we value life

AGP-Sec./ 356
March 19, 2025

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

Subject: **TRANSMISSION OF ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024**

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended December 31, 2024, have been transmitted through PUCARS and is also available on Company's website.

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

Yours Sincerely,

Umair Mukhtar
Company Secretary

AGP Limited B-23-C, S.I.T.E., Karachi-75700, Pakistan
Tel: +9221 111 247 247, Fax: +9221 32570678 E-mail: info@agp.com.pk, URL: www.agp.com.pk N.T.N. 4281954-7

AGP

we value life

An OBS Group Company

INNOVATE INTEGRATE ELEVATE

ANNUAL REPORT 2024

INNOVATE, INTEGRATE, ELEVATE

Building on our foundation, we have embraced the philosophy of 'Innovate, Integrate, Elevate'—a journey that drives creativity, fosters collaboration, and leads to transformative success.

Our growth is powered by an unwavering commitment to enhancing healthcare accessibility for our community. This dedication to improving the well-being of those we serve is reflected in our consistent, sustainable growth over the years.

In our annual report, we present a narrative of achievements and forward momentum. From key milestones to impactful initiatives, it highlights the progress we've made and sets the stage for our continued elevation toward even greater accomplishments in the future.

ABOUT THIS REPORT

The Annual Report presents a comprehensive compilation of AGP's business activities for the reporting period of 2024. It provides detailed information regarding organization situation, performance, and outlook of the company. Additionally, this report meticulously outlines all significant events and matters emphasizing the long-term sustainability of the company and its integrated performance along with strategic and operation review by the Board of Directors.

Scope and Boundary

AGP Limited is proud to present its Annual Report for the year 2024. This report focuses on Stakeholder Information, Corporate Governance, Directors' Report and Financial Statements for the year ended December 31, 2024.

There have not been any significant changes to the scope, boundary, and reporting since the last reporting date as of December 31, 2023.

Forward Looking Statement

The report incorporates a comprehensive section titled "Strategic Outlook," providing necessary details of the Company's anticipated future business activities and financial performance. Additionally, the report will provide an update on the Company's previous projects referenced in the Forward Looking Statement of the preceding year, as well as its approach for the future. Furthermore, the report will address any potential challenges foreseen in the upcoming year and outline the Company's plans for managing and mitigating associated risks.

Materiality

Determination of materiality levels, other than those provided under the applicable law and regulations, involves judgment and may differ among organizations. Broadly, matters are considered material if, either individually or in aggregate, they are anticipated to substantially impact the performance and profitability of the Company. These materiality levels undergo periodic review and are duly updated as deemed necessary.

Grant Thornton Anjum Rahman Chartered Accountants

Independent Auditor's Report on the Audit of Financial Statements

Review Report on Compliance with Code of Corporate Governance

World Wildlife Fund for Nature

Green Office Initiatives Audit Diploma

Pakistan Credit Rating Agency

Entity's Credit Rating

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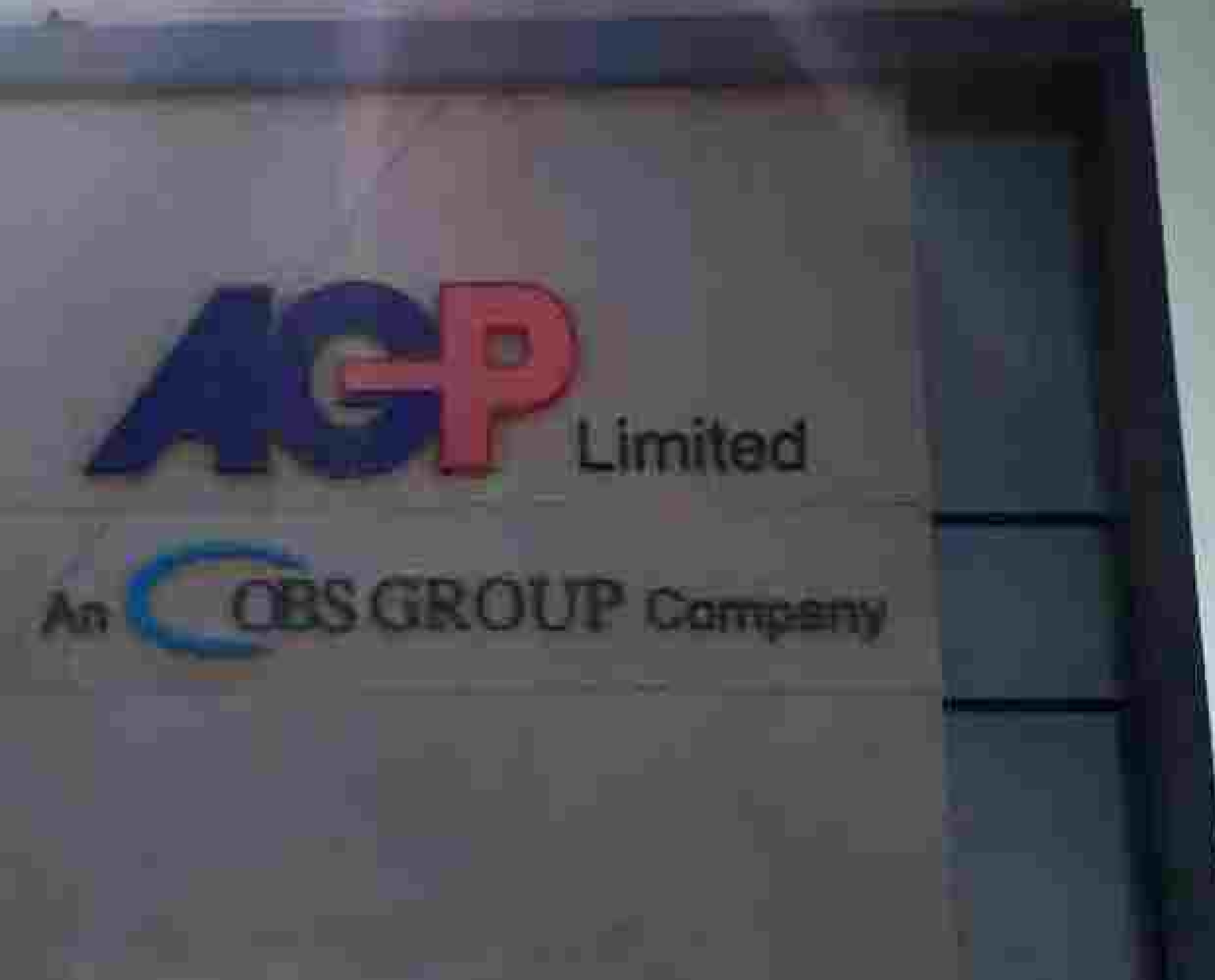
COMPANY OVERVIEW



COMPANY OVERVIEW

General information about the Company and its operations

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

Overview

The following frameworks have been considered in compiling this annual report:

- The accounting and reporting standards as applicable in Pakistan comprise:
  - International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
  - Islamic Financials Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
  - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- Regulations of the Listed Companies Code of Corporate Governance, 2019 and the Rule Book of the Pakistan Stock Exchange (PSX).
- Best practices on Corporate Reporting as promoted by Joint Committee of ICAP and Institute of Cost and Management Accountants of Pakistan (ICMAP).
- Integrated Reporting (IR) framework issued by the International Integrated Reporting Council (IIRC).

Statement of Adherence with International Integrated Reporting Framework

This integrated annual report provides an overview of sustainable value created by AGP over time. It provides insight of the Company's strategy, and its ability to create value in the short, medium and long term, and to its effective use of capitals and its effects. The report also details the nature and quality of the organization's relationships with its key stakeholders and sets out the financial & non-financial performance of the Company and provide insight into the prospects & outlook.

This integrated annual report precisely covers the fundamental concepts of value creation for the organization and for others, the capitals involved and the process through which value is created, preserved, or eroded on page 77 & 78.

In the preparation and presentation of the integrated report, we have endeavored to implement the guiding principles of the integrated reporting framework which comprise of the following:

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationship
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

This integrated annual report precisely covers the following fundamental elements of Integrated Reporting framework:

- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Reporting Period

This Annual Report covers the reporting period from January 1, 2024 to December 31, 2024. The Company perceives corporate reporting as an avenue for engaging with its stakeholders and offering comprehensive insights into the Company's governance, strategy, performance, and future prospects.

OUR SIGNIFICANT EVENTS

February

Board of Directors Meeting
Recommendation of Annual Audited Financial Statement and Final Dividend

March

Annual General Meeting
Approval of Annual Audited Financial Statements and Final Dividend

June

Rigix became PKR 3 billion brand as per IQVIA MAT June 2024

July

Extraordinary General Meeting for Election of Directors

September

Awarded the Prestigious Top Exporter Award at 7th Pharma Export Summit & Awards 2024

October

Maintained long term credit rating of A+ and short-term credit rating of A1
Secured 1st position in ICAP / ICMAP Best Corporate & Sustainability Report Awards 2023 in Pharmaceutical category
Highest ever monthly production of 7.9 Million packs
Highest ever monthly sales of PKR 1,946 million
As per IQVIA MAT October 2024, Osnate-D became PKR 2 billion brand

December

Annual Budget Conference 2024
Awarded GDEIB Awards for 6th Consecutive Year

VISION

AGP' vision is based on quality and professionalism. Our people and resources are dedicated to provide quality products and ethical services to meet the needs of customers in a responsible manner.

There is an emphasis on employee pride, meticulous quality control and optimum resource utilization to achieve and maintain a leadership position in the healthcare industry, to grow through aggressive but ethical marketing, and to maintain synergy in our business. We are also conscious of our social responsibility to improve the quality of life of our customers, our staff and the society we inhabit; and every step taken at AGP is geared towards a better, healthier life for all as we practice our slogan – ***we value life.***

MISSION

Create value for our customers, employees and shareholders, through effective use of available resources, by manufacturing and marketing healthcare products in an ethical manner conforming to international quality standards, whilst leveraging company's brands, market standing and image.

