



w e v a l u e l i f e

AGP-Sec./ 340
August 29, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

SUBJECT: FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2024

Dear Sir,

We have transmitted the Standalone and Consolidated Financial Statements of the Company for the Half Year ended June 30, 2024 and the same are also available on the Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Umair Mukhtar
Company Secretary



A SPIRE ADVANCE CHIEVE



HALF YEARLY REPORT 2024

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COMPANY INFORMATION

Board of Directors

Mr. Tariq Moinuddin Khan
Mr. Zafar Iqbal Sobani
Ms. Maleeha Humayun Bangash
Mr. Kamran Nishat
Mr. Muhammad Kamran Nasir
Mr. Mahmud Yar Hiraj
Mr. Muhammad Kamran Mirza

Chairman
Independent Director
Independent Director
Non-Executive Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director

Audit Committee

Mr. Zafar Iqbal Sobani
Mr. Kamran Nishat
Mr. Mahmud Yar Hiraj
Mr. Muhammad Kamran Mirza

Chairman
Member
Member
Member

Human Resource and Remuneration Committee

Ms. Maleeha Humayun Bangash
Mr. Muhammad Kamran Nasir
Mr. Kamran Nishat
Mr. Mahmud Yar Hiraj
Mr. Muhammad Kamran Mirza

Chairman
Member
Member
Member
Member

Chief Financial Officer

Mr. Junaid Aslam

Company Secretary

Mr. Umair Mukhtar

Head of Internal Audit

Syed Shah Hussain Qadri

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank

Industrial and Commercial Bank of China Ltd.
JS Bank Limited
MCB
Meezan Bank Limited
National Bank of Pakistan
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab

Legal Advisor

Sattar & Sattar

Website

www.agp.com.pk

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Email

info@agp.com.pk

Share Registrar

CDC Share Registrar Services Limited



Registered Office & Plant -I

Address:
B-23-C, S.I.T.E., Karachi
Tel: +92-21 111-247-247
Fax: +92-21 32570678



Plant-II

Address:
D-109, S.I.T.E., Karachi
Tel: +92-21 32572695
+92-21 32563598
Fax: +92-21 32564670



Plant-III

Address:
F/46, S.I.T.E.,
Super Highway
Phase II, Karachi

Directors' Review to the Members

On behalf of the Board of Directors, we are pleased to present the Company's unaudited standalone and consolidated condensed interim financial statements for the half year ended June 30, 2024.

Economic Environment

Pakistan's economy showed signs of stabilization, with rebounding of GDP growth. Inflation also eased by July 2024 and State Bank of Pakistan (SBP) reduced the policy rate to 19.5%. The Pakistani Rupee also stabilized against the USD, supported by IMF assistance and improved foreign exchange reserves. The pharmaceutical sector is experiencing progressive changes, as the government has deregularized the prices of drugs that are not included in the National Essential Medicines List (NEML), thus allowing pharmaceutical companies to manage prices of non-essential drugs based on market forces. Accordingly, pharma companies with higher proportion of non-essential drugs in their topline stand with greater opportunity to realize maximum benefit.

Operating Results of the Company

During the first half of 2024, AGP achieved extraordinary growth, recording the highest-ever top-line performance of PKR 8.5 billion. This was accomplished despite the prevailing challenging and deteriorating economic conditions in the country, reflecting a substantial 41% increase over the corresponding period last year. This remarkable performance was driven by the sustained sales penetration of our leading brands in the domestic market, which grew by 39%, while export sales exhibited significant growth of 44%. The Company achieved significant revenue growth; however, external factors beyond its control impeded the full realization of this growth on gross margins.

Marketing & Selling expenses increased by 29% whereas Administrative expenses increased by 27% respectively. These increases were primarily driven by the growth in sales and the prevailing inflationary pressures. The finance costs increased substantially, primarily due to long-term financing owing to the injection of equity in its subsidiary Company, OBS Pakistan (Private) Limited. Additionally, there has been an upswing in short-term borrowings, driven on account of increase in working capital requirement. The impressive sales performance coupled with controlled expenditures, translated into a standalone net profit of PKR 730 million with earnings per share of PKR 2.61, representing an increase of more than 60% over same period last year.

OBS AGP (Private) Limited was able to achieve a topline of PKR 2.8 billion with a gross profit of PKR 1.4 billion and net profit of PKR 205 million, and OBS Pakistan (Private) Limited attained a topline of PKR 1.6 billion with a gross profit of PKR 1.1 billion and net profit of PKR 54 million.

Resultantly, the consolidated top-line performance reached an impressive figure of PKR 11.6 billion. With this promising sales performance, the consolidated gross profit reached PKR 6.3 billion, while the consolidated net profit amounted to PKR 858 million. The consolidated net profit attributable to the Company stood at PKR 782 million, resulting in earnings per share of PKR 2.79.

Future Outlook

Looking ahead, Pakistan's economy is projected to grow positively, while inflation and policy rate are forecasted to reduce further. The anticipated IMF disbursements are expected to increase foreign reserves and thus PKR/USD exchange rate is projected to remain stable.

The Company remains committed to sustainable growth and market expansion. By leveraging our existing product portfolio and group synergies, AGP is well-positioned to seize opportunities in the market while developing new and advanced medications to address both current and emerging therapeutic needs. Our strategic focus includes not only reinforcing our presence in the domestic market but also establishing a strong foothold in international markets.

To mitigate challenges posed by external factors, we are proactively diversifying our supplier base, shifting towards local sourcing where feasible, while maintaining our commitment to quality standards. Additionally, AGP is focused on strengthening export capabilities, optimizing inventory levels, and driving operational excellence to achieve cost efficiencies. We are also planning strategic investments to expand our manufacturing capacity, enhancing our adaptability and competitiveness in a dynamic market landscape.

Awards and Achievements

We are honored to announce that our Company has been recognized for its excellence in various domains at the 2024 Global Diversity, Equity & Inclusion Benchmarks (GDEIB) Awards. The Company distinguished itself by securing accolades in six distinct categories, underscoring its commitment to fostering a diverse and inclusive workplace. This achievement reflects AGP's dedication to embedding global best practices in diversity, equity, and inclusion across its organizational framework.

Acknowledgment

We express our profound appreciation to our stakeholders for their continued trust and confidence in the Company. We also wish to recognize the unwavering dedication of our employees, whose steadfast commitment to our vision has been instrumental in advancing our mission to deliver high-quality healthcare.



Muhammad Kamran Nasir
Chief Executive Officer



Muhammad Kamran Mirza
Non-executive Director

مستقبل کی توقعات

کمپنی پائیدار ترقی اور مارکیٹ میں اضافہ کرنے کے لیے پر عزم ہے۔ ہمارے موجودہ پروڈکٹ پورٹ فولیو اور گروپ کی ہم آہنگی سے فائدہ اٹھاتے ہوئے، AGP مارکیٹ میں ترقی کے امکانات کا فائدہ اٹھانے کی اچھی پوزیشن میں ہے جب کہ علاج کی موجودہ اور ابھرتی ہوئی ضروریات پوری کرنے کے لیے نئی اور ترقی یافتہ دواؤں کی تیاری جاری ہے۔ ہمارے ترقیاتی ارتکاز میں نہ صرف ملکی مارکیٹ میں اپنی موجودگی مستحکم بنانا، بلکہ بین الاقوامی مارکیٹوں میں قدم جمانا بھی شامل ہے۔ بیرونی عوامل کی طرف سے درپیش چیلنج کم کرنے کے لیے، ہم اپنی سپلائر بیس فعال طور پر متنوع بنا رہے ہیں، جہاں تک قابل عمل ہو، مقامی ذرائع کی طرف منتقل ہو رہے ہیں، جب کہ کوالٹی اسٹینڈرڈز کے اپنے عزم پر بدستور کاربند ہیں۔ علاوہ ازیں، AGP نے برآمدات کی صلاحیت مستحکم کرنے، اپنی انوینٹری کی سطح زیادہ سے زیادہ بڑھانے، اور لاگتوں میں کفایت حاصل کرنے کے لیے عمدہ انداز کار کو آگے بڑھانے پر توجہ مرکوز کر رکھی ہے۔ ہم مارکیٹ کے متحرک منظر نامے میں اپنی مینوفیکچرنگ کی صلاحیت بڑھانے، اپنی مطابقتی اور مسابقتی صلاحیت کو وسیع دینے کے لیے ترقیاتی سرمایہ کاری کی بھی منصوبہ بندی کر رہے ہیں۔

