by sharing the UIN and related information with the investor's selected broker and opens a CDC Custody Account in the investor's name. Upon completion of these formalities, the NRIP becomes eligible to invest in the Pakistan Stock Market using funds available in the Roshan Digital Account.

For participation in an Initial Public Offering (IPO) through the Roshan Digital Account, investors must ensure that their RDA is linked with an active Investor Account maintained with the CDC. The investor must subscribe through this account only and not through any other custody accounts such as Sub-Accounts, IPO Facilitation Accounts, or other Investor Accounts. The investor is required to register on the CDC e-Services Portal at https://csp.cdcaccess.com.pk and complete the e-IPO Subscription Form by entering the CDC Participant ID (03277) and the Investor Account Number to generate a Subscription ID. After filling the form, the investor should save a PDF copy of the completed form and transfer the exact IPO subscription amount from the RDA bank account to the CDC-designated bank account maintained with the same bank.

It must be ensured that the investor's account holds sufficient funds at the time of subscription; otherwise, the application will not be processed. Once the payment is made, the investor must email the PDF copy of the Subscription Form along with payment details to roshandigital@cdcpak.com. Both the payment and the e-IPO Subscription Form must reach the CDC no later than 12:00 p.m. (PST) on the last day of the subscription period. Any payment or form received after the deadline will not be accepted. Investors are also advised to note that payments made through any method other than the one prescribed above may result in complications, particularly during the refund process, in cases where the application is either partially successful on a pro-rata basis or declared unsuccessful.

12.16. PROCEDURE OF REJECTION OF BIDS

As per Regulation 9(37) & (38) of the PO Regulations:

1. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 within banking hours.
2. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

12.17. TIME FRAME FOR UPWARD REVISION OF BIDS BY THE BIDDER

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

The Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL. The bidders can revise their bids upward till 05:00 p.m. on the last day of the Bidding Period. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.18. TEN PERCENT (10%) PRICE VARIATION

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 50% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 42.00/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 42.00/- per share, registered bidders may place or revise their bids at/to any price between PKR 42.00/- per share to PKR 46.20/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 42.00/- per share to PKR 46.20/- per share, the registered bidders may place or upward revise their bids at/to between PKR 46.20/- per share to PKR 50.82/- per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 50% of the floor price i.e. PKR 63.00/- per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.19. PROCEDURE FOR WITHDRAWAL OF ISSUE

1. In accordance with regulation 8(16) of the PO Regulations, the Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Consultant to the Issuer/Issue to the Commission and Securities Exchange.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process shall be considered as cancelled if the total number of bids received is less than forty (40).

12.20. MECHANISIM FOR DETERMINATION OF STRIKE PRICE

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. Designated Institution shall through the Book Building System display live order book throughout the bidding period in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Securities Exchange and Designated Institution.
3. In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
4. As per the regulation 9(27) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 36,458,334 Ordinary Shares
2. Floor Price: PKR 42.00/- per Ordinary Share with maximum price band of 50.00% i.e. PKR 63.00/-per share
3. Bidding Period: (..)
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	44.31	1,260,000	1,260,000	Limit Price
Institution B	43.93	2,620,000	3,880,000	Limit Price
HNWI A	43.84	4,120,000	8,000,000	Step Bid
Institution C	43.55	2,420,000	10,420,000	Limit Price
Institution D	43.54	1,320,000	11,740,000	Limit Price
Institution E	43.37	3,540,000	15,280,000	Limit Price
HNWI B	42.78	3,780,000	19,060,000	Limit Price
HNWI A	42.63	2,100,000	21,160,000	Step Bid
Institution F	42.55	1,740,000	22,900,000	Limit Price
Institution G	42.45	3,920,000	26,820,000	Limit Price
Institution H	42.36	1,980,000	28,800,000	Limit Price
HNWI C	42.35	600,000	29,400,000	Limit Price
Institution I	42.05	320,000	29,720,000	Step Bid
Institution H	~~42.04~~	1,020,000	30,740,000	~~Limit Price~~
Institution J	42.03	5,718,334	36,458,334	Step Bid
HNWI E	42.00	5,000,000	41,458,334	Limit Price

Strike Price determine through Dutch Auction Method

Bid has been revised upwards and placed at PKR 42.36

Total shares bid at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 42.03 per share to sell the required quantity of 36,458,334 ordinary shares.

At PKR 44.31 per share, investors are willing to buy 1,260,000 shares. Since 35,198,334 shares are still available, the price will be set lower.

At PKR 43.93 per share, investors are willing to buy 2,620,000 shares. Since 32,578,334 shares are still available, the price will be set lower.

At PKR 43.84 per share, investors are willing to buy 4,120,000 shares. Since 28,458,334 shares are still available, the price will be set lower.

At PKR 43.55 per share, investors are willing to buy 2,420,000 shares. Since 26,038,334 shares are still available, the price will be set lower.

At PKR 43.54 per share, investors are willing to buy 1,320,000 shares. Since 24,718,334 shares are still available, the price will be set lower.