COMPANY INFORMATION

Board of Directors

Mr. Tariq Moinuddin Khan	Chairman
Mr. Zafar Iqbal Sobani	Independent Director
Ms. Maleeha Humayun Bangash	Independent Director
Mr. Kamran Nishat	Non-Executive Director
Mr. Muhammad Kamran Nasir	Chief Executive Officer
Mr. Mahmud Yar Hiraj	Non-Executive Director
Mr. Muhammad Kamran Mirza	Non-Executive Director

Audit Committee

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

Human Resource and Remuneration Committee

Ms. Maleeha Humayun Bangash	Chairperson
Mr. Muhammad Kamran Nasir	Member
Mr. Kamran Nishat	Member
Mr. Mahmud Yar Hiraj	Member
Mr. Muhammad Kamran Mirza	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 Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
Industrial and Commercial Bank of China Ltd.
JS Bank Limited
MCB Limited Limited
MCB Islamic Bank Limited
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 32577695
+92-21 32563598
Fax: +92-21 32564670

Plant-III Address:
F/45, S.I.T.E.,
Super Highway
Phase II, Karachi

CODE OF CONDUCT

BUSINESS PRINCIPLES

- AGP expects its employees to deal fairly and openly with customers, suppliers, service providers, competitors, and other employees.
- AGP's employees must abide by the country's laws and regulations in any form of dealings.

BUSINESS INTEGRITY

- Any kind of bribery, seeking or accepting a personal payment, gift or favor in return for favorable treatment is strictly prohibited.
- Every employee is responsible to forewarn the management of any information in his/her knowledge that can be a potential risk to the company.
- Interaction should be transparent with shareholders, analysts, and other public.

COMPANY'S RESPONSIBILITIES

- AGP provides equal employment opportunities for all.
- At AGP, we promote employment opportunities for "minority classes" and "specially abled individuals" without any discrimination.
- Company ensures prompt actions to recall the product in case they don't meet our high standard.
- We do not support any political parties or provide them any funding.
- AGP works towards ensuring the protection of the confidential information of our present and former business partners and employees.
- AGP ensures to operate with environmentally sound practices, safeguarding the use of resources.

EMPLOYEE RESPONSIBILITIES

- No agreement should be reached with third parties without compliance with principles set by the organization.
- Every employee must protect and use the assets of the Company with diligence and care.
- Employees are not allowed personal activities and financial interests outside Company that is not in the Company's interest.
- Unauthorized alteration of product labels or literature is strictly prohibited.
- Employment with the Company is and should be seen as a full-time occupation and for this reason, other employment or business association shall not be taken up.
- Family connections must be disclosed to the organization.

OUR CORE VALUES

Building Trust, Maintaining Integrity

ETHICS & INTEGRITY

We adhere to ethical standards in all our activities, abiding to local/international regulations and laws.

DEVELOPING OUR PEOPLE

Our employees consistently develop themselves, their teams and enhance organizational capabilities.

CUSTOMER FOCUS

Our actions are directed towards creating sustainable values for our customers and providing them with an unparalleled experience every time they are associated with us.

ENTREPRENEURIAL THINKING

Our actions are focused on delivering intended results and to create new business opportunities.

INNOVATION

We develop and encourage the ability to make sound decisions, challenge status quo, change, innovate & improve.

OUR JOURNEY

1989
AGP (Pvt.) Ltd. starts commercial operations

1991
Enters into a joint venture with Eli Lilly Pakistan for their cephalosporins range

1995
Signs an agreement with UCB Belgium to manufacture & market their products

2003
Purchase Eli Lilly brand rights for Ceclor, Keflex, Kefzol & Nebcin in Pakistan

2007
Purchase UCB brand rights for Rigix in Pakistan

2013
Acquired 30% stake in Eli Lilly

2014
OBS led consortium (through an SPV Appollo Pharma) acquires AGP

2016
Signs an agreement with Mylan for marketing & sales of their products in Pakistan

2018
Enlistment on Pakistan Stock Exchange

2019
Acquisition of Nutraceutical Plant

2021
Acquired 22 pharmaceutical brands from Sandoz Business Division

2023
Acquired 17 brands from Viatris Inc. owned by Pfizer in Pakistan.

OUR PRESENCE

AGP distributes its products locally through Muller & Phipps Pakistan (Pvt.) Ltd. (M&P), which is the largest pharmaceutical distributor in Pakistan. M&P currently has 73 depots, 5 warehouses nationwide with 900+ owned vans and 15 stockists.

In international landscape, we have partnered with a renowned distributor 'Al-Haj Malem Khan Mangal' to distribute our product in 17 major cities of Afghanistan.

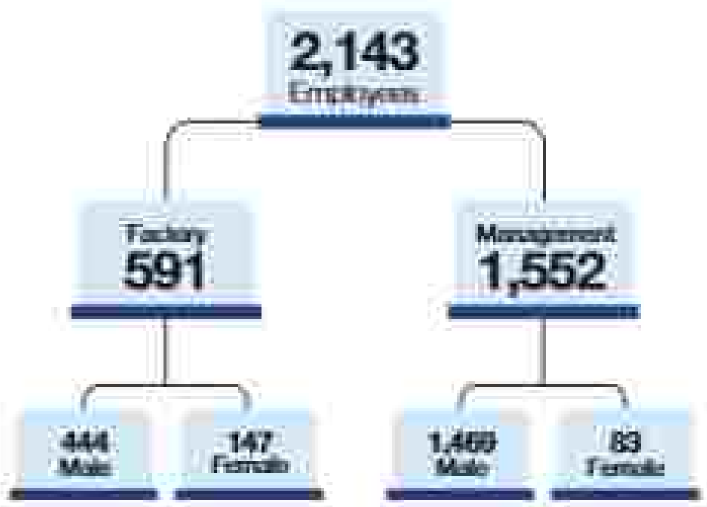
OUR IMPACT TODAY

Principal Activities

AGP is a pharmaceutical Company engaged in manufacturing and marketing their products under licensing arrangements with other esteemed pharmaceutical companies.

Number of Employees

AGP employs a workforce of 2,143 employees, including third party contractual staff, dedicated to supporting its business operations across its three manufacturing plants and head office, regarding the total and average number of employees are provided in Note 41.1 of the financial statements.



Position Within the Value Chain

The comprehensive illustration of value creation business model on pages 77-78 highlights the Company's activities aimed at delivering value to its stakeholders. This is accomplished through the effective utilization of its resources and the execution of core business operations.

Composition of Local & Imported Materials

The Company procures raw material from local and imported sources. The composition of local versus imported materials during the year ended December 31, 2024 as shown below

IMPORTS	67%
LOCAL	33%

Foreign Currency Sensitivity Analysis

Based on the Company's results in 2024, every 1% increase in exchange rate, with all other variables held constant, will impact Profit Before Tax for the year by PKR 39 million.

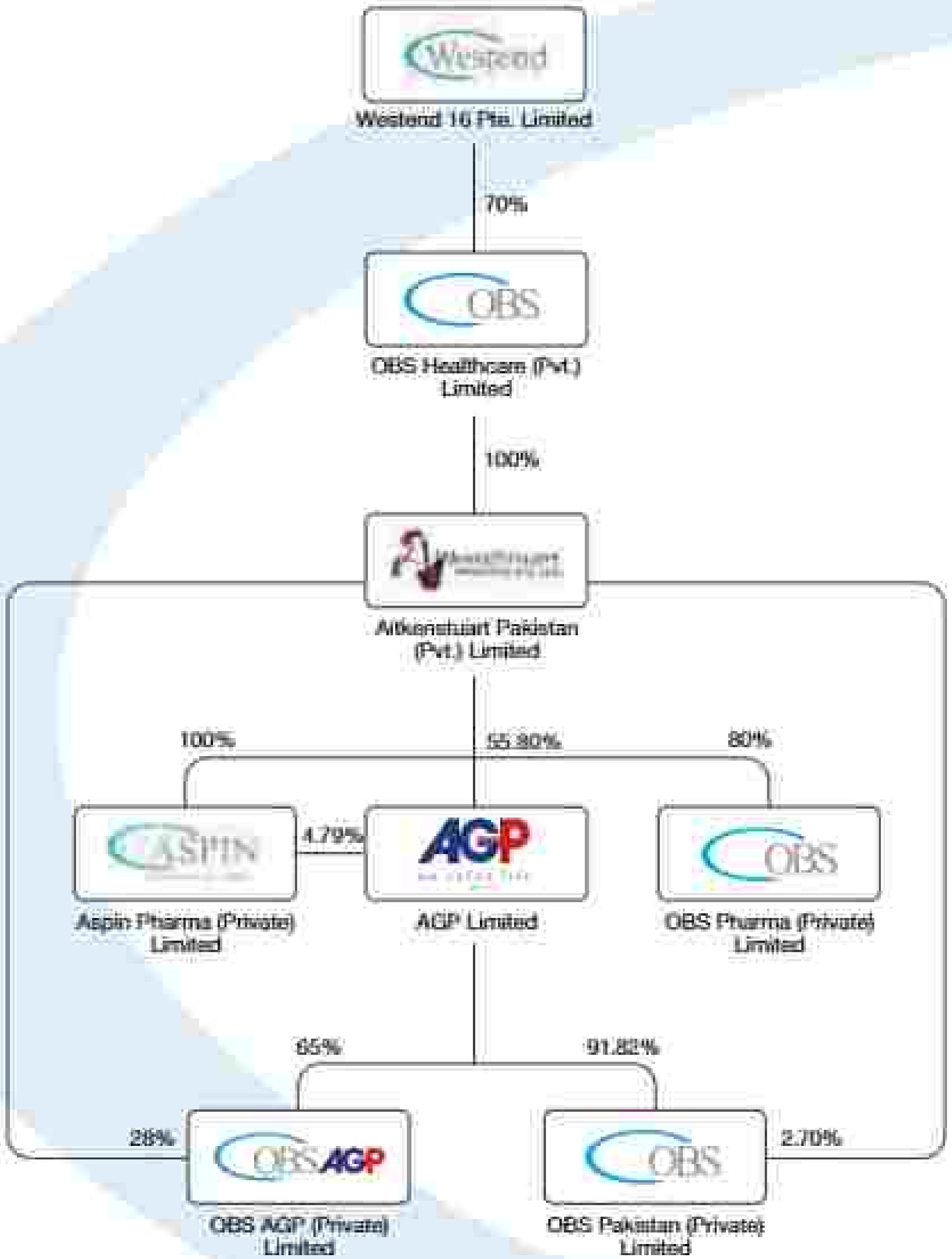
Significant Changes from Prior Years

Significant changes from 2024, have been appropriately disclosed in the relevant section in this report.