انعامات اور کامیابیاں

ہمیں یہ بتاتے ہوئے فخر محسوس ہو رہا ہے کہ گلوبل ڈائریکٹری، ایکویٹی اور انکلوژن اینج مارکس (GDEIB) ایوارڈز ۲۰۲۳ میں مختلف شعبوں میں ہماری کمپنی کی اعلیٰ کارکردگی کا اعتراف کیا گیا ہے۔ کمپنی نے چھ اہم کیٹیگریز میں سٹائنڈرڈ سمیٹ کر خود کو منوایا اور مقام کار پر تنوع اور شمولیت فروغ دینے کے اپنے عزم کی تجدید کی۔ یہ کامیابی AGP کی طرف سے اپنے پورے تنظیمی ڈھانچے میں تنوع، مساوات اور شمولیت جیسی اعلیٰ عالمی روایات شامل کرنے کی لگن کی عکاسی کرتی ہے۔

اظہار تشکر

ہم کمپنی پر مسلسل اعتماد اور بھروسے پر اپنے قابل احترام اسٹیک ہولڈرز کو نند دل سے خراج تحسین پیش کرتے ہیں۔ ہم اپنے ملازمین کی غیر متزلزل لگن کا بھی اعتراف کرنا چاہیں گے، جن کے پختہ عزم نے ہمارا صحت کی اعلیٰ معیار کی دیکھ بھال مہیا کرنے کا نصب العین آگے بڑھانے میں مرکزی کردار ادا کیا ہے۔

محمد کامران مرزا
نان ایگزیکٹو ڈائریکٹر

محمد کامران ناصر
چیف ایگزیکٹو آفیسر

ڈائریکٹرز کا جائزہ برائے ممبران

بورڈ آف ڈائریکٹرز کی طرف سے ۳۰ جون ۲۰۲۳ کو ختم ہونے والے نصف سال کے لیے کمپنی کے غیر آڈٹ شدہ انفرادی (standalone) اور اجتماعی (consolidated) مختصر عبوری مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

اقتصادی ماحول

پاکستان کی معیشت نے جی ڈی پی کی نمو کی بحالی کے ساتھ استحکام کے آثار دکھائے۔ جولائی ۲۰۲۳ تک مہنگائی میں بھی کمی آئی اور اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ کم کر کے ۱۹.۵٪ کر دیا۔ آئی ایم ایف کی مدد اور زرمبادلہ کے ذخائر میں بہتری کی بدولت پاکستانی روپیہ بھی امریکی ڈالر کے مقابلے میں مستحکم ہوا۔ فارماسیوٹیکل سیکٹر ایک تبدیلی لانے والے ریگولیٹری منظر نامے کا سامنا کر رہا ہے، کیونکہ حکومت نے ان دوائیوں کی قیمتوں کو ڈی ریگولرائز کر دیا ہے جو ضروری ادویات کی قومی فہرست (NEML) میں شامل نہیں ہیں، اس طرح فارماسیوٹیکل کمپنیوں کو مارکیٹ فورسز کی بنیاد پر غیر ضروری ادویات کی قیمتوں کا انتظام کرنے کی اجازت مل گئی ہے۔ اس کے مطابق، فارما کمپنیاں اپنی ٹاپ لائن میں غیر ضروری ادویات کے زیادہ تناسب کے ساتھ زیادہ سے زیادہ فائدہ اٹھانے کے زیادہ مواقع کے ساتھ تیار ہیں۔

کمپنی کے آپریٹنگ نتائج

۲۰۲۳ کے پہلے نصف کے دوران میں AGP نے غیر معمولی نمو حاصل کرتے ہوئے ۸.۵ بلین روپے کی تاریخ کی بلند ترین کارکردگی ریکارڈ کرائی۔ یہ کامیابی موجودہ چیلنجوں اور ملک میں بگڑتے معاشی حالات کے باوجود حاصل کی گئی جس کی عکاسی گزشتہ سال کی اسی مدت کے مقابلے میں ۴۱٪ اضافے سے ہوتی ہے۔ یہ غیر معمولی کارکردگی مقامی مارکیٹ میں ہمارے سرفہرست برانڈز کی متواتر رسائی کا نتیجہ ہے، جس میں ۳۹٪ اضافہ ہوا، جب کہ ایکسپورٹ سیکلز نے ۴۴٪ کی نمایاں نمو دکھائی۔ کمپنی نے آمدنی میں قابل ذکر نمو حاصل کی، تاہم قابو سے باہر بیرونی عوامل نے مجموعی منافع جات پر اس نمو سے مکمل استفادے میں رکاوٹ ڈالی۔

مارکیٹنگ اور سیلنگ ڈیپارٹمنٹ کے اخراجات میں ۲۹٪ اضافہ ہوا ہے، جب کہ انتظامی اخراجات ۲٪ بڑھ گئے۔ سیکلز میں نمو اور افراط زر کا موجودہ دباؤ ان اضافوں کے بنیادی محرکات تھے۔ مالیاتی لاگتوں میں نمایاں اضافہ ہوا، جس کی بنیادی وجہ اپنی ذیلی کمپنی OBS پاکستان (پرائیویٹ) لمیٹڈ میں ایکویٹی کا اضافہ ہے۔ مزید برآں ورکنگ کپٹل کی ضرورت میں اضافے کے باعث مختصر مدتی قرضوں میں تیزی کا رجحان رہا ہے۔ سیکلز میں متاثر کن کارکردگی اور قابو میں رکھے گئے اخراجات کا نتیجہ ۲۰۲۱ روپے فی شیئر آمدنی کے ساتھ ۳۰ بلین روپے کے انفرادی (Standalone) خالص منافع کی شکل میں سامنے آیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں ۶۰٪ سے زائد اضافے کی نمائندگی کرتا ہے۔

OBS AGP (پرائیویٹ) لمیٹڈ نے ۱.۴ بلین روپے کے اجتماعی منافع اور ۲۰۵ بلین روپے کے خالص منافع کے ساتھ ۲.۸ بلین روپے کی ٹاپ لائن حاصل کی، اور OBS پاکستان (پرائیویٹ) لمیٹڈ نے ۱.۱ بلین روپے کے اجتماعی منافع اور ۵۴ بلین روپے کے خالص منافع کے ساتھ ۱.۶ بلین روپے کی ٹاپ لائن حاصل کی۔

نتیجتاً مجموعی ٹاپ لائن کارکردگی ۱۱.۶ بلین روپے کے متاثر کن عدد تک پہنچ گئی۔ سیکلز کی اس امید افزا کارکردگی کے ساتھ اجتماعی مجموعی منافع ۶.۳ بلین روپے تک پہنچ گیا، جب کہ اجتماعی خالص منافع کی مالیت ۸۵۸ بلین روپے رہی۔ کمپنی سے منسوب اجتماعی خالص منافع ۸۲ بلین روپے رہا، جس کا نتیجہ ۲.۷۹ روپے فی شیئر آمدنی کی صورت میں سامنے آیا۔

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED
30 JUNE 2024**

Independent Auditors' Review Report

To the Members of AGP Limited

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **AGP Limited** as at 30 June 2024, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The condensed interim financial statements of the Company for the half year ended 30 June 2023 and financial statements for the year ended 31 December 2023 were reviewed and audited respectively by EY Ford Rhodes, Chartered Accountants who had expressed an unqualified conclusion and unqualified opinion thereon dated 25 August 2023 and 27 February 2024, respectively.

The engagement partner on the audit resulting in this independent auditor's review report is Khurram Jameel.