At PKR 43.37 per share, investors are willing to buy 3,540,000 shares. Since 21,178,334 shares are still available, the price will be set lower.

At PKR 42.78 per share, investors are willing to buy 3,780,000 shares. Since 17,398,334 shares are still available, the price will be set lower.

At PKR 42.63 per share, investors are willing to buy 2,100,000 shares. Since 15,298,334 shares are still available, the price will be set lower.

At PKR 42.55 per share, investors are willing to buy 1,740,000 shares. Since 13,558,334 shares are still available, the price will be set lower.

At PKR 42.45 per share, investors are willing to buy 3,920,000 shares. Since 9,638,334 shares are still available, the price will be set lower.

At PKR 42.36 per share, investors are willing to buy 1,980,000 shares. Since 7,658,334 shares are still available, the price will be set lower.

At PKR 42.35 per share, investors are willing to buy 600,000 shares. Since 7,058,334 shares are still available, the price will be set lower.

At PKR 42.05 per share, investors are willing to buy 320,000 shares. Since 6,738,334 shares are still available, the price will be set lower.

At PKR 42.04 per share, investors are willing to buy 1,020,000 shares. Since 5,718,334 shares are still available, the price will be set lower.

At PKR 42.03 per share, investors are willing to buy 5,718,334 shares. After allotting these shares at PKR 42.03 per share, the total supply of 36,458,334 shares is fully sold. Therefore, the Strike Price is set at PKR 42.03 per share for the entire lot of 36,458,334 shares.

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 42.03 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment; such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(27) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 (one day after the end of the bidding period) within banking hours.

12.21. BASIS OF ALLOTMENT OF SHARES

i. In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
ii. In case all the bids made above the Strike Price are accommodated and shares are still available for allotment; such available shares shall be allotted against the bids made at the Strike Price on proportionate basis.

As per regulation 7(3) of the PO Regulation, 2017, maximum of seventy-five percent (75%) of the offer size i.e. 36,458,334 ordinary shares shall be allocated to the Book Building Portion, while the remaining minimum twenty-five percent (25%) i.e. 12,152,778 ordinary shares shall be reserved for retail investors. The retail portion of the public offer shall be fully underwritten. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Book Building System.

As per regulation 11(2) of the PO Regulation, 2017, The Issuer may offer the shares to retail investors at a certain discount to the Strike Price

As per regulation 11(4) of the PO Regulation, 2017, within five (5) working days of the close of the public subscription period, or within such shorter period as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications, and the subscription money of unsuccessful applicants shall be unblocked/refunded.

As per regulation 11(5) of the PO Regulation, 2017, in case the retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall be taken up by the underwriters.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

12.22. MECHANISM AND MODE FOR REFUNDING / UNBLOCKING OF THE MARGIN MONEY

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants within banking hours one day after the bidding period.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.23. PUBLICATION AND TIME FRAME FOR PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with regulation 11(1) of the PO Regulations of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX within one working day.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 3 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13. APPLICATION AND ALLOTMENT INSTRUCTIONS FOR RETAIL PORTION

13.1. ELIGIBLE INVESTORS INSTRUCTIONS FOR SUBMITTING APPLICATION

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

13.2. OPENING AND CLOSING SUBSCRIPTION LEAGUE

The subscription list will open on [….] and will close on […]. Please note that online applications can be submitted 24 hours during the subscription period which will close at 11:59 PM on [….].

13.3. PROCEDURE FOR PUBLIC SUBSCRIPTION THROUGH PSX'S E-IPO SYSTEM AND CENTRALIZED E-IPO SYSTEM AND OTHER ADDITIONAL ELECTRONIC SYSTEM

I. PSX's e-IPO System (PES):

To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.
- Similarly, an e-IPO application can be filed by:
- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, https://eipo.psx.com.pk, 24 hours a day during the subscription period which will close at 11:59 PM on _______ 2026.

II. Centralized e-IPO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.4. FACILITIES AVAILABLE TO LOCAL, NON-RESIDENT PAKISTANIS AND FOREIGN INVESTORS

For each IPO, a prospectus is issued, circulated, and published in newspapers at least 7 days before the start of the public subscription. The issuer also publishes advertisements in newspapers. The prospectus is available on the websites of the Pakistan Stock Exchange (PSX), the consultant to the issue, the issuer, and the Central Depository Company of Pakistan Limited (CDC), which provides the Centralized e-IPO System (CES). A list of all upcoming IPOs is also available on the PSX website.

13.4.1. APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, one can submit an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com. Both Pakistani residents and non-residents can avail the e-IPO facility. To register for the CDC and PSX Access e-IPO Service, the applicant must possess a valid CNIC and NICOP
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.4.2. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. In case of corporate entities an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com. The corporate entities can avail the e-IPO facility by registering, if not have already been, for the CDC and PSX Access e-IPO Service, the corporate must possess a valid Registration number and NTN.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.5. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:

- If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
- If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
- If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only
- If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
- After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
    - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
    - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.