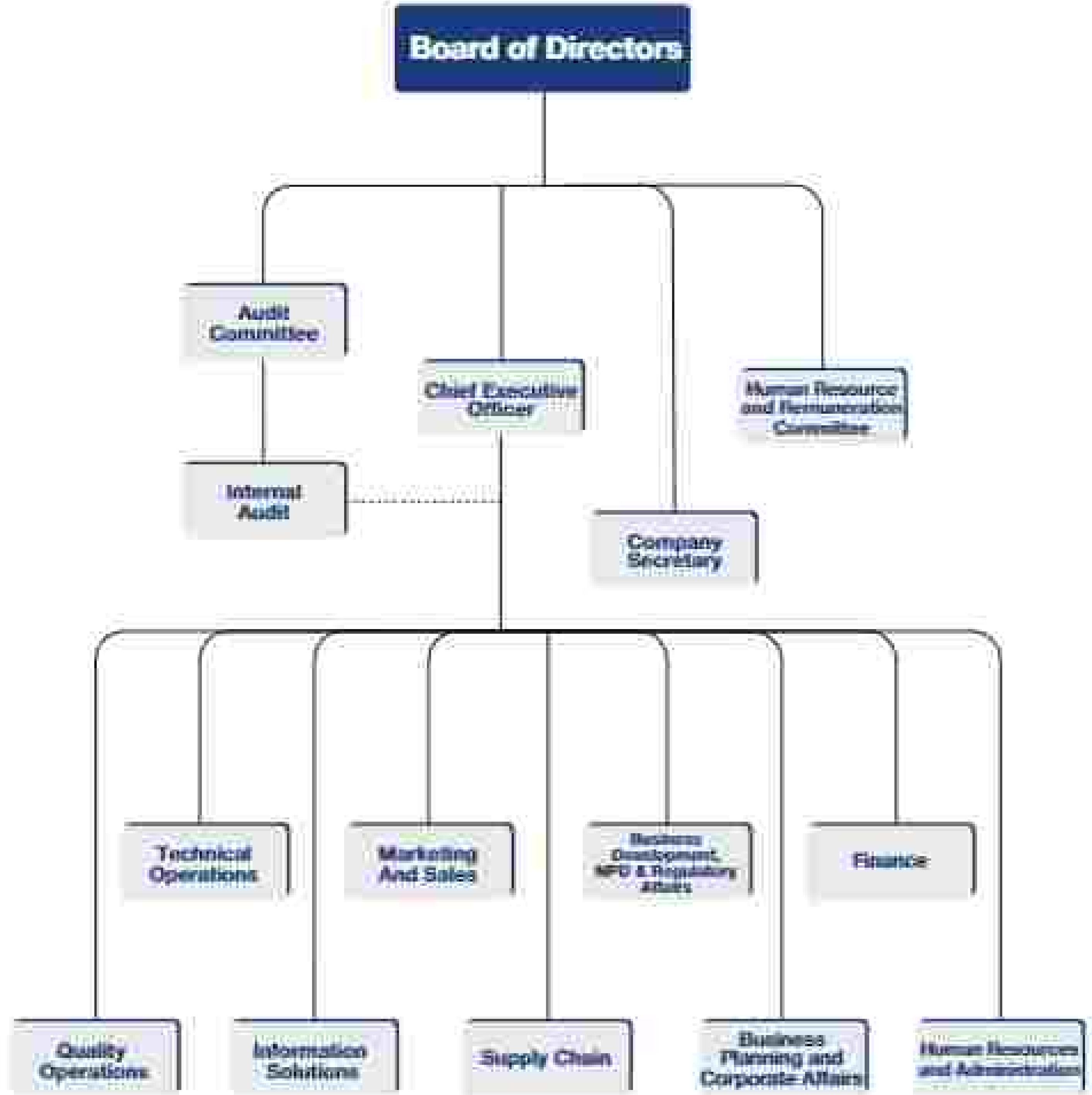
OUR OPERATIONAL PERFORMANCE

Particulars	Plant 1	Plant 2	Plant 3
Address	B-23-C, S.I.T.E., Karachi	D-109, S.I.T.E., Karachi	F/46, S.I.T.E., Super Highway, Phase II, Karachi
Annual Production (PKR in Million)	15,009	2,502	661
Annual Production (No. of packs in Million)	73.7	10.6	2.5
No. of SKUs Manufactured	235	31	25
Major Brands Manufactured (Name of brands)	Rigix, Osnate, Analortan Plus, Chymoral Forte, Azomax, Spasler-P	Ceclor, Keflex	All-D drops, Kosnate-D Plus, Lipomax, Coflf and Coflf Plus
Highest Manufactured Dosage form	Tablet	Drops	Suspension
Highest Manufactured Dosage form (No. of packs)	39.6 million	6.3 million	1.2 million

GROUP STRUCTURE



ORGANIZATION STRUCTURE



OUR LEADERSHIP

Left to Right
- Mr. Saeed Rehman - Director Technical Operations
- Syed Omer Rafiq - Commercial Director Marketing & Sales Division A
- Mr. Umair Mukhtar - Director Business Planning, Corporate Affairs & Company Secretary
- Mr. Muhammad Yasir Hashmi - Director International Business
- Mr. Junaid Aslam - Chief Financial Officer
- Mr. Maaz Ahmed - Director Business Development, NPD & Regulatory Affairs

Left to Right
- Syed Muhammad Imran - Director Quality Operations
- Mr. Muhammad Kamran Nasir - Chief Executive Officer
- Mr. Abdul Sattar - Deputy Director Information Solutions
- Mr. Sajid Qadeer - Director Supply Chain
- Mr. Junaid Jumani - Chief Human Resource Officer
- Syed Shah Hussain Qadri - Head of Internal Audit
- Mr. Tanveer Mustafa Qazi - Commercial Director Marketing & Sales Division B

Political

- Uncertain political system
- Inadequate infrastructure to conduct clinical trials
- International trade agreements can affect the cost of exporting and importing drugs, impacting global supply chains.
- Favorable agreements can enhance market access but can also lead to increased competition from local and foreign companies.
- Geopolitical situations and unprecedented strikes.

Response

- Collaborate with the relevant regulatory bodies and industry stakeholders to improve the interface with government.
- Diversifying suppliers and increase localization to mitigate supply chain disruptions.
- Leveraging healthcare and financial aid initiatives
- Making contributions to the Central Research Fund.

Economic

- Limited foreign reserves create economic uncertainty, impacting profitability and financial planning.
- Global pharma growth continues, but downturns may strain healthcare budgets.
- Economic conditions affect R&D funding and drug development.
- Additional taxes and duties imposed.

Response

- Dollar denominated exports replaced by the Yuan.
- Favorable interest rates to support viable capital intensive projects.
- Price regulation according to DRAP
- Efficiently strategized to carry out efficient tax planning and secure time refunds on time.
- Active pharmaceutical ingredients procured early and prices locked
- Inventory managed at optimal levels to avoid stock out.

Socio-Cultural

- An increasing elderly population worldwide boosts demand for pharmaceuticals, especially chronic disease management.
- Improving the availability of our products through collaboration with e-commerce platforms.
- Increasing awareness regarding prevalent disease conditions.
- Rising health awareness boosts demand for preventive medications and treatments.

Response

- Creating a beneficial influence via focused CSR initiatives.
- Partnering with organizations actively engaged in providing medical assistance to the underprivileged.
- Highlighting the better quality of our products.
- Enhancing health awareness through social media platforms and communication channels.

Economic

- Artificial intelligence, digital transformation, and machine learning are reshaping the pharmaceutical industry.
- Rapid advancements are rendering existing technology obsolete.
- Limited R&D hinders technological progress.
- Cybersecurity risks challenge businesses.

Response

- Upgraded to SAP S/4 HANA for enhanced performance and real-time insights
- Operating M-Rep application to digitize operations.
- Partnering with foreign corporations for technology transfer.
- Continuously investing in tech and infrastructure upgrades.
- Strengthening cybersecurity awareness and risk mitigation.
- Exploring new technologies to optimize production and administration.

Environmental

- Urgent need for renewable energy adoption.
- Untreated wastewater raises environmental risks in pharma.
- Monsoon floods pose challenges.
- Growing pressure on companies for sustainable operations and packaging.

Response

- Achieved WWF Green Office certification through sustainable practices.
- Installed solar panels at three plants to reduce carbon footprint.
- Implementing water conservation measures.
- Disposal of waste to only approved vendors under the Sindh Environmental Protection Act, 2014 (SEPA)
- Adhering to NEQS (National Environmental Quality Standards)

Legal

- Strict DRAP regulations impact compliance.
- Compliance with the Companies Act of 2017, the listed Companies (Code of Corporate Governance) Regulations, 2019, Rule Book of Pakistan Stock Exchange Limited (PSX), and the Securities Act of 2015
- Strict regulations govern drug approval processes, affecting time-to-market and overall market entry strategies.
- Taxes are levied by the Income Tax Ordinance of 2001, the Sales Tax of 1990, the Sindh Sales Tax on Services Act of 2011, and the Customs Act of 1969
- Weak enforcement of intellectual property rights.

Response

- Filing hardship claims for narrow-margin situations.
- Actively collaborating with trade associations on drug policy development.
- Employing experts to ensure regulatory compliance.
- Regulatory and partner-led audits of technical operations.
- Professional audits to uphold legal and regulatory standards.
- Fostering a zero-tolerance culture for non-compliance.

SWOT ANALYSIS

Strengths

- Diversified product range meets diversified consumer needs, reducing market risks and focus on emerging therapeutic class.
- Partnership with distribution experts Muller and Phipps ensures nationwide reach and brand credibility.
- Dispensed strong brand recognition with a well-established reputation and customer loyalty in the market.
- Attract top talent for a culture fostering innovation and creativity.
- Robust processes ensure compliance, product quality, and customer confidence.
- Economies of scale, procurement optimization, and strategic supplier negotiations resulting in reduce costs.
- Streamlined supply chain, reduced lead times, and optimized inventory management achieved through strategic bulk purchasing.
- High credit rating supports investor confidence and business growth.

Weaknesses

- High reliance on limited products and imported raw materials increases strategic vulnerability.
- Limited international footprint results in missed growth opportunities.
- Instable political conditions lead to uncertainty in the market and weak investor trust.
- Operational inefficiencies where processes or systems are outdated or not optimized for productivity.