Chartered Accountants

Place: Karachi

Date: 28 August 2024

UDIN: RR202410093LrQpADhEd

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		30 June 2024 (Unaudited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) ----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,558,878	3,464,465
Intangible assets	6	5,441,750	5,441,839
Long-term investments	7	3,074,211	3,064,629
Long-term deposits and receivables		43,389	22,841
		12,118,228	11,993,774
CURRENT ASSETS			
Stores, spares and loose tools		10,919	11,050
Stock-in-trade	8	2,695,786	2,526,624
Trade debts	9	1,908,327	1,449,939
Advances		258,707	400,498
Trade deposits, prepayments and other receivables		114,514	257,973
Taxation – net		312,836	308,724
Cash and bank balances	10	154,329	137,783
		5,455,418	5,092,591
TOTAL ASSETS		17,573,646	17,086,365
EQUITY AND LIABILITIES			
Authorised capital		35,000,000	35,000,000
Issued, subscribed and paid up capital		2,800,000	2,800,000
Revenue reserve – unappropriated profit		8,083,274	8,053,471
		10,883,274	10,853,471
NON-CURRENT LIABILITIES			
Long-term financing	11	1,651,961	2,092,998
Lease Liability	12	23,190	-
Gas infrastructure development cess		7,231	6,996
Deferred tax liabilities – net		184,565	191,075
		1,866,947	2,291,069
CURRENT LIABILITIES			
Trade and other payables	13	2,164,425	2,496,656
Unclaimed dividend		2,106	1,853
Accrued interest		93,500	76,540
Short-term borrowings	14	1,685,983	937,954
Current maturity of non-current liabilities		877,411	428,822
		4,823,425	3,941,825
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		17,573,646	17,086,365

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Note	Half Year ended		Quarter ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
----- (Rupees in '000) -----					
Revenue from contracts with customers - net	16	8,544,320	6,043,819	4,268,883	2,878,790
Cost of sales	17	(4,720,709)	(3,383,457)	(2,228,470)	(1,688,088)
Gross profit		3,823,611	2,660,362	2,040,413	1,190,702
Administrative expenses		(301,293)	(238,201)	(145,557)	(116,790)
Marketing and selling expenses	18	(2,004,576)	(1,560,543)	(1,125,149)	(780,570)
Other expenses		(109,490)	(168,982)	(49,921)	(23,821)
Other income		134,528	157,537	12,567	143,058
Finance costs	19	(466,544)	(138,458)	(253,891)	(107,455)
		(2,747,375)	(1,948,647)	(1,561,951)	(885,578)
Profit before taxation		1,076,236	711,715	478,462	305,124
Taxation	20	(346,433)	(267,328)	(161,596)	(185,901)
Profit for the period		729,803	444,387	316,866	119,223
Earnings per share - basic and diluted		Rs. 2.61	Rs. 1.59	Rs. 1.13	Rs. 0.43

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Half Year ended		Quarter ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	----- (Rupees in '000) -----			
Net profit for the period	729,803	444,387	316,865	119,223
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	729,803	444,387	316,865	119,223

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



 Chief Financial Officer



 Chief Executive Officer



 Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Share capital	Revenue reserve - Unappropriated profits	Total
	----- (Rupees in '000) -----		
Balance as at 31 December 2022 - Audited	2,800,000	7,423,285	10,223,285
Net profit for the period	-	444,387	444,387
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	444,387	444,387
Final dividend for the year ended 31 December 2022 @ Re. 2 per share	-	(560,000)	(560,000)
Balance as at 30 June 2023	<u>2,800,000</u>	<u>7,307,672</u>	<u>10,107,672</u>
Balance as at 31 December 2023 - Audited	2,800,000	8,053,471	10,853,471
Net profit for the period	-	729,803	729,803
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	729,803	729,803
Final dividend for the year ended 31 December 2023 @ Rs. 2.5 per share	-	(700,000)	(700,000)
Balance as at 30 June 2024	<u>2,800,000</u>	<u>8,083,274</u>	<u>10,883,274</u>

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Note	30 June 2024	30 June 2023
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated from operations	21	909,670	798,104
Payments for:			
Finance costs		(174,323)	(85,607)
Taxes		(357,053)	(337,954)
Central Research Fund		(18,444)	(21,755)
Long-term deposits and receivables		(20,548)	(1,613)
Net cash flows generated from operating activities		339,300	351,175
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(249,552)	(263,745)
Investment made in subsidiary company		-	(2,124,048)
Dividend received from subsidiary company		97,500	130,000
Proceeds from disposal of operating fixed assets		19,689	8,010
Interest income received		14,929	14,247
Net cash used in investing activities		(117,434)	(2,235,536)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(699,747)	(559,855)
Long-term financing - net		(280,365)	2,310,450
Lease liability - net		26,763	-
Lien released on bank balances		-	52,416
Net cash (used in) / generated from financing activities		(953,349)	1,803,011
Net decrease in cash and cash equivalents		(731,483)	(81,350)
Cash and cash equivalents at the beginning of the period		(878,794)	(670,474)
Cash and cash equivalents at the end of the period	22	(1,610,277)	(751,824)

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



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 AGP Limited (the Company) was incorporated as a public limited company in May 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company got listed on Pakistan Stock Exchange Limited on 05 March 2018. The registered office of the Company is situated at B-23C, S.I.T.E, Karachi. The principal activities of the Company include import, marketing, export, dealership, distribution, wholesale and manufacturing of all kinds of pharmaceutical products.
- 1.2 As of reporting date, Aitkenstuart Pakistan (Private) Limited (the Parent company) holds 55.80% of the share capital of the Company and West End 16 Pte Limited, Singapore is the ultimate parent company.
- 1.3 These are separate condensed interim financial statements of the Company in which investment in subsidiaries is stated at cost less accumulated impairment losses, if any.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) - 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2023.

The figures of the condensed interim statement of profit or loss and statement of comprehensive income for the three months ended 30 June 2024 and 30 June 2023 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended 30 June 2024 and 30 June 2023.

These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand rupees, unless otherwise stated.

4 ACCOUNTING POLICIES, ESTIMATES, JUDGMENTS AND FINANCIAL RISK POLICIES

The accounting policies, estimates, judgments and financial risk policies used in these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 31 December 2023 except as follows:

During the period, the Company acquired certain motor vehicles as right of use assets.

The Company recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The Company recognizes lease liabilities measured at the present value of lease payments to be made as per the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

5	PROPERTY, PLANT AND EQUIPMENT	Note	30 June	31 December
			2024	2023
			(Unaudited)	(Audited)
			---- (Rupees in '000) ----	
	Operating fixed assets	5.1	2,867,982	2,975,399
	Right of use asset	5.2	29,574	-
	Capital work-in-progress	5.3	661,322	489,066
			3,558,878	3,464,465

5.1 Details of additions and disposals are as follows:

	Additions (at cost)		Disposals (NBV)	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
----- (Rupees in '000) -----				
Buildings - factory / office sites	2,839	140,931	-	-
Plant and machinery	2,090	79,828	1,794	16
Furniture and fixtures	1,856	2,959	-	-
Motor vehicles	110	155,550	9,608	6,733
Office equipment	7,332	6,164	-	89
Gas and electrical fittings	-	13,010	-	-
Refrigerator and air conditioner	3,940	73,669	-	-
Laboratory equipment	1,978	97,003	-	-
Computers and related accessories	18,972	28,426	233	102
	39,117	597,540	11,635	6,940

5.2	Right of use asset - motor vehicles	30 June	31 December
		2024	2023
		(Unaudited)	(Audited)
		---- (Rupees in '000) ----	
	Additions during the period	30,500	-
	Depreciation for the period	(926)	-
	Closing balance	29,574	-

5.3	Capital work-in-progress	30 June	31 December
		2024	2023
	Opening balance	489,066	378,770
	Additions during the period	241,873	707,836
	Transferred to operating fixed assets during the period	(39,117)	(597,540)
	Transferred to right of use asset during the period	(30,500)	-
	Closing balance	661,322	489,066

6	INTANGIBLE ASSETS	30 June	31 December
	Goodwill	743,226	743,226
	Trademarks	4,641,087	4,641,087
	Computer software	48,962	49,051
	Capital work-in-progress	8,475	8,475
		5,441,750	5,441,839

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

		30 June 2024 (Unaudited) ---- (Rupees in '000) ----	31 December 2023 (Audited)
7	LONG-TERM INVESTMENTS – Subsidiary companies		
	OBS AGP (Private) Limited		
	Investment – at cost	715,000	715,000
	Corporate guarantee – at fair value	14,531	14,531
		729,531	729,531
	OBS Pakistan (Private) Limited		
	Investment – at cost	2,324,048	2,324,048
	Corporate guarantee – at fair value	20,632	11,050
		2,344,680	2,335,098
		3,074,211	3,064,629
8	STOCK-IN-TRADE		
	Raw and packing materials		
	In hand	1,988,995	1,765,496
	In transit	173,611	14,252
		2,162,606	1,779,748
	Work-in-process	201,712	200,205
	Finished goods		
	– Manufacturing	338,531	552,693
	– Trading	23,411	24,452
		361,942	577,145
	Provision for obsolescence and slow moving stock	(30,474)	(30,474)
		2,695,786	2,526,624
9	TRADE DEBTS		
	Related parties		
	– Muller & Phipps Pakistan (Private) Limited	1,367,090	1,019,009
	– OBS AGP (Private) Limited	194,168	341,067
	– OBS Pharma (Private) Limited	17,177	-
	– Aspin Pharma (Private) Limited	3,341	2,842
		1,581,776	1,362,918
	Others than related parties	328,212	91,068
	Allowances for ECL	1,909,988	1,453,986
		(1,661)	(4,047)
		1,908,327	1,449,939
10	CASH AND BANK BALANCES		
	Cash in hand	3,032	3,959
	Balances held with banks		
	Current accounts		
	– local currency	5,425	32,890
	– foreign currency	593	620
		6,018	33,510
	Deposit accounts	145,279	100,314
		154,329	137,783