7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:

- First preference will be given to the applicants who applied for 500 shares;
- Next preference will be given to the applicants who applied for 1,000 shares;
- Next preference will be given to the applicants who applied for 1,500 shares;
- Next preference will be given to the applicants who applied for 2,000 shares; and then
- After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.

8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.6. REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.7. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Online Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants

13.8. ISSUE AND CREDIT OF SHARES

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.9. TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.10. LIST OF E-IPO FACILITIES

S.No	Name of Facility
01	PSX e-IPO System
02	Centralized e-IPO System

13.11. INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.12. ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.13. DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.14. TAXATIONS, LIKE APPLICABILITY OF CAPITAL GAIN TAX, WITHHOLDING TAX ON DIVIDENDS, TAX ON BONUS SHARES, FEDERAL EXCISE DUTY AND CAPITAL VALUE TAX & WITHHOLDING TAX ON SALE/PURCHASE OF SHARES.

13.14.1. Capital Gains Tax

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

S.No.	Capital Gains Tax for FY 2026	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	**Where the securities are acquired on or after the first day of July, 2022 but on or before the 30th day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:**		
	Where holding period does not exceed one year	15.0%	30.0%
	Where holding period exceed one year but does not exceed two years	12.5%	25.0%
	Where holding period exceed two years but does not exceed three years	10.0%	20.0%
	Where holding period exceed three years but does not exceed four years	7.5%	15.0%
	Where holding period exceed four years but does not exceed five years	5.0%	10.0%
	Where holding period exceed five years but does not exceed six years	2.5%	5.0%
	Where holding period exceed six years	0.0%	0.0%
4	**Where the securities are acquired on or after the first day of July, 2024 onwards:**		
	Where the securities are acquired on or after the first day of July, 2024 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.

13.14.2. Withholding Tax on Dividends

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for active tax payers and 30% for inactive tax payers.

13.14.3. Tax on Bonus Shares

As per section 236Z of the Finance Act 2025, shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

13.15. TAX ON INCOME OF THE ISSUER, SALES TAX

13.15.1. Income Tax

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.15.2. Sales Tax

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

13.15.3. Sales Tax on Sale / Purchase of Shares

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.16. DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

14. SIGNATORIES TO THE PROSPECTUS

Selmore
Pharmaceuticals Limited
Animal Health Division

Signatories to the Prospectus

Akbar Ali
Chairman/ Executive Director

Aimal Akbar
Chief Executive Officer/ Executive Director

Adil Akbar
Non-Executive Director

Shazia Akbar
Executive Director

Seerat Fatima
Non-Executive Director

Ayaz Dawood
Independent Director

Nadia Ishtiaq
Independent Director

Witnessed by:

Umair Bin Zekreya
Company Secretary

Head Office: SPL House 82, R-1, Muhammad Ali Johar Town, Lahore-Pakistan **UAN:** +42 111-773-227
Fax: +92 42 35291776 **URL:** www.selmorepharma.com **Email:** info@selmorepharma.com

15. MEMORENDUM OF ASSOCIATION

THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

1 The name of the company is Selmore Pharmaceuticals Limited

2 The registered office of the Company will be situated in Punjab

3 (i) The principal line of business of the company shall be to carry on the business of pharmaceutical chemicals and drugs, import and dealing in all kinds of medicine, health related and varieties of medicinal preparations, chemicals, reagents, kits, aids and other items connected usually with the health care of human beings and Animals.

(ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

(iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Asset Management Services, Leasing, Investment Finance Services, Investment Advisory Services, REIT management Services, Housing Finance Services, Private Equity and Venture Capital Fund Management Services, Discounting Services, Pension Fund Scheme Business, Micro Financing), Corporate Restructuring Company, Insurance Business, Modaraba management Company, Stock Brokerage business, forex, Clearing House, Securities and Futures Advisor, Commodity Exchange, managing agency, business of providing the services of security guards or any other business subject to license and restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

(a) engage in any of the business mentioned in sub clause (iii) above or any unlawful operation;

(b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business.

(c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

4 The Liability of the Members is Limited

5 The Authorised Capital of the Company is PKR 1,450,000,000/- (Rupees One Billion Four Hundred Fifty Million only) Divided into 145,000,000 (One Hundred Forty-Five Million) Ordinary shares of PKR 10/- (Rupees Ten only) each.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company as set opposite our respective name(s).

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered / principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	Signatures
Mr. Masood Mumtaz	35201-672740-9	Mumtaz Ahmed	Pakistani	Trading Business	51- Edden Cottage Lahore Cantt.	800 Eight Hundred	
Mr. Akbar Ali	35202-2477885-9	Muhammad Sharif	Pakistani	Trading Business	P.C.S.I.R Colony Lahore	1200 One Thousand Two Hundred	
		Total number of shares taken				(2000) Two Thousand	

Dated the day of, 8 December 1998

CERTIFIED TO BE TRUE COPY

DEPUTY REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE

CERTIFIED TRUE COPY

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