Opportunities

- Rising population and increasing awareness of healthcare needs create sustained demand.
- Strategic diversification for long-term growth, synergies, and entry into new markets.
- Enter untapped local regions and international markets unlocks access to new customer bases and revenue streams.
- Health and wellness market growth creates collaboration opportunities with tech integration.
- High profit margin on OTC and non-essential products align with health trends.
- Utilize government incentives by taking advantage of grants, tax breaks, or subsidies provided by governments to promote innovation or sustainability.
- Projected rise in per capita pharmaceutical spending signals industry revenue potential.
- Utilize deregulation of prices in non-essentials.
- Leverage evolving consumer preferences for sustainability and digital healthcare experiences.
- Expanded production capacity meets the needs of the Company and Group companies, leveraging economies of scale.

Threats

- Rapid shifts in customer demand may impact market relevance.
- The entry of low-cost generic alternatives intensifies competition, eroding market share and margins
- Geopolitical tensions due to political and economic instability
- Counterfeit medicines pose risks to public health and brand reputation
- Resistance to technological advancements
- Natural disasters, pandemics, or other unforeseen crises can disrupt supply chains, production, and profitability.

COMPETITIVE LANDSCAPE & MARKET POSITIONING

Embarking on a transformative journey over the past three decades, AGP has surged in both growth and market share. Our commitment to producing quality products is fueled by standardized specialized processes, strategic partnerships with global pharmaceutical leaders, and meticulous governance aimed at delivering value to consumers. We've formed strategic partnerships with global pharmaceutical leaders to drive innovation. Our distribution network across Pakistan optimizes the supply chain, involving consumers, chemists, and healthcare professionals. Initiatives for gathering feedback improve our products based on consumer preferences. Utilizing the insights gained from analyzing Porter's five forces, we strategically position the company within the competitive landscape.

THE THREAT OF NEW ENTRANTS 01

The pharmaceutical industry poses a significant challenge to new entrants, with high barriers such as substantial initial investments, stringent facility registration requirements, and rigorous regulatory compliance. Strict oversight on product marketing, production, packaging, and pricing ensures ethical and sustainable practices, further deterring potential competitors.

In Pakistan's pharmaceutical landscape, these formidable entry barriers shape the competitive environment. Since its establishment in 1989, AGP has earned industry acclaim for its diverse therapeutic portfolio and consistent growth. Key to its success are economies of scale, a highly skilled workforce, and robust quality control systems. Competing alongside prominent local and global players, AGP has consistently achieved remarkable financial performance, cementing its position as a market leader.

BARGAINING POWER OF SUPPLIERS 02

AGP demonstrates excellence in supply chain optimization through strategic vendor diversification. This tactical diversity minimizes dependency on any single source, ensuring a consistent flow of raw materials. By cultivating a network that spans various sources, AGP enhances resilience to disruptions and bolsters negotiating power with suppliers.

By securing favorable terms for raw materials like active pharmaceutical ingredients (APIs), AGP effectively manages production costs and maximizes profitability. Recognizing the risks of limited supplier availability, AGP continues to expand its supplier base, foster strategic alliances, and uphold consistent quality standards. This strategy ensures competitive pricing and reliable product availability, reinforcing its market position.

For packaging materials such as glass bottles and cartons, AGP benefits from the readily available supplier pool, minimizing supplier bargaining power and maintaining cost efficiency. This holistic supply chain approach positions AGP as a resilient and adaptive industry leader.

BARGAINING POWER OF BUYERS 03

In the pharmaceutical industry, consumer bargaining power is limited due to prescription-based products, resulting in a lack of consumer knowledge. AGP capitalizes on this dynamic by fostering brand loyalty, consistently delivering high-quality products at competitive prices. Endorsements from Key Opinion Leaders further validate the efficacy, utility, and ethical marketing of AGP's offerings, solidifying its market trust.

While pharmaceutical companies often face pricing pressures from clinics and institutional buyers with bulk purchasing power, AGP benefits from strategic pricing leverage. Large corporations, particularly those with monopolies on specific drugs, can set prices within DRAP regulations, maintaining a competitive edge and profitability in a highly regulated market.

THREAT OF SUBSTITUTES 04

The prescription-based pharmaceutical industry encounters a minimal threat of substitutes due to the scarcity and lower quality of alternative products. AGP's strong market presence is driven by a dedicated sales force, a strategic partnership with Muller and Phipps, and an unwavering commitment to compliance, fostering trust and enduring brand loyalty. To combat the challenges posed by counterfeit products, AGP employs innovative solutions, including unique 2D barcodes and distinctive packaging designs. These efforts are further supported by awareness campaigns that empower customers to identify and choose authentic AGP products, reinforcing our reputation for reliability and quality.

COMPETITIVE RIVALRY 05

The pharmaceutical industry is dominated by key players, making strategic differentiation essential. By strengthening its focus on serving customers, building stakeholder relationships, diversifying product offerings AGP continues to build and expand. The market share of AGP varies with organic and inorganic growth.

EFFECT OF SEASONALITY

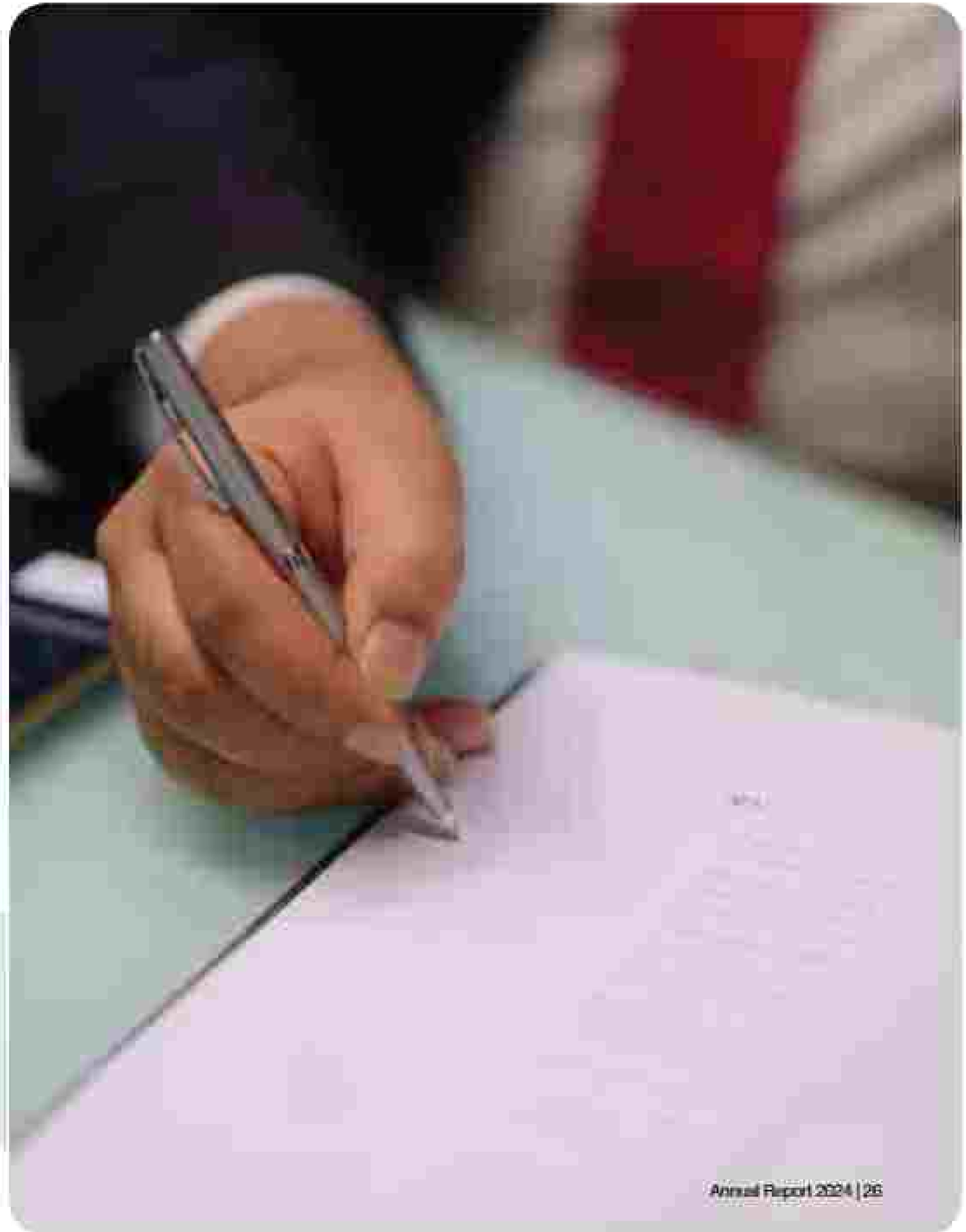
AGP Limited maintains a strong presence across a broad range of therapeutic categories, serving diverse regions nationwide. In addition, our active portfolio extends into Afghanistan, reinforcing our robust market position. While no single seasonal factor significantly affects the overall performance of the Company, certain products—such as Rigix, Ceclor, Keflex, and Anafortan Plus—experience variations in sales volume due to seasonal trends. Specifically, Ceclor and Keflex see increased sales during the first and fourth quarters, while Anafortan Plus experiences a boost in the second and third quarters.

To effectively manage these seasonal fluctuations, we implement strategic resource planning, timely procurement of imported materials, precise inventory management, and optimized production planning. By proactively adjusting our production processes in line with anticipated market demands, we ensure the continuous availability and accessibility of our pharmaceuticals, thereby meeting the dynamic needs of our customers with efficiency.

LEGISLATIVE & REGULATORY ENVIRONMENT OF THE COMPANY

The legislative and regulatory environment in which AGP operates is complex and highly regulated. The Drug Regulatory Authority of Pakistan (DRAP) serves as the primary governing body for the Company, overseeing the regulation of the import, manufacture, and sale of pharmaceutical products within the country. DRAP enforces stringent standards to ensure the quality, safety, and efficacy of medicinal products. Additionally, the government has established comprehensive laws and regulations that govern pharmaceutical pricing, marketing, and distribution, which companies must strictly adhere to.

Intellectual property laws provide further protection by securing patents and trademarks, offering a legal framework to safeguard innovations and brands against infringement. In summary, the legislative and regulatory landscape in Pakistan presents both challenges and security for pharmaceutical companies, ensuring the safety and efficacy of medicines while safeguarding the rights of innovators.