10.1 The amount included Rs. 78.62 million marked as lien against the bank guarantee given.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

		30 June 2024 (Unaudited) ---- (Rupees in '000) ----	31 December 2023 (Audited)
11	LONG-TERM FINANCING - secured		
	Note		
	SBP financing scheme for renewable energy	26,176	28,077
	Syndicate term finance	2,474,459	2,474,909
	Corporate guarantee	23,599	17,269
		<u>2,524,234</u>	<u>2,520,255</u>
	Less: current maturity	<u>(872,273)</u>	<u>(427,257)</u>
		<u>1,651,961</u>	<u>2,092,998</u>
12	LEASE LIABILITY		
	Additions during the year	28,377	-
	Interest on lease liabilities	1,579	-
	Lease rentals paid	<u>(3,193)</u>	-
		26,763	-
	Less: Current maturity	<u>(3,573)</u>	-
		<u>23,190</u>	-
13	TRADE AND OTHER PAYABLES		
	Creditors	1,051,510	1,144,004
	Accrued liabilities	512,103	573,925
	Payable to related parties	-	34,996
	Contract liabilities - OBS AGP (Private) Limited	304,139	581,286
	Compensated absences	60,094	55,906
	Provident fund	12,267	10,840
	Workers' Profit Participation Fund	55,025	-
	Workers' Welfare Fund	38,997	17,512
	Central Research Fund	11,672	18,445
	Other payables:		
	- Infrastructure Cess	13,801	13,801
	- Withholding tax	35,416	18,139
	- Sales tax	64,619	23,259
	- Others	4,782	4,543
		<u>2,164,425</u>	<u>2,496,656</u>
13.1	Included herein Rs. 20.80 million (31 December 2023: Rs. 13.31 million) payable to Aspin Pharma (Private) Limited, a related party.		
14	SHORT TERM BORROWINGS - secured		
	Running finance from commercial banks	771,521	212,000
	Running musharakah form Islamic banks	914,462	725,954
		<u>1,685,983</u>	<u>937,954</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There is no material change in the status of contingencies as disclosed in the annual financial statements of the Company for the year ended 31 December 2023.

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
	---- (Rupees in '000) ----	
15.2 Commitments		
Corporate guarantee issued on behalf of subsidiary companies		
- OBS AGP (Private) Limited	1,465,500	2,600,000
- OBS Pakistan (Private) Limited	6,500,000	6,500,000
Bank guarantees	136,020	130,855
Letters of credit	350,353	1,047,635
Capital expenditures	936,670	442,450

	Half Year ended		Quarter ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	----- (Rupees in '000) -----			
16 REVENUE FROM CONTRACT WITH CUSTOMERS - net				
Sales				
- Local				
- Manufacturing	8,006,885	5,271,663	3,851,593	2,483,571
- Trading	92,707	868,898	48,294	835,961
	8,099,593	6,140,561	3,899,888	3,319,532
Export	1,389,370	970,963	901,135	395,076
Less: Trade discounts	(780,643)	(962,964)	(439,809)	(774,802)
Sales returns	(33,076)	(25,945)	(25,007)	(18,859)
Sales tax	(130,924)	(78,796)	(67,324)	(42,157)
	(944,643)	(1,067,705)	(532,140)	(835,818)
	8,544,320	6,043,819	4,268,883	2,878,790

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

17 COST OF SALES

Cost of sales – manufacturing

Raw and packing materials consumed

Opening stock	1,765,496	1,123,154	2,108,372	1,340,617
Purchases	3,595,677	2,783,694	1,403,461	1,293,737
Available for consumption	5,361,173	3,906,848	3,511,833	2,634,354
Closing stock	(1,988,995)	(1,785,514)	(1,988,995)	(1,785,514)
	3,372,178	2,121,334	1,522,838	848,840

Manufacturing cost

Salaries, wages and other benefits	601,765	469,218	299,407	225,380
Stores and spares consumed	27,837	19,344	13,269	10,475
Provision for obsolescence and slow moving stock	-	23,985	-	23,985
Processing charges	54,953	21,231	16,053	13,131
Freight	13,224	4,657	6,035	3,563
Fuel, gas and electricity	184,462	119,794	97,082	68,561
Repairs and maintenance	99,383	56,692	58,535	27,991
Travelling and conveyance	4,780	888	(5,499)	451
Insurance	10,356	8,723	5,891	4,855
Laboratory expenses	37,247	19,823	11,638	8,262
Rates and taxes	2,174	921	1,040	489
Depreciation	76,366	68,993	38,205	35,173
Amortisation	3,897	4,548	1,875	2,245
Postage, telegraph and telephones	3,851	2,283	1,909	1,197
Printing and stationery	7,123	3,775	4,197	885
	1,127,418	824,875	549,637	426,643
	4,499,596	2,946,209	2,072,475	1,275,483

Work-in-process

Opening stock	200,205	185,087	286,509	166,864
Closing stock	(201,712)	(72,062)	(201,712)	(72,062)
	(1,507)	113,025	84,797	94,802

Cost of goods manufactured

	4,498,089	3,059,234	2,157,272	1,370,285
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Finished goods

Opening stock	552,693	444,008	413,012	470,099
Closing stock	(338,531)	(334,597)	(338,531)	(334,597)
	214,162	109,411	74,481	135,502
	4,712,251	3,168,645	2,231,753	1,505,787

Cost of samples for marketing and sales promotion

	(40,821)	(23,658)	(26,272)	(9,079)
	4,671,430	3,144,987	2,205,481	1,496,708

Cost of sales – trading

Opening stock	24,452	69,583	28,271	22,930
Purchases	48,238	228,721	18,129	228,284
Closing stock	(23,411)	(59,834)	(23,411)	(59,834)
	49,279	238,470	22,989	191,380
	4,720,709	3,383,457	2,228,470	1,688,088

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Note	Half Year ended		Quarter ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
----- (Rupees in '000) -----					
18	MARKETING AND SELLING EXPENSES				
	Salaries and other benefits	924,557	740,571	491,460	365,369
	Travelling and conveyance	291,317	259,887	164,862	133,964
	Repairs and maintenance	9,133	6,338	6,487	3,092
	Insurance	7,342	6,314	3,725	3,364
	Depreciation	40,513	42,404	20,530	22,019
	Printing and stationery	2,293	4,244	1,186	2,342
	Samples	40,821	23,658	26,272	9,079
	Sales promotion expenses	451,007	298,176	257,672	151,325
	Meeting and conferences	124,341	81,913	74,908	44,825
	Communication	12,627	12,422	6,211	6,400
	Subscription	10,062	13,354	3,593	6,765
	Product registration fee	12,501	12,107	6,792	4,383
	Freight, handling and transportation	78,062	59,155	61,451	27,643
		2,004,576	1,560,543	1,125,149	780,570
19	FINANCE COSTS				
	Mark-up on:				
	- long-term financings	279,592	65,438	141,136	63,987
	- short term borrowings	169,350	67,898	100,578	41,603
		448,942	133,336	241,714	105,590
	Bank charges	17,602	5,122	12,177	1,865
		466,544	138,458	253,891	107,455
20	TAXATION				
	Current	352,442	152,554	169,511	72,162
	Prior	502	85,736	502	85,736
	Deferred	(6,511)	29,038	(8,417)	28,003
		346,433	267,328	161,596	185,901

20.1 Through the Finance Act 2023, new slab rates for supertax were introduced for tax year 2023 (FY 2022) and onwards. As a result, the highest slab rate of 10% instead of 4% will be applicable on tax payers of all sectors having income in excess of Rs. 500 million. The Company filed a petition in the Islamabad High Court (the "IHC") challenging the amendment made through Finance Act, 2023 and a stay order has been granted against the said amendment. During the period, IHC vide judgement dated 15 March 2024 has allowed the case in favour of tax department for super tax to the extent of 6% and advance tax relatable to super tax. However, an intracourt appeal has been filed by the Company and in response, the IHC held that the stay granted earlier will remain in field.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