PERFORMANCE OF THE COMPANY

AGP Limited

AGP Limited: In 2024, AGP Limited delivered strong financial growth, with net sales rising 34% to PKR 18,544 million, driven primarily by domestic market expansion and increased exports. Gross profit grew 44% to PKR 8,849 million, while operating profit surged 73% to PKR 4,126Mn, reflecting enhanced efficiency and sales performance. Despite a 44% rise in finance costs mainly due to syndicate financing acquired for equity investment in subsidiaries, , Profit After Tax (PAT) increased 75% to PKR 2,084 million, supported by cost optimizations and operational efficiencies. Earnings Per Share (EPS) also grew 75% to PKR 7.44, reinforcing AGP's strong market position and commitment to innovation.

OBS AGP

In 2024, OBS AGP achieved strong financial growth, with net sales rising 23.7% to PKR 6,237 Mn, driven by market expansion and volumetric growth. Gross profit grew 20% to PKR 3,337 Mn supported by cost efficiencies and a shift to higher-margin products. Operating profit rose 16% to PKR 1,536 Mn, while finance costs declined 22% due to improved debt management. Profit After Tax (PAT) increased by 42% to PKR 726 Mn with Earnings Per Share (EPS) reaching PKR 72.6. Strategic initiatives in innovation, market expansion and cost optimization fueled this strong performance.

OBS PK

In 2024, OBS Pakistan achieved strong growth across key financial metrics, with net sales rising 93.5% to PKR 3,237 Mn, driven by volumetric growth and team expansion. Gross profit grew 114% to PKR 2,363 Mn, supported by cost efficiencies and higher-margin products. Operating profit increased 132% to PKR 1,730 Mn, reflecting improved efficiencies and market expansion. Profit After Tax (PAT) increased by 16% to PKR 267 Mn. OBS Pakistan's strong sales and profitability growth positions it for sustained future success.

Brands Performance and New Launches:

AGP Limited delivered strong growth across key brands in 2024. The Rigix Range surpassed PKR 3 billion, with Rigix Oral Solution crossing PKR 1 billion, reinforcing its leadership in allergy management. Innovative QR code-based dosage instructions were introduced for Rigix syrup, drops, and Protégé to enhance patient protection and experience. The range targets PKR 4 billion in sales by 2025. Osnate-D became a PKR 2 billion brand, and Ceclor reached PKR 1.5 billion.

Talking about OBS AGP, Azomax led the azithromycin market and achieved PKR 4.2 billion in sales, while leading Ketotifen molecule, Zatofen almost reached PKR 700 million. Nocid secured third place in the famotidine market, crossing PKR 100 million. The performance of OBS Pakistan's brands has also been encouraging as Norvasc has been a major player in Amlodipine segment and almost reached PKR 2 billion. Cardura led Doxazosin molecule and crossed PKR 325 million.

In 2024, AGP Limited strengthened its presence across multiple therapeutic areas with strategic new launches. In Neuropsychiatry, AG-CETAM and Ag-Vono were introduced to address cognitive and mental health needs. The Internal Medicine segment expanded with Bilazest 20mg Tablet, catering to a range of patient requirements.

The Company also reinforced its cardiometabolic portfolio with Rozet Ez, aimed at improving cardiovascular health. In the Nutraceutical category, Peridots is gaining grounds and acquiring market share as it enhance overall well-being by relieving indigestion, acidity, and other stomach upset-related issues, while Mychitol Plus and Vitanem Plus targeted Gynecology and Orthopedics, respectively, offering specialized nutritional support.

Company's Strategy on Market Development

AGP Limited's strategic objectives are deeply rooted in its vision of quality, professionalism, and leadership in healthcare, ensuring ethical growth, market expansion, and innovation. The company's mission to create value aligns with its focus on increasing market share, diversifying its portfolio, and strengthening chronic and acute segments such as CMS, CNS, Urology, and Ophthalmology. By adopting a prudent launch philosophy, optimizing sales force efficiency, and leveraging AI-driven marketing, AGP enhances customer engagement, workforce performance, and institutional business growth. A hybrid selling model, reasoned pricing strategy, and controlled spending reinforce profitability and sustainability, while ethical marketing and social responsibility uphold AGP's commitment to a healthier life for all—true to its slogan, "We Value Life."

Revamping of Structure & New Areas to Explore:

In 2024, the organization strategized to undertake significant structural revamps and explore new avenues to address existing gaps and drive growth. One key initiative is the consolidation of marketing teams across the Company and its subsidiaries. This aims to create a strong, cohesive identity that enhances value, loyalty, and sustained success.

The organization aims to address key commercial gaps by launching selected blockbuster brands, introducing New Chemical Entities (NCEs), and enriching the portfolio through line extensions. The acquisition of portfolio from Viatris Inc. has strengthened the chronic therapy segment, with plans to expand into Ophthalmology and Urology by 2025. A dedicated team in the Business Optimization and Market Access (BO&MA) department is focusing on increasing institutional business. To maximize sales effectiveness, a dedicated Commercial Excellence department is being established with highly experienced professionals. This department align sales, marketing, and medical teams to foster a customer-centric approach. The initiative focuses on improving performance, leveraging cross-functional expertise, and utilizing data-driven insights to engage customers more effectively. Strategies include optimizing product placement, repositioning business portfolios, and eliminating duplication in launches to enhance market focus and competitiveness.

The organization is enhancing its medical and pharmacovigilance functions by expanding its team. A new Medical Scientific Liaison department is functional who will engage healthcare professionals through scientific activities, supporting clinical and research needs to build stronger relationships.

To counter local generic competition, the organization is adopting a hybrid model, integrating multinational and local branded generics strategies. By prioritizing product quality as its USP, it aims to differentiate itself and sustain a competitive edge while optimizing structures and exploring growth opportunities.

New Registration:

In 2024, AGP Limited expanded its portfolio with the successful registration of several innovative molecules, reinforcing its commitment to bringing advanced and high-quality treatments to the pharmaceutical market. Among the newly registered molecules, Imeglimin marks AGP's entry into next-generation diabetes management, offering a novel approach to glycemic control. Bilastine, introduced in oral solution forms, enhances AGP's respiratory and allergy treatment portfolio by providing a non-sedating antihistamine for allergic rhinitis and urticaria. The company has also ventured into gastroenterology with Prucalopride, a prokinetic agent designed for chronic constipation management. AGP aims to enhance its orthopedic care portfolio through the introduction of Tofacitinib, a DMARD - Janus Kinase (JAK) Inhibitor used in the treatment of certain types of arthritis (such as psoriatic arthritis, rheumatoid arthritis, ankylosing spondylitis, polyarticular course juvenile idiopathic arthritis-pcJIA). Though the introduction of Acotiamide, a medication primarily used to treat functional dyspepsia, which has symptoms like postprandial fullness, upper abdominal bloating, and early satiation.

These registrations align with AGP's vision of continuous innovation, ensuring access to cutting-edge therapies while strengthening its market position in key therapeutic areas."

OUR TRUSTED PORTFOLIO

Our mission is to enhance the quality of life by providing products that are uniquely tailored to meet our customers' needs, contributing to a healthier future. Our diverse product portfolio reflects our commitment towards affordable, high-quality and trusted medicines.

INTERNAL MEDICINE

Our Internal Medicine portfolio offers a diverse range of treatment options across key therapeutic areas, including Gastrontology, Respiratory, Ophthalmic, and Pain Management. Led by our flagship brand Rigix, the portfolio also features promising brands such as Ceclor, MacuShield, and Chymoral Forte. We further strengthened our offerings with the addition of Vonoprazan, a first-in-class potassium-competitive acid blocker, positioning us as a strong competitor in the ARD market.

This year, we have expanded our portfolio by introducing a range of innovative products. Our latest addition, Bilazest 20Mg Tablet (Bilastine), further strengthened our commitment to delivering high-quality healthcare solutions.

GYNAE

Gynaecology has always been a key strength of AGP, with our products leading their respective therapeutic classes. Our diverse Gynae portfolio comprises rapidly growing and market-leading therapeutic segments, including Osnate-D, the top-selling calcium supplement, and Anafortan, a market leader in pain management. We have further strengthened our portfolio with the addition of Mychitol Plus, reinforcing our commitment to delivering value in the Gynae and Orthopedic segments.

PEDIATRICS

Our focus is to deliver high-quality and high-value products that extend and improve the lives of our upcoming generations. We are helping to treat number of ailments in infants, children, and adolescents through an extended product pipeline in all major therapeutic classes with the promise of a better tomorrow.

Our pediatric portfolio features Ceclor, which has proven to be a highly effective solution against infections, while Rigix Syrup and Drops have established a strong presence in the market by delivering precise and effective treatment.

AGP has now entered the market of probiotics by bringing in novel probiotic product Protégé from one of the largest probiotics manufacturing companies globally, Biogrowing.

CARDIOMETABOLIC

We are committed to reducing the mortality rate of cardiometabolic diseases by offering comprehensive solutions for managing chronic conditions such as diabetes and hypertension. Our expanded portfolio includes Glyzia A, a rapidly growing DPP-IV inhibitor, and Rozet Ez (rosuvastatin calcium and ezetimibe), providing advanced treatment options to support early detection and effective patient management.

ORTHOPEDIC

At AGP, we are committed to addressing musculoskeletal disorders through our expanding orthopedic portfolio, offering specialized treatments for various conditions. With products like Meltex, Sinaxamol Plus and Vita-NEM, we continue to enhance our offerings, striving to provide effective solutions for a healthier future.

NUTRACEUTICAL

Our nutraceutical portfolio offers a carefully curated range of lifestyle products, nutritional supplements, and probiotics that complement a healthy diet and support overall wellness. Each formulation is thoughtfully developed with selected ingredients to enhance the body's natural defenses, helping consumers maintain their health in an ever-evolving world.

The recent addition of Soda Cran, combining cranberry extract with alkalinizing properties for the treatment of pain and urinary incontinence, brings a new dimension to our portfolio. Additionally, Pen Dots, our latest offering, provides fast relief from acidity, bloating, and related digestive concerns.

NEUROPSYCHIATRY

At AGP, we have always prioritized the mental well-being of our consumers, recognizing its equal importance to physical health. Our neuropsychiatry portfolio has strengthened our chronic care segment, delivering remarkable results with products such as Nergab, Esidep, and Afdol.

We have expanded our offerings with the addition of Xiton (Risperidone) and AG-CETAM (Levetiracetam), reinforcing our commitment to addressing neurological health. AGP remains dedicated to providing effective solutions for cognitive and intellectual challenges, aiming to combat mental disorders arising from brain dysfunction and contribute to overall wellness.