		30 June 2024	30 June 2023
		---- (Rupees in '000) ----	
21 CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		1,076,236	711,715
Non - cash adjustments			
Depreciation		135,832	130,214
Amortisation		7,760	6,649
Allowance for ECL		(2,386)	2,090
Gain on disposal of operating fixed assets - net		(8,053)	(3,576)
Provision of obsolescence and slow moving stock		-	23,985
Stock written off during the period		-	(37,244)
Mark-up on deposits accounts		(14,929)	(14,247)
Charge / (Reversal) for GIDC		235	(728)
Amortisation of government grant		-	(95)
Amortisation of corporate guarantee		(3,251)	(1,637)
Finance costs		466,544	138,458
Dividend income		(97,500)	(130,000)
Workers' Profit Participation Fund		57,775	38,069
Workers' Welfare Fund		21,486	5,567
Central Research Fund		11,672	7,691
		575,185	165,196
Operating profit before working capital changes		1,651,421	876,911
Working capital changes			
Decrease in current assets			
Stores, spares and loose tools		131	(1,038)
Stock-in-trade		(169,162)	(479,048)
Trade debts		(456,002)	39,872
Loans and advances		141,791	(288,344)
Trade deposits, prepayments and other receivables		143,459	92,917
		(339,783)	(635,641)
(Decrease) / increase in current liabilities			
Trade and other payables		(401,968)	556,834
		909,670	798,104
22 CASH AND CASH EQUIVALENTS			
Cash and bank balances	10	154,329	160,250
Lien on bank balance		(78,623)	(78,623)
Short-term borrowings	14	(1,685,983)	(833,451)
		(1,610,277)	(751,824)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

23 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise ultimate parent company, parent company, subsidiary companies, group companies, associated companies, staff retirement funds, directors and key management personnel. The Board of the Company. Transactions with related parties, other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

Name and country of Incorporation	Basis of relationship	% of shares held by related parties	Nature of transactions	Half Year ended		Quarter ended	
				30 June 2024 (Unaudited)	30 June 2023	30 June 2024 (Unaudited)	30 June 2023
				----- (Rupees in '000) -----			
Parent Company							
Aitken Stuart Pakistan (Private) Limited - Pakistan	Parent Company	55.80%	Expenditure incurred / paid by the Company on behalf of Parent	601	388	62	365
			Expenditure incurred / paid by parent on behalf of the Company	2,960	-	-	-
			Dividend paid	390,626	312,501	-	312,501
Subsidiary Companies							
OBS AGP (Private) Limited - Pakistan	Subsidiary Company	65%	Sale of goods	1,310,553	676,259	436,596	255,102
			Expenditure incurred by the Company on behalf of subsidiary	41,995	21,627	18,537	13,264
			Expenditure incurred / paid by the subsidiary on behalf of the Company	1,115	3,614	1,115	-
			Dividend received	97,500	130,000	-	130,000
OBS Pakistan (Private) Limited - Pakistan	Subsidiary Company	91.82%	Investment in subsidiary		2,124,048	-	2,124,048
			Expenditure incurred / paid by the Company on behalf of subsidiary	16,551	30,942	10,115	23,339
			Interest charged	1,198	-	-	-
Group Companies							
Aspin Pharma (Private) Limited - Pakistan	Common directorship	4.79%	Sale of goods	5,608	19,425	3,314	7,880
			Expenditure incurred / paid by the Company on behalf of associate	2,026	3,336	1,145	532
			Expenditure incurred / paid by the associate on behalf of the Company	11,072	16,257	3,593	10,203
			Dividend paid	33,500	26,800	-	26,800
OBS Pharma (Private) Limited - Pakistan	Common directorship	-	Sale of goods	14,543	-	6,410	-
			Expenditure incurred / paid by the Company on behalf of associate	11,217	6,666	8,541	6,666
			Expenditure incurred / paid by associate on behalf of the Company	2,410	-	-	-
Associated Company							
Muller and Phipps Pakistan (Private) Limited - Pakistan	Common directorship	13.54%	Sale of goods	5,683,451	4,230,643	2,828,716	2,043,207
			Settlement of discounts and expenses given / incurred on behalf of the Company	429,651	196,447	210,807	105,835
			Dividend paid	94,800	75,840	-	75,840
Staff retirement benefits - AGP Limited staff provident fund							
			Contribution paid	31,459	25,510	17,451	16,998
Key management personnel							
			Remuneration and other benefits	251,226	202,264	94,190	68,975
			Dividend paid	16	11	-	11
Directors							
			Board and other meeting fee	3,000	6,750	1,250	5,000
			Dividend paid	1,578	1,261	-	1,261
Others (due to common directorship)							
Muller and Phipps Express Logistics (Private) Limited - Pakistan			Services incurred	8	53	1	15

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

24 INFORMATION ABOUT OPERATING SEGMENTS

- 24.1** For management purposes, the activities of the Company are organized into one operating segment i.e. manufacture and sale of pharmaceutical products. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure and internal financial reporting systems. The operating interests of the Company are confined to Pakistan in terms of production/generation capacity. Accordingly, the information and figures reported in these condensed interim financial statements are related to the Company's only reportable segment in Pakistan.
- 24.2** Export sales made to Afghanistan represents geographical component of gross turnover of the Company.
- 24.3** The revenue information is based on the location of the customer. The details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall revenue related to manufactured and trading goods is as follows:

	30 June 2024	30 June 2023
	---- (Rupees in '000) ----	
- Muller & Phipps Pakistan (Private) Limited	<u>5,683,451</u>	<u>4,230,643</u>
- Al - Haj Malem Khan Mangal	<u>1,095,063</u>	<u>757,010</u>
- OBS AGP (Private) Limited - Subsidiary Company	<u>1,310,553</u>	<u>712,058</u>

- 24.4** Non-current assets of the Company are confined within Pakistan and consist of property, plant and equipment, intangibles assets and long-term deposits and receivables.

25 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on August 27, 2024 by the Board of Directors of the Company.

26 SUBSEQUENT EVENTS

The Board of Directors in its meeting held on August 27, 2024 has proposed an interim cash dividend for the period ended June 30, 2024 of Rs. Nil per share, aggregating to Rs. Nil million.



Chief Financial Officer



Chief Executive Officer



Director

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED
30 JUNE 2024**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		30 June 2 0 2 4 (Unaudited)	31 December 2 0 2 3 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,924,027	3,655,592
Intangible assets	5	17,525,190	17,540,245
Long-term deposits and receivables		58,657	37,605
		21,507,874	21,233,442
CURRENT ASSETS			
Stores, spares and loose tools		10,919	11,050
Stock-in-trade	6	3,445,473	3,074,862
Trade debts	7	2,353,783	1,912,795
Advances		292,446	434,079
Trade deposits, prepayments and other receivables		113,625	297,263
Taxation – net		127,312	156,446
Short-term investments		200,757	652,518
Cash and bank balances	8	219,083	202,305
		6,763,398	6,741,318
TOTAL ASSETS		28,271,272	27,974,760
EQUITY AND LIABILITIES			
Issued, subscribed and paid-up capital		2,800,000	2,800,000
Share capital		(128,765)	(128,765)
Reserve arising on reorganisation of group		8,851,922	8,769,782
Revenue reserve – unappropriated profits		11,523,157	11,441,017
Surplus on revaluation of property, plant & equipment		942,633	919,165
Non-controlling interest		12,465,790	12,360,182
NON-CURRENT LIABILITIES			
Long-term financings	9	9,179,516	9,593,747
Lease liability	10	23,190	-
Gas infrastructure development cess		7,231	6,996
Deferred tax liabilities – net		192,027	199,101
		9,401,964	9,799,844
CURRENT LIABILITIES			
Trade and other payables	11	2,494,242	2,851,827
Unclaimed dividends		2,106	1,853
Accrued interest		120,723	103,160
Short-term borrowings	12	2,239,144	1,535,666
Current maturity of non-current liabilities		1,547,303	1,322,228
		6,403,518	5,814,734
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		28,271,272	27,974,760

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

Note	Half Year ended		Quarter ended		
	30 June	30 June	30 June	30 June	
	2024	2023	2024	2023	
	----- (Rupees in '000) -----				
Revenue from contracts with customers - net	14	11,642,064	8,088,227	5,721,674	4,189,601
Cost of sales	15	(5,349,999)	(3,908,649)	(2,590,864)	(2,045,927)
Gross profit		6,292,065	4,179,578	3,130,810	2,143,674
Administrative expenses		(462,801)	(309,540)	(214,429)	(155,114)
Marketing and selling expenses	16	(3,008,345)	(2,210,444)	(1,578,419)	(1,112,282)
Other expenses		(109,498)	(157,777)	(49,927)	(12,616)
Other income		77,677	46,065	27,362	24,096
Finance costs	17	(1,475,309)	(431,673)	(745,282)	(289,000)
		(4,978,276)	(3,063,369)	(2,560,695)	(1,544,916)
Profit before taxation		1,313,789	1,116,209	570,115	598,758
Taxation	18	(455,681)	(384,053)	(179,131)	(262,210)
Profit for the period		858,108	732,156	390,984	336,548
Attributable to:					
Equity holders of the Holding Company		782,140	634,204	381,805	278,075
Non-controlling interest		75,968	97,952	9,179	58,473
		858,108	732,156	390,984	336,548
Earnings per share - basic and diluted		Rs. 2.79	Rs. 2.27	Rs. 1.36	Rs. 0.99