MARKETING

At AGP, customer satisfaction drives our success. Our strong brand identity, diverse product range, and extensive network of key opinion leaders have enabled us to connect with patients through healthcare providers across multiple channels. This customer-centric approach has not only strengthened our market position but also fueled our growth in the evolving healthcare landscape.
Through innovative marketing strategies, impactful awareness initiatives, and strategic expansion, AGP continues to achieve significant milestones, such as Rigix Range reaching PKR 3 billion in sales and the successful launch of Blazest, now a rapidly growing market leader. With a focus on patient education, healthcare engagement, and operational excellence, AGP is committed to advancing healthcare accessibility and solidifying its presence in key markets.

Multi-Channel Marketing

A key factor in our success in the healthcare sector is our commitment to creating ethically sound and academically rigorous online and offline marketing campaigns.
In addition, we have implemented a robust information system to keep healthcare professionals informed about the availability, efficacy, safety, and proper usage of our products.
The Rigix Allergy Care Forum campaign effectively engaged over 500 ENT, Medicine, and Paediatrics wards nationwide, raising awareness about allergic diseases. The Rigix range reached a milestone of PKR 3 billion in 2024, setting new standards in allergy management, while Rigix Oral Solution surpassed PKR 1 billion in sales, solidifying its market position. The Explore Ceclor campaign, targeting 48 Paediatric and ENT wards, reached over 1,500 healthcare professionals to address antimicrobial resistance (AMR) through interactive displays. Additionally, the WinQuest digital learning competition engaged 1,000+ HCPs across 30 Gynae and Ortho wards nationwide. To enhance brand visibility, we launched a jungle-themed digital activation campaign for Cofit, featuring animated videos for both healthcare professionals and patients.
We remain committed to unbiased and ethical communication, ensuring that we deliver brand messages to healthcare professionals with integrity. In addition to informing HCPs about our products, we conduct numerous programs, workshops, campaigns, and training sessions to foster responsible and effective marketing activations

Consumer Awareness Program

With a broad range of therapeutic classes, our diverse portfolio has established a strong market presence in Pakistan. Our active participation in various national disease awareness campaigns, delivered through both physical and digital platforms, highlights our commitment to promoting public health and educating the public on disease prevention and treatment. These initiatives, often in collaboration with healthcare professionals (HCPs) and medical societies, reflect our unwavering dedication to improving human well-being.
In line with DRAP Guidelines, AGP has launched an Online Pharmacovigilance (PV) System, allowing users to register complaints about products and report adverse drug reactions (ADRs). This system aims to improve patient care and safety by keeping patients, healthcare providers, and the public informed about the risks and benefits of our products.
For the first time in Pakistan, dosage video links are embedded in QR codes on the packaging of Rigix syrup, Rigix drops, and Protégé, with plans to extend this initiative across all Paediatrics brands. The slogan "Proper dose, quick recovery" emphasizes the goal of improving patient adherence and

treatment outcomes. Additionally, URSO raised awareness about liver diseases by engaging over 200 Gastro/Medicine wards nationwide, achieving a sales milestone of PKR 500 million. The Cinklare HOP HOP Kangaroo quiz session reached 10 cities, engaging wards, general physicians, and pediatricians, with the Cinklare range achieving a significant PKR 100 million milestone, demonstrating strong market growth and trust.

Expanding our Horizon

In 2024, AGP demonstrated its commitment to delivering inclusive, sustainable, and customer-focused healthcare solutions. Our diverse range of healthcare offerings ensures stability for our investors while addressing the growing demands of the business. These efforts have built strong brand equity, particularly for our leading products. AGP remains dedicated to providing innovative healthcare solutions that meet evolving customer needs, adhering to the highest ethical and quality standards.

The launch of the Gastro Hepatology Forum (GHF) engaged over 50 wards and 500 healthcare professionals (HCPs) across Pakistan, with multiple symposiums focusing on emerging treatments for acid-related diseases. The Osnate-D campaign reached 100+ Gynae, Paeds, and Ortho wards, engaging 3,000 HCPs nationwide to highlight the benefits of natural calcium. The Carbs Counting Session, in partnership with the Primary Care Diabetes Association (PCDA), educated over 1,000 HCPs in 10 major cities on managing diabetes through diet. AGP also participated in the 22nd European Congress of Internal Medicine (ECIM) in Istanbul, Turkey, with 21 key opinion leaders (KOLs) from Pakistan. The first International Live Laser Surgery Workshop/Webinar on Coloproctology in Pakistan attracted 140 surgeons. The Enlighten with Dosium workshops focused on Chronic Venous Diseases and Diabetic Microvascular Complications, while Diabetes & Ramadan Workshops, in collaboration with BIDE, engaged 500+ HCPs to address fasting challenges for diabetic patients.

Future Outlook

We are shifting from ad hoc practices to a sustainable, competitive growth model by addressing internal gaps and capitalizing on untapped commercial and operational potential. Our focus is on expanding globally with unique offerings, building long-term international partnerships, and learning from successful industry models. We aim to transition from legacy to new portfolios, aligning with trends and driving innovation through AI and business intelligence. Key priorities include portfolio optimization, cost reduction, and team restructuring, with long-term goals of expanding into new markets, consolidating operations, and entering the consumer sector. AGP's vision is to become a leading regional player, separating manufacturing from marketing. Recent highlights include the launch of Bilazest in the anti-histamine market, global participation in conferences in Poland and Germany, and the achievement of being the 3rd largest pharmaceutical exporter to Afghanistan. Additionally, AGP enhanced efficiency with an automated incentive system, optimized inventory, and GPS tracking for doctor engagement and sales reporting.

TECHNICAL OPERATIONS

Good Manufacturing Practices (cGMP) are fundamental to AGP's commitment to delivering high-quality healthcare products. We continuously invest in advanced manufacturing facilities, enhance our quality systems, prioritize production planning, and offer competitive pricing. Our unwavering focus on sustainability ensures continuous reduction of waste, accidents, or defects, reinforcing our dedication to excellence.

Production

We operate three cutting-edge pharmaceutical production facilities, one for General Pharmaceuticals. One dedicated for Cephalosporin Products & one Nutraceutical plant that adhere to current cGMP standards as per WHO and PIC/S standards. Employees across all three sites are provided access to a unified platform, fostering the exchange of training insights, challenges, and successes. This collaborative approach ensures a continuous cycle of learning, growth, and ultimately, value addition throughout the entire organization.

Plant 1: Our main production plant, Plant-1, is situated in the SITE Area of Karachi. With a production area of more than 2.8 acres, it is equipped to produce a broad variety of dosage forms, such as tablets, capsules, syrups, powder for oral suspensions, sachets, ampoules, liquid parenteral, and semi-solids preparation.

Plant 2: Our Cephalosporin Production Plant occupies 1.25 acres and is located near to Plant-1. The production aligns with cGMP regulations and comprises of renowned brands, such as Ceclor, Keflex, and Cinklare.

Plant 3: Our modern nutraceutical factory is situated on the Karachi Superhighway. It essentially produces tablets, capsules, sachets, Liquid syrup and oral drops. Major brands are including All – D, Cotfit, and Kosnate-D.

In 2024, AGP achieved significant milestones in production. Plant 1 recorded its highest-ever monthly production of 7.92 million packs in October, surpassing the previous year's 6.1 million packs, reflecting improved efficiency.

AGP expanded its in-house manufacturing with the launch of Norvasc 5mg & 10mg, alongside new products like Clozaril 25mg and Bilozest 20mg. Major investments upgraded Plant 1 to meet international standards, adding new granulation, encapsulation areas, HVAC improvements, and developing an oral liquid facility. Capacity was boosted with a new blister machine, increasing output from 112M to 169M blisters annually, while process shifts reduced labor hours and improved efficiency. Process improvements included faster drying systems, optimized coating, and labor-hour reductions, ensuring high quality. Quality enhancements featured self-adhesive shipper labels, metal detectors, and improved sterile filtration. Cost-saving measures, such as the use of Durapore membrane filters, further optimized operations. All the three Plants achieved ISO certifications for quality, environmental, and occupational health standards.

Plant 3 introduced new products like Mychitol Plus Sachet, Vita-NEM Cap, and Ferric Maltol, while staff training programs focused on skill development and data integrity implementation.

Sustainability, Health, and Protection

Ensuring the health and safety of our workforce is a top priority at AGP, contributing to both employee well-being and operational efficiency. Through rigorous awareness initiatives, adherence to best practices, and the implementation of advanced tools, we have proactively identified and mitigated health and safety risks across all levels. Our commitment to workplace safety includes stringent machine safety protocols, fostering a secure and compliant environment. We believe that a healthy workforce is the foundation of our broader mission to enhance

human health.

In pursuit of environmental sustainability, AGP has developed comprehensive policies and practices that align with the World Health Organization (WHO) guidelines. Environmental considerations are embedded in every aspect of our operations to minimize our ecological footprint. Our Effluent Treatment Plant (ETP) ensures compliance with regulatory discharge standards set by the Sindh Environmental Protection Agency (SEPA), effectively managing wastewater pollutants and supporting our commitment to environmental responsibility.

Quality Assurance

AGP made significant strides in quality enhancement by initiating the eQMS project, driving digitalization, ensuring compliance, and reducing the carbon footprint.

The successful submission of the ISO 17025 application and completion of Stage 1 audit highlighted AGP's commitment to elevating laboratory testing standards.

To optimize processes, AGP implemented SAP tools like the Auto Potency project, enhancing automation and efficiency across operations. AGP reaffirmed its compliance commitment through ISO 9001, 14001, and 45001 recertifications, a robust data integrity policy, and continuous process optimizations to ensure high product quality. The installation of advanced equipment, such as capsule filling machines, auto blister machines with cartoners, and HPLCs, strengthened quality control capabilities. Cross-functional collaboration and institutional support ensured seamless regulatory compliance, maintaining zero critical and major non-compliance across operations.

Engineering

The Engineering Department achieved key milestones in FY-2024, focusing on operational efficiency, compliance, and continuous improvement. Efforts were directed towards infrastructure enhancements, process optimization, and sustainability initiatives.

Key developments included maintenance activities, equipment upgrades, and capacity expansions to support operational requirements. Additionally, improvements in utilities and facility systems contributed to enhanced efficiency and reliability.

Facility upgrades involved the expansion of production areas and enhancements in electrical and HVAC systems to meet growing demands. Compliance initiatives were successfully undertaken, ensuring adherence to industry standards and regulatory requirements.