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Half Year ended		Quarter ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
----- (Rupees in '000) -----				
Profit for the period	858,108	732,156	390,984	336,548
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	858,108	732,156	390,984	336,548
Attributable to:				
Equity holders of the Holding Company	782,140	634,204	381,805	278,075
Non-controlling interest	75,968	97,952	9,179	58,473
	858,108	732,156	390,984	336,548

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Attributable to owners of the Holding Company					
	Capital Reserve		Revenue reserve		Non-controlling interest	Total equity
	Share capital	Reserve arising on reorganisation of group	Unappropriated profits	Total		
					-----Rupees in '000-----	
Balance as at 31 December 2022 - Audited	2,800,000	-	7,747,448	10,547,448	583,623	11,131,071
Acquisition of a subsidiary company	-	-	-	-	324,007	324,007
Profit for the period	-	-	634,204	634,204	97,952	732,156
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	634,204	634,204	97,952	732,156
Final dividend for the year ended 31 December 2022 @ Rs. 2 per share	-	-	(560,000)	(560,000)	-	(560,000)
Final dividend for the year ended 31 December 2022 @ Rs. 20 per share	-	-	-	-	(70,000)	(70,000)
Balance as at 30 June 2023	2,800,000	-	7,821,652	10,621,652	935,582	11,557,234
Balance as at 31 December 2023 - Audited	2,800,000	(128,765)	8,769,782	11,441,017	919,165	12,360,182
Profit for the period	-	-	782,140	782,140	75,968	858,108
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	782,140	782,140	75,968	858,108
Final dividend for the year ended 31 December 2023 @ Rs. 2.5 per share	-	-	(700,000)	(700,000)	-	(700,000)
Final dividend for the year ended 31 December 2023 @ Rs. 10 per share	-	-	-	-	(52,500)	(52,500)
Balance as at 30 June 2024	2,800,000	(128,765)	8,851,922	11,523,157	942,633	12,465,790

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

		30 June 2024	30 June 2023
	Note	---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated from operations	19	2,114,031	7,529,558
Payments for:			
Finance costs		(215,657)	(326,043)
Taxes		(433,622)	(397,093)
Central Research Fund		(18,444)	(21,754)
Net cash flows generated from operating activities		1,446,308	6,784,668
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(450,632)	(595,543)
Expenditure incurred for intangible assets		(7,671)	(9,033,326)
Proceeds from issuance of share capital to minority shareholders		-	324,007
Proceeds from disposal of operating fixed assets		19,895	1,034
Proceeds from sale of short term investments		451,761	-
Deposits and receivables - paid / given		(21,052)	(9,734)
Interest income received		34,994	32,320
Net cash flows used in investing activities		27,295	(9,281,242)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(752,247)	(629,855)
Long-term financings - net	9.1	(1,434,818)	2,929,883
Lease liability - net		26,763	-
Net cash flows generated from / (used in) financing activities		(2,160,302)	2,300,028
Net decrease in cash and cash equivalents		(686,699)	(196,546)
Cash and cash equivalents at the beginning of the period		(1,411,984)	(366,550)
Cash and cash equivalents at the end of the period	20	(2,098,683)	(563,096)

The annexed notes 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

1. The Group and its operations

1.1 The Group consist of AGP Limited (the "Holding Company") and its subsidiary companies, OBS AGP (Private) Limited (the "OBS AGP") and OBS Pakistan (Private) Limited (the OBS PK), that has been consolidated in these condensed interim financial statements. The principal activities of the Group include import, marketing, export, dealership, distribution, wholesale and manufacturing of all kinds of pharmaceutical products.

1.2 AGP Limited - the Holding Company

The Holding Company was incorporated as a public limited company in May 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company got listed on Pakistan Stock Exchange Limited on 05 March 2018. The registered office of the Holding Company is situated at B-23C, S.I.T.E, Karachi.

1.3 OBS AGP (Private) Limited - a subsidiary company

OBS AGP was incorporated in Pakistan as a private limited company in November 2020 under Companies Act, 2017. OBS AGP is in the business of trading pharmaceutical products. Since incorporation, OBS AGP was a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited. Effective from 14 July 2021, the Holding Company acquired 65% shareholding of OBS AGP from Aitkenstuart Pakistan (Private) Limited at a cost of Rs. 715 million through purchase of ordinary right shares offered by OBS AGP which was renounced by Aitkenstuart Pakistan (Private) Limited.

1.4 OBS Pakistan (Private) Limited - a subsidiary company

OBS PK was incorporated in Pakistan as a private limited company in December 2021 under Companies Act, 2017. OBS PK is in the business of trading pharmaceutical products. Since incorporation, OBS PK was a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited. During the period from April to September 2023, the holding company acquired 91.82% shareholding of OBS PK i.e. 10.20 million ordinary shares having face value of Rs. 10 each, issued at Rs. 115.88 each, 10.20 million ordinary shares having face value of Rs 10 each, issued at Rs. 92.36 each, and 20 million ordinary shares issued at face value of Rs. 10 each.

1.5 As of reporting date, Aitkenstuart Pakistan (Private) Limited (parent company) holds 55.80% (2023: 55.80%) of the share capital of the Holding Company and West End 16 Pte Limited, Singapore is the ultimate parent company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

These consolidated condensed interim financial statements are unaudited are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 31 December 2023.

2.2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of these consolidated condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

2.3 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Group's functional currency and all financial information presented has been rounded off to the nearest thousand rupees, unless otherwise stated.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

2.4 In preparing these consolidated condensed interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual financial statements of the Group as at and for the year ended 31 December 2023, except as presented below. The Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Group as at and for the year ended 31 December 2023.

2.4.1 Right-of-use assets and leases liabilities - Holding Company as a lessee

The Holding Company assess at contract inception whether a contract is, or contain a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Holding Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Holding Company recognises lease liability to make lease payments and right of use assets representing the right to use the underlying assets.

2.4.2 Right-of-use assets

The Holding Company recognises right-of-use assets (ROU assets) at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, if any, and lease payments made at or before the commencement date less any lease incentives received. Unless the Holding Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

2.4.3 Lease liabilities

At the commencement date of the lease, the Holding Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Holding Company and payments of penalties for terminating a lease, if the lease term reflects the Holding Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Holding Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2.4.4 Short-term leases and leases of low-value assets

The Holding Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2024. These are either considered to not be relevant or do not have any significant impact and accordingly, have not been detailed in these consolidated condensed interim financial statements.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
Note	----(Rupees in '000)----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	3,212,631	3,156,249
Right to use asset	4.2	29,574	-
Capital work-in-progress	4.3	681,822	499,343
		<u>3,924,027</u>	<u>3,655,592</u>

4.1 Details of additions and disposals are as follows:

	Additions (at cost)		Disposals (NBV)	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	----- (Rupees in '000) -----			
Buildings - factory / office sites	2,839	140,931	-	-
Plant and machinery	2,090	79,828	1,794	16
Furniture and fixtures	1,856	2,959	-	-
Motor vehicles	188,985	182,981	9,608	6,733
Office equipment	7,332	6,164	-	89
Gas and electrical fittings	-	13,010	-	-
Refrigerator and air conditioner	3,940	73,669	-	-
Laboratory equipment	1,978	97,003	-	-
Computers and related accessories	28,627	63,810	302	452
	<u>237,647</u>	<u>660,355</u>	<u>11,704</u>	<u>7,290</u>

4.2 Right of use asset - motor vehicles

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	----(Rupees in '000)----	
Opening balance	-	-
Additions during the year	30,500	-
Depreciation for the year	(926)	-
Closing balance	<u>29,574</u>	<u>-</u>