Other improvements included advancements in water processing systems and modernization of quality control processes to enhance operational effectiveness. Efforts were also made to optimize production capabilities and improve workflow efficiency.

These initiatives reflect the department's commitment to continuous progress, regulatory compliance, and sustainable growth, aligning with organizational objectives.

Regulatory Affairs

The Regulatory Affairs department is essential to ensuring compliance with regulations related to drug development, production, and marketing. It manages regulatory applications, coordinates with DRAP and other authorities, and supports

compliance strategies, pricing, and new product development.
As the primary point of contact for regulatory inquiries, the department ensures efficient communication with external bodies and addresses regulatory concerns promptly. It also conducts regulatory intelligence to keep the organization ahead of trends and emerging guidelines, ensuring swift adaptation to new requirements.
In 2024, the department submitted 63 dossiers, including 22 from the Pfizer project, with 13 products gaining DRAP approval. Additionally, it registered 21 products and managed timely renewals, including the drug manufacturing license.

Business Development

The Business Development (BD) department drives AGP Limited's strategic growth by expanding its portfolio with high-quality generic products. The department focuses on ideation, feasibility analysis, sourcing, development, and registration, ensuring compliance with international standards like WHO. Through strong partnerships and global engagements such as CPHI and Arab Health, BD explores in-licensing opportunities and expand into new therapeutic areas.
In 2024, BD successfully launched AGP Blazed and VitaNEM Capsule reinforcing AGP's leadership in the pharmaceutical market. Our commitment remains on building an innovative, future-ready pipeline to enhance healthcare access and AGP's market position.

Research and Development

Our Research and Development department is at the heart of AGP's mission to deliver innovative, high-quality, and affordable healthcare solutions. As a critical function of our operations, the R&D team ensures that each product is meticulously developed and tested to meet both local and international regulatory standards. In 2024, R&D demonstrated exceptional performance by successfully developing 44 pharmaceutical SKUs and 5 nutraceutical SKUs, which were subsequently submitted to DRAP for approval. These products span a variety of therapeutic areas, addressing critical healthcare needs and enriching AGP's diverse product portfolio. The R&D department's commitment to excellence is driven by a strong focus on formulation development, stability testing, and ensuring compliance with stringent quality benchmarks. This dedication not only supports AGP strategic goals of portfolio expansion but also reinforces AGP's reputation as a trusted generic pharmaceutical manufacturer in Pakistan.

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Exploring External Opportunities

AGP Limited's Global Business Development department drives expansion beyond Pakistan, with a focus on affordable healthcare. In 2024, we strengthened our presence in Kenya, Sri Lanka, and Cambodia through key partnerships, ensuring successful product launches and registrations. Afghanistan continues to be a strategic market, with steady growth in sales. This expansion improves healthcare access in emerging markets and diversifies revenue streams, supporting sustainable growth as AGP works towards becoming a globally recognized pharmaceutical company.

SUPPLY CHAIN

In 2024, the Supply Chain Department achieved significant milestones in cost optimization, operational efficiency, and supply chain resilience. Notable accomplishments include substantial cost savings on local and imported material procurements through strategic negotiations, supplier partnerships, and streamlined procurement practices. Consolidating shipments and negotiating freight contracts reduced transportation expenses, while collaboration with local suppliers ensured competitive pricing without compromising quality.

Optimizing Sourcing and Planning

The department also ensured uninterrupted production by achieving 100% material availability throughout the year. Enhanced material planning enabled more accurate planning and timely replenishment of raw materials. Improved communication with suppliers, coupled with real-time inventory tracking in SAP, strengthened the department's ability to meet production needs without delays or disruptions.

In 2024, a key achievement was the successful development of alternative sources for 6 critical raw materials. The team assessed and onboarded reliable suppliers who met quality, compliance, and pricing standards, ensuring a steady supply. This initiative reduced supply risks, strengthened resilience against market volatility, and diversified the company's supplier base in India and China.

In addition to developing alternative sourcing strategies, the department secured forward-looking price agreements with key vendors. Long-term contracts were negotiated to stabilize pricing amidst market fluctuations, shielding the company from cost volatility. By strengthening relationships with critical suppliers, the department cultivated a collaborative approach that delivered significant financial benefits.

Local Sourcing and Packaging Optimization

A key initiative this year was the localization of imported materials, which reduced procurement costs and shortened lead times. By partnering with domestic suppliers, the department enhanced their capabilities to meet global quality standards and scale operations to meet the organization's needs. This localization strategy supported local industries and mitigated risks related to currency fluctuations, geopolitical tensions, and shipping delays.

The department also spearheaded the replacement of some packaging materials with more economical alternatives. These replacements were carefully tested to ensure they met functional and regulatory requirements without compromising product quality or safety. As a result, packaging costs were reduced leading to substantial savings.

In summary, 2024 was a landmark year for the Supply Chain Department. Through its innovative strategies and operational excellence, the team achieved significant cost savings, bolstered supply chain resilience, and supported the organization's long-term growth objectives. These achievements reflect a commitment to driving efficiency, reducing costs, and fostering sustainable practices, all while ensuring uninterrupted operations and high service levels for internal and external stakeholders.

INFORMATION SOLUTIONS

In 2024, the Information Systems (IS) department achieved significant advancements, driving both operational efficiency and strategic improvements. Enhancements in internal processes and external collaborations have played a pivotal role in strengthening the company's overall performance. These developments have not only optimized workflow efficiency but have also elevated the quality of operations, reflecting measurable progress across key organizational functions.

Strengthening SAP Capabilities

AGP Limited signed a Service Level Agreement (SLA) to ensure timely SAP issue resolution, process optimization, and user training. SAP capacity planning and a new income tax module were implemented. Additionally, SAP HCM integration with Decibel for employee data, recruitment, and performance management is in the testing phase.

Process Digitization and Automation

AGP has digitized the manual gate pass system with a web-based application, now in its final user acceptance testing (UAT) phase, set for implementation in Q1 2025, streamlining access control and operational efficiency. Additionally, to enhance patient awareness and compliance, AGP has launched an animated dosage guidance video for Rigix Syrup, accessible via a QR code, ensuring clearer and more effective medication instructions.

Enhancing Cybersecurity and Network Resilience

AGP has enhanced its cybersecurity infrastructure with a Unified Threat Protection (UTP) firewall, ensuring comprehensive inspection of all network traffic to safeguard against cyber threats, viruses, and unauthorized intrusions. Additionally, secure remote access via SSLVPN has been implemented for Quality Control, NOD, Production, and Engineering teams, enabling safe external connectivity to packaging and lab instruments while mitigating risks of intrusion, data leakage, and cyberattacks.

Infrastructure Optimization and Connectivity Enhancement

AGP has upgraded its IT infrastructure with an industrial-grade Environmental Monitoring System (EMS) to optimize Data Center cooling and extend infrastructure lifespan. Network security has been reinforced with a dedicated SSID for secure visitor access, while WAN connectivity now features dual fiber redundancy and increased bandwidth, ensuring seamless access to SAP and critical applications, enhancing efficiency, cybersecurity, and business continuity.

AGP's focus on digitalization, security, and infrastructure resilience drives sustained growth and operational excellence. By integrating advanced solutions, AGP enhances efficiency, data security, and business processes, reinforcing its commitment to innovation and long-term value.

HR MANAGEMENT

At AGP, Human Resources drives strategic growth through innovative people practices and inclusive leadership. Globally recognized by the GDEIB Awards, our excellence spans strategy, leadership, DEI, recruitment, retention, compensation, and work-life integration.

By prioritizing talent development, leadership, and well-being, we foster a culture of innovation and collaboration, positioning AGP as a leader in transformative growth and organizational excellence.

43 New Female Inductees	8 Management Trainee Hired	2,201 Average number of employees	50 Interns Hired
230 Total female Employees	9 Differently Abled Person Inducted	336 Total Skilled Factory Workers	303 No of Trainings Conducted

Inclusive Talent Acquisition

Human Resources integrates DEI metrics into recruitment, ensuring pay equity and grade consistency. Our Internal First hiring policy fosters career growth through structured assessments and succession planning.

The Himmat Wali program supports women's return to work, while our NOWPDP partnership advances disability-inclusive hiring. SEED Internship & Management Trainee Programs nurture future leaders through competency-based development and mentorship.

With quarterly recruitment audits, diversity analytics, and flexible work policies, AGP enhances talent mobility, reinforcing its status as an employer of choice with a skilled, diverse, and engaged workforce.

Talent Management: Unlocking Potential, Elevating Success

AGP's Talent Management strategy drives excellence through structured development frameworks and performance optimization. Our Performance-Potential assessment identifies and nurtures high-potential talent, ensuring continuous growth.

The performance management system integrates KPI-driven assessments, structured feedback, and achievement recognition. AGP's Learning Academy offers blended learning, mentorship, and leadership acceleration programs to support career progression.

Succession planning includes leadership competency mapping, critical role identification, and successor readiness tracking. The "Learn & Lead" initiative fosters growth through innovation challenges and action learning projects, with analytics tracking promotions and skill acquisition.

Committed to inclusive talent development, AGP builds a diverse leadership pipeline and equitable growth opportunities for all.

Learning: The Core of our Success

The Learning & Development (L&D) function drives capability building through targeted upskilling. In 2024, we conducted 568 training sessions for 6,005 participants, totalling 34,588 learning hours.

Our blended learning framework combines instructor-led workshops, digital modules, and experiential training, supported by a state-of-the-art

LMS for personalized learning and real-time skill assessments. A data-driven Learning Needs Analysis (LNA) informs role-specific tracks, including technical certifications, leadership development, and functional excellence.

The Learning Lab fosters peer learning through knowledge-sharing, action learning, and innovation challenges. We promote inclusive learning with gender sensitization, disability awareness, sign language courses, financial literacy for women, and sustainability training under the Green Office Program.

Key metrics track program effectiveness and skill application, ensuring continuous workforce development. At AGP, DEI principles are embedded in our learning culture, providing equal growth opportunities for all.

Employee Experience: Engagement and Inclusion

AGP fosters a culture of engagement, innovation, and well-being through award-winning work-life integration and comprehensive benefits. Our engagement strategy includes town halls, collaboration platforms, and recognition programs, backed by pulse surveys and sentiment analysis for continuous improvement.

We prioritize employee well-being with health programs, mental wellness support, and flexible work options. The "AGP Cares" initiative drives community and social impact efforts.

With data-driven insights and employee feedback, AGP creates a thriving, inclusive workplace that attracts, engages, and retains top talent.

Championing Diversity: Uniting for Success.

In 2024, AGP was recognized among the Top 20 Inclusive Companies of the Year and won in 9 categories at the GDEIB Awards 2025. This global recognition, judged by DEI experts from the UK, USA, South Africa, Canada, and Pakistan, underscores AGP's commitment to an inclusive and progressive workplace.

The awards acknowledge AGP's achievements in Vision, Strategy, and Business Impact, Leadership and Accountability, DEI Structure and Implementation, Recruitment, Advancement and Retention, Job Design and Compensation, Work-Life Integration and Flexibility, Community and Philanthropy, and Services and Product Development. AGP excelled in 5 Best Practices and 4 Progressive Categories, demonstrating its leadership in integrating DEI into every aspect of its operations.

Through transformative initiatives like OPENLANE, Connect with Leadership and SEEKHO AUR SIKHAO, AGP fosters open dialogue, mentorship, and knowledge-sharing. Inclusive infrastructure, including wheelchair ramps, prayer rooms, and gender-specific restrooms, ensures accessibility for all. Women's empowerment is a key priority, with initiatives like PARWAAN for career growth, Saatex for free hygiene products, and Oraan for financial wellness. Awareness programs addressing biases, health challenges, and team-building further strengthen AGP's inclusive culture.

Health and well-being remain central, with EHS committees, ergonomic training, and mental wellness programs ensuring a safe workplace. Guided by its promise, "We Value Life," AGP continues embedding inclusion, innovation, and sustainability at every level.

FINANCE

The Finance Department is a vital partner in advancing the organization's mission to innovate, grow, and deliver exceptional value. In a rapidly evolving industry environment—where regulations, market conditions, and technology constantly shift—the Finance team stays at the forefront by providing strategic insights, ensuring financial stability, and managing complex financial landscapes. Through close collaboration with other departments, the Finance function empowers the organization to navigate challenges and capitalize on opportunities for sustainable success.

STRATEGIC PLANNING AND COORDINATION

The Finance Department provides critical support in shaping the organization's long-term strategies by coordinating with stakeholders, reviewing pricing policies, and integrating market dynamics into financial models. Through multi-year planning, it conducts deep dives across all functions to identify gaps, finalize action plans, and align evolving product launches with broader objectives. This forward-looking approach ensures financial frameworks remain agile and responsive to both internal processes and market conditions, driving sustainable growth.

FINANCIAL PLANNING AND ANALYSIS

The Finance Department leads organization-wide Financial Planning and Analysis (FP&A) activities. Its budgeting and forecasting processes enable proactive management of revenues, costs, and profitability. The team collaborates with commercial and operational groups to break down sales and operating profit margins at the product or service level, ensuring that plans reflect realistic market conditions and the organization's strategic objectives.

Through this collaborative FP&A effort, Finance aligns short-term targets with the broader corporate strategy. Regular reviews and revisions to forecasts enable the department to make timely recommendations on potential growth opportunities, cost-efficiency measures, and resource reallocation.

RISK MANAGEMENT

A robust, board-approved framework guides the Finance Department in identifying, evaluating, and mitigating risks, whether arising from market fluctuations, regulatory changes, or operational challenges. By collaborating with other departments, Finance implements strategies that minimize financial exposure and protect organizational assets. This holistic, forward-looking approach ensures the department remains agile and resilient in a dynamic market environment.

FINANCIAL AND CAPITAL MANAGEMENT

From overseeing routine bookkeeping to informing strategic decision-making, the Finance Department ensures disciplined resource allocation while shaping the organization's financial outlook through precise budgeting, forecasting, and project evaluations. Effective cash flow oversight remains essential for uninterrupted operations, with the team collaborating closely with banks and other financial partners to arrange lines of credit and secure favorable lease or loan facilities. By coordinating with external advisors, the Finance Department supports both ongoing

FINANCE

operations and strategic expansions, maintaining a balanced approach to financial stability and growth.

TAX COMPLIANCE AND REGULATORY MANAGEMENT

Ensuring compliance with applicable tax laws is an ongoing priority for the Finance Department, as it plays a crucial role in maintaining the organization's financial integrity and minimizing potential risks. The team is responsible for not only adhering to existing tax regulations but also staying ahead of evolving legislative requirements. This involves continuously monitoring updates in tax laws and ensuring their seamless integration into financial systems and processes. By closely coordinating with both internal departments and external tax advisors, Finance proactively identifies potential tax benefits, deductions, or savings opportunities. These measures are then strategically incorporated into overall financial planning, enhancing efficiency and ensuring that the organization remains compliant while optimizing its financial position.

DIGITAL TRANSFORMATION

Embracing digital innovation, the Finance Department reduces manual workloads through process automation and enhances decision-making with advanced analytics and AI-driven insights. By leveraging modern ERP platforms (such as SAP HANA) and tools like Power Query and Python, the department automates redundant tasks while integrating these processes seamlessly within SAP. This approach not only streamlines data management and fosters real-time collaboration but also positions the department at the leading edge of financial operations and governance.

COLLABORATION AND TEAM LEADERSHIP

The Finance Department fosters a collaborative culture by engaging with consultants, operational leaders, and external partners. It supervises cross-departmental initiatives on systems improvements, supply chain coordination, and investment initiatives. By investing in continuous training and development, the department ensures that its team is equipped with the expertise and tools needed to meet evolving business demands.

BUSINESS PLANNING & CORPORATE AFFAIRS

The Business Planning and Corporate Affairs (BP & CA) department serves as a cornerstone in driving organizational excellence. It is responsible for overseeing corporate governance, encompassing boardroom management, shareholder relations, statutory compliance, collaboration with business partners, and engagement with regulatory authorities. Acting as a strategic liaison between the Board and management, the department ensures the seamless implementation of Board directives while delivering accurate and timely information to facilitate informed decision-making at all levels.

Governance

The BP & CA department provides essential guidance and support on corporate governance matters, enabling directors and executives to focus on achieving organizational objectives in accordance within their mandates. By adopting market-leading governance practices, the department aligns with stakeholder expectations while upholding the highest ethical standards.

The department ensures compliance with key legal and regulatory requirements, including the Securities Act of 2017, Companies Act of 2017, the Code of Corporate Governance (CoCG), and PSX regulations. As a cornerstone of the company's governance framework, the department ensures that operations are aligned with the Board's strategic vision and adhere to applicable laws and best practices.
In addition, the department supports the Board in fulfilling its compliance responsibilities by offering practical solutions to legal, business, and commercial challenges. BP & CA prepares comprehensive study materials containing relevant data for quarterly, annual, and special Board meetings, enabling informed and effective decision-making.

Special Projects

The BP & CA department spearheads a range of specialized projects, including expansion initiatives, and strategic partnerships, all of which contribute to the company's long-term growth.

Key responsibilities of the BP & CA department include conducting in-depth financial, operational, and legal due diligence in coordination with external advisors, auditors, and legal counsel. Additionally, the department plays a pivotal role in developing comprehensive business plans by partnering with cross-functional departments. These plans provide strategic roadmaps for post-acquisition integration, optimizing operational efficiency and market penetration.

Corporate Affairs

The department also plays a critical role in managing Corporate Social Responsibility (CSR) initiatives. This involves identifying, evaluating, and investing in projects that align with the company's sustainability and social responsibility commitments. By selecting initiatives that benefit communities and enhance the company's reputation as a responsible corporate entity, the department ensures meaningful social impact.

BP & CA manages the company's digital presence, ensuring compliance with regulatory standards across a modernized website and active social media channels. The department oversees content accuracy, regular updates, and a structured posting schedule, enhancing user experience, online visibility, and stakeholder engagement.

OBS AGP KEY HIGHLIGHTS

In 2024, OBS AGP delivered an impressive performance, achieving a remarkable 23.73% increase in revenue along with significantly improved profit margins. This outstanding growth reflects the Company's unwavering dedication to creating value for its shareholders. By successfully expanding into new markets and increasing its market share, OBS AGP has demonstrated its strategic foresight and operational excellence. The strengthening of existing teams and the implementation of well-planned strategic initiatives played a pivotal role in driving this success, showcasing the Company's commitment to continuous improvement and innovation.

OBS AGP's financial resilience was evident as it achieved an 11.6% net margin, up from 10.1% in the previous year. This improvement underscores the Company's ability to navigate economic uncertainties effectively and maintain robust financial health. The enhanced net margin is a testament to the Company's efficient cost management, strategic pricing, and focus on high-margin products. It also highlights the effectiveness of OBS AGP's risk management strategies and its ability to adapt to changing market conditions.

Looking ahead, OBS AGP remains focused on sustaining its impressive growth trajectory. The Company is prioritizing high-growth products and strategic initiatives that are expected to drive future success. By expanding its presence across Pakistan, OBS AGP aims to tap into new customer segments and increase its market penetration. The Company is committed to reaching new levels of success by leveraging its strong brand reputation, innovative product offerings, and dedicated workforce.

In conclusion, OBS AGP's impressive performance in 2024 is a clear indication of its strong foundation and strategic vision. The Company's commitment to creating shareholder value, coupled with its focus on innovation and market expansion, positions it well for continued success in the years to come. OBS AGP remains dedicated to achieving sustainable growth and solidifying its position as a leading player in the pharmaceutical industry.

OBS PAKISTAN KEY HIGHLIGHTS

The Company swiftly prioritized seamless integration and a smooth business transition following the acquisition. This strategic move significantly enriched OBS Pakistan's portfolio, introducing a diverse range of brands across various therapeutic areas, including anti-depressants and anti-hypertensive drugs. The acquisition not only broadened the Company's product offerings but also enhanced its market presence, allowing it to cater to a wider array of medical needs.

In a remarkably short span, the Company achieved outstanding success, generating impressive sales of PKR 3.2 billion. This achievement is a testament to the Company's effective integration strategy and its ability to capitalize on new opportunities swiftly. The robust sales performance underscores the strength of the acquired brands and the Company's adeptness at navigating the complexities of the pharmaceutical market.

As OBS Pakistan moves into the new year, it is well-positioned for even greater achievements. The Company is focusing on expanding into new territories to drive sales growth and increase its market share. This strategic expansion is aimed at tapping into previously untapped markets, thereby broadening the Company's reach and enhancing its competitive edge.

Additionally, the successful launch of Norvasc