4.3 Capital work-in-progress

Opening balance	499,343	378,770
Additions during the period / year	450,626	780,928
Transferred during the period / year	(237,647)	(660,355)
Transferred to right of use asset during the period / year	(30,500)	-
Closing balance	<u>681,822</u>	<u>499,343</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	30 June 2024	31 December 2023
	(Unaudited)	(Audited)
	----(Rupees in '000)----	
5. INTANGIBLE ASSETS		
Goodwill	743,226	743,226
Trademarks - indefinite	16,665,957	16,665,957
Trademarks - (finite lives)	54,620	58,456
Computer software	52,912	64,131
Capital work-in-progress	8,475	8,475
	<u>17,525,190</u>	<u>17,540,245</u>
6. STOCK-IN-TRADE		
Raw and packing materials		
In hand	1,988,995	1,765,496
In transit	173,611	14,252
	<u>2,162,606</u>	<u>1,779,748</u>
Work-in-process	201,712	200,205
Finished goods		
- Manufacturing	338,531	552,693
- Trading	776,823	573,510
	<u>1,115,354</u>	<u>1,126,203</u>
Provision for obsolescence and slow moving stock	<u>(34,199)</u>	<u>(31,294)</u>
	<u>3,445,473</u>	<u>3,074,862</u>
7. TRADE DEBTS - unsecured		
Related parties		
- Muller & Phipps Pakistan (Private) Limited	1,989,914	1,797,981
- Aspin Pharma (Private) Limited	3,341	2,842
	<u>1,993,255</u>	<u>1,800,823</u>
Other than related parties	362,189	116,019
	<u>2,355,444</u>	<u>1,916,842</u>
Less: Allowances for expected credit losses	<u>(1,661)</u>	<u>(4,047)</u>
	<u>2,353,783</u>	<u>1,912,795</u>
8. CASH AND BANK BALANCES		
Cash in hand	3,174	3,991
Balances held with banks		
Current accounts		
- local currency	5,592	33,069
- foreign currency	593	620
- deposit accounts	209,724	164,625
	<u>215,909</u>	<u>198,314</u>
	<u>219,083</u>	<u>202,305</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

		30 June 2024 (Unaudited)	31 December 2023 (Audited)
		----(Rupees in '000)----	
9. LONG-TERM FINANCINGS – secured	Note		
SBP financing scheme for renewable energy		26,176	28,077
Syndicate term finance		2,474,459	2,474,909
Diminishing musharakah		150,559	72,351
Sukuk [net of transaction cost of Rs. 111.50 million]		8,070,487	8,339,073
	9.1	<u>10,721,681</u>	<u>10,914,410</u>
Less: current maturity		<u>(1,542,165)</u>	<u>(1,320,663)</u>
		<u>9,179,516</u>	<u>9,593,747</u>
9.1	The movement in long-term financings is as follows:		
Balance at beginning of the period / year		10,914,410	2,595,924
Proceeds received during the period / year		142,410	8,813,955
Related transaction cost		-	(133,649)
Finance cost for the period / year		1,242,089	1,270,970
Financings repaid during the period / year		<u>(1,577,228)</u>	<u>(1,632,790)</u>
Balance at end of the period / year		<u>10,721,681</u>	<u>10,914,410</u>
10. LEASE LIABILITY			
Opening balance		-	-
Additions during the year		28,377	-
Interest on lease liabilities		1,579	-
Lease rentals paid		<u>(3,193)</u>	-
Closing balance		26,763	-
Current portion of lease liabilities		<u>(3,573)</u>	-
		<u>23,190</u>	-
11. TRADE AND OTHER PAYABLES			
Creditors	11.1	1,231,048	1,374,151
Accrued liabilities		875,701	979,880
Payable to Aitkenstuart Pakistan (Private) Limited - related party		-	125,185
Compensated absences		67,223	64,822
Contract liabilities (advances from customers)		6,848	36,299
Other payables:			
- Provident fund		33,054	23,667
- Infrastructure Cess		13,801	13,801
- Workers' Profit Participation Fund		55,025	-
- Workers' Welfare Fund		38,997	17,512
- Central Research Fund		11,672	18,445
- Withholding tax		77,620	168,298
- Sales tax		66,742	25,224
- Others		16,511	4,543
		<u>2,494,242</u>	<u>2,851,827</u>
11.1	Included herein Rs. 24.39 million (December 2023: 13.31 million) payable to Aspin Pharma (Private) Limited, a related party.		
12. SHORT TERM BORROWINGS – Secured		30 June 2024 (Unaudited)	31 December 2023 (Audited)
		----(Rupees in '000)----	
Running finance from commercial banks		1,323,864	809,712
Running musharakah form Islamic banks		915,280	725,954
		<u>2,239,144</u>	<u>1,535,666</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

13. CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

13.1.1 There is no material change in the status of contingencies as disclosed in note 21 to the annual consolidated financial statements of the Group for the year ended 31 December 2023 except as discussed below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
	----- (Rupees in '000) -----	
13.1.2 Guarantees		
Bank guarantees	<u>156,542</u>	<u>151,377</u>
13.2 COMMITMENTS		
Letter of credit	<u>282,407</u>	<u>1,047,635</u>
Capital expenditures	<u>464,690</u>	<u>442,450</u>

Ijarah Agreement

OBS AGP (Private) Limited (subsidiary company) has entered in an agreement in respect of purchase of vehicles under ijarah arrangement for a period of five years, the rentals of which are payable monthly by the subsidiary company. Future rentals payable are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	28,655	30,617
Later than one year but not later than five years	57,343	74,092
	<u>85,998</u>	<u>104,709</u>

14. REVENUE FROM CONTRACT WITH CUSTOMERS - net

	Half Year ended		Quarter ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	----- (Rupees in '000) -----			
Sale of goods				
Local				
- Manufacturing	8,006,885	4,573,206	4,725,550	2,196,441
- Trading	3,435,979	3,382,192	728,698	1,990,728
	<u>11,442,864</u>	<u>7,955,398</u>	<u>5,454,248</u>	<u>4,187,169</u>
Export	1,389,370	970,963	901,135	395,076
Less: Trade discounts	(1,022,094)	(697,294)	(537,963)	(309,050)
Sales returns	(36,310)	(61,903)	(28,241)	(41,317)
Sales tax	(131,766)	(78,937)	(67,505)	(42,277)
	<u>(1,190,170)</u>	<u>(838,134)</u>	<u>(633,709)</u>	<u>(392,644)</u>
	<u>11,642,064</u>	<u>8,088,227</u>	<u>5,721,674</u>	<u>4,189,601</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

15. COST OF SALES

Cost of sales – manufacturing

Raw and packing materials consumed

	Half Year ended		Quarter ended	
	30 June	30 June	30 June	30 June
	2 0 2 4	2 0 2 3	2 0 2 4	2 0 2 3
	----- (Rupees in '000) -----			
Opening stock	1,765,496	1,123,154	2,108,372	1,340,617
Purchases	2,305,466	2,079,442	973,897	956,982
Available for consumption	4,070,962	3,202,596	3,082,269	2,297,599
Closing stock	(1,988,995)	(1,785,514)	(1,988,995)	(1,785,514)
Raw and packing material consumed	2,081,967	1,417,082	1,093,274	512,085

Manufacturing cost

Salaries, wages and other benefits	602,556	474,350	300,198	230,024
Stores and spares consumed	27,837	19,344	13,269	10,475
Provision against slow moving and obsolete material - net	-	23,989	-	23,989
Processing charges	54,953	21,231	16,053	13,131
Freight	13,224	6,670	6,034	5,577
Fuel, gas and electricity	188,229	121,474	99,594	70,112
Repairs and maintenance	99,383	57,597	58,535	28,744
Travelling and conveyance	4,780	889	(5,499)	453
Insurance	10,356	8,723	5,891	4,855
Laboratory expenses	37,247	19,824	11,638	8,263
Rates and taxes	2,174	921	1,040	489
Depreciation	76,366	68,993	38,205	35,173
Amortisation	3,897	4,548	1,875	2,246
Postage, telegraph and telephones	3,851	2,284	1,909	1,198
Printing and stationery	7,123	3,775	4,197	885
	1,131,976	834,612	552,939	435,614
	3,213,943	2,251,694	1,646,213	947,699

Work-in-process

Opening stock	200,205	185,087	286,509	166,864
Closing stock	(201,712)	(72,062)	(201,712)	(72,062)
	(1,507)	113,025	84,797	94,802

Cost of goods manufactured

	3,212,436	2,364,719	1,731,010	1,042,501
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Finished goods

Opening stock	552,693	444,008	413,012	470,099
Closing stock	(338,531)	(334,184)	(338,531)	(334,184)
	214,162	109,824	74,481	135,915
	3,426,598	2,474,543	1,805,491	1,178,416

Cost of sales – trading

Opening stock	573,510	435,119	762,714	288,343
Purchases	2,186,295	1,662,959	836,119	1,217,491
Closing stock	(776,823)	(634,083)	(776,823)	(634,083)
	1,982,982	1,463,995	822,010	871,751

Direct expenses:

Amortisation of intangible assets	3,837	3,827	1,918	1,924
Provision for obsolescence and slow moving stock - net	2,904	6,785	2,904	6,785
Warehousing charges	26,115	19,401	10,233	11,330
	32,856	30,013	15,055	20,039

Cost of samples for marketing and sales promotion

	(92,437)	(59,902)	(51,692)	(24,279)
	5,349,999	3,908,649	2,590,864	2,045,927

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

	Note	Half Year ended		Quarter ended	
		30 June	30 June	30 June	30 June
		2024	2023	2024	2023
----- (Rupees in '000) -----					
16. MARKETING AND SELLING EXPENSES					
Salaries and other benefits		1,446,409	1,077,928	743,956	528,956
Travelling and conveyance		440,543	371,112	237,475	205,505
Repairs and maintenance		15,224	15,087	9,965	10,936
Insurance		11,833	8,060	6,190	4,246
Depreciation		74,329	63,239	40,394	32,882
Amortisation		325	324	163	163
Printing and stationery		2,927	4,848	8	2,716
Samples		92,437	59,902	51,692	24,279
Sales promotion expenses		558,273	347,330	280,692	175,414
Meeting and conferences		210,277	131,504	109,006	64,696
Communication		24,783	20,430	12,186	10,883
Subscription		16,267	20,064	5,524	9,427
Product registration fee		12,538	12,107	6,830	4,383
Freight, handling and transportation		86,596	61,738	66,379	28,952
Ijarah rental		15,584	16,771	7,959	8,844
		3,008,345	2,210,444	1,578,419	1,112,282
17. FINANCE COSTS					
Mark-up on:					
- long-term financings		1,242,089	325,817	603,880	213,952
- short term borrowings		215,441	100,554	129,156	73,007
		1,457,530	426,371	733,036	286,959
Bank charges		17,779	5,302	12,246	2,041
		1,475,309	431,673	745,282	289,000
18. TAXATION					
Current		462,253	259,586	190,186	141,101
Prior		502	93,236	502	89,878
Deferred		(7,074)	31,231	(11,557)	31,231
	18.1	455,681	384,053	179,131	262,210

18.1 Through the Finance Act 2023, new slab rates for supertax has been introduced for tax year 2023 (FY 2022) and onwards. As a result, the highest slab rate of 10% instead of 4% will be applicable on tax payers of all sectors having income in excess of Rs. 500 million. The Group has filed a petition in the Islamabad High Court (the "IHC") challenging the amendment made through Finance Act, 2023 and a stay order has been granted against the said amendment.

During the period, a learned single Judge of the IHC vide judgement dated 15 March 2024 has allowed the case in favour of tax department for supertax to the extent of 6% (section 4C of the income tax ordinance, 2001) and advance tax relatable to super tax (section 147 of the income tax ordinance, 2001). Accordingly, an intracourt appeal has been filed by the Holding Company and in response, the IHC held that the stay granted earlier will remain in field.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

		30 June 2 0 2 4	30 June 2 0 2 3
		----- (Rupees in '000) -----	
19. CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		1,313,789	1,116,209
Adjustments for:			
Depreciation		170,492	151,953
Amortisation		22,727	12,123
(Reversal) / charge of allowances for expected credit losses		(2,386)	2,091
Gain on disposal of operating fixed assets - net		(8,191)	3,714
Provision of obsolescence and slow moving stock		2,905	30,774
Mark-up on deposits accounts		(34,994)	(32,320)
Reversal of GIDC		235	(728)
Stock written off during the period		-	(39,098)
Amortisation of government grant		-	(95)
Finance costs		1,475,309	431,673
Workers' Profit Participation Fund		57,775	38,069
Workers' Welfare Fund		21,486	5,567
Central Research Fund		11,672	7,691
		1,717,030	611,414
Operating profit before working capital changes		3,030,819	1,727,623
Working capital changes			
Decrease / (increase) in current assets			
Stores, spares and loose tools		131	(1,038)
Stock-in-trade		(373,516)	(687,348)
Trade debts		(438,602)	5,769
Loans and advances		141,633	(289,098)
Trade deposits, prepayments and other receivables		180,888	96,328
		(489,466)	(875,387)
(Decrease) / increase in current liabilities			
Trade and other payables		(427,322)	6,677,322
		2,114,031	7,529,558
20. CASH AND CASH EQUIVALENTS			
Cash and bank balances	8	219,083	465,053
Lien on bank balance		(78,623)	125,000
Short-term borrowings	12	(2,239,144)	(1,153,149)
		(2,098,684)	(563,096)

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

21. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprises parent companies, group companies, associated companies, staff retirement funds, directors and key management personnel. All transactions with related parties are executed into at agreed terms duly approved by the Board of Directors of the Holding Company. Transactions with related parties, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

Name and country of Incorporation	Basis of relationship	% of shares held by related parties	Nature of transactions	Half Year ended		Quarter ended	
				30 June 2024	30 June 2023	30 June 2024	30 June 2023
				(Un-audited)		(Un-audited)	
------(Rupees in '000)-----							
Parent Company							
Aitkenstuart Pakistan (Private) Limited - Pakistan	Parent Company	55.80%	Expenditure incurred / paid by the Group on behalf of parent	613	1,255	74	1,232
			Expenditure incurred / paid by Parent on behalf of the Group	2,960	-	-	-
			Transaction fee paid on trademarks by Group to parent	94,025	-	-	-
			Dividend paid	432,626	368,501	-	368,501
Associated Company							
OBS Pharma (Private) Limited - Pakistan	Common directorship		Sale of goods	14,543	-	6,410	-
			Expenditure incurred by the Group on behalf of associate	14,058	6,666	11,381	6,666
			Expenditure incurred / paid by the associate on behalf of the Group	2,410	-	5	-
Aspin Pharma (Private) Limited - Pakistan	Common directorship	4.79%	Sale of goods	5,608	19,425	3,314	7,880
			Purchase of goods from associate	28,856	-	28,856	-
			Expenditure incurred / paid by the Group on behalf of associate	4,046	3,336	3,165	532
			Expenditure incurred / paid by associate on behalf of the Group	11,072	16,257	3,593	10,203
			Dividend paid	33,500	26,800	-	26,800
Muller and Phipps Pakistan (Private) Limited - Pakistan	Common directorship	13.54%	Sale of goods	9,768,624	6,182,668	4,543,959	2,825,015
			Settlement of discounts and expenses given/incurred on behalf of the Group	568,574	405,418	254,902	198,204
			Warehouse and logistic charges	16,582	10,741	7,640	6,715
			Dividend paid	94,800	75,840	-	75,840
Staff retirement benefits - AGP Limited staff provident fund			Contribution paid	43,391	35,242	23,733	22,523
Key management personnel			Remuneration and other benefits	297,738	229,185	110,359	84,018
			Dividend paid	10,516	14,011	10,501	14,011
Directors			Board and other meeting fee	3,000	6,750	1,250	5,000
			Dividend paid	12,078	1,261	-	1,261
Others (due to common directorship)							
Muller and Phipps Express Logistics (Private) Limited - Pakistan			Services incurred	8	53	1	15

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2024 (UN-AUDITED)

22. INFORMATION ABOUT OPERATING SEGMENTS

- 22.1** For management purposes, the activities of the Group are organized into one operating segment i.e. manufacture and sale of pharmaceutical products. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure and internal financial reporting systems. The operating interests of the Group are confined to Pakistan in terms of production/generation capacity. Accordingly, the information and figures reported in these condensed interim financial statements are related to the Company's only reportable segment in Pakistan.
- 22.2** Export sales made to Afghanistan represents geographical component of gross turnover of the Company.
- 22.3** The revenue information is based on the location of the customer. The details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall revenue related to manufactured and trading goods is as follows:

	30 June 2024	30 June 2023
	---- (Rupees in '000) ----	
- Muller & Phipps Pakistan (Private) Limited	<u>9,768,624</u>	<u>6,182,668</u>

- 22.4** Non-current assets of the Group are confined within Pakistan and consist of property, plant and equipment, intangibles assets and long-term deposits and receivables.

23. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue on August 27, 2024 by the Board of Directors of the Holding Company.

24. SUBSEQUENT EVENTS

- 24.1** The Board of Directors in its meeting held on August 27, 2024 has proposed an interim cash dividend for the period ended June 30, 2024 of Rs. Nil per share (June 2023: Nil), aggregating to Rs. Nil million (June 2023: Nil).

25. GENERAL

Corresponding figures have also been rearranged and reclassified, whereby necessary, for better presentation. However, there has been no material reclassification to report.



Chief Financial Officer



Chief Executive Officer



Director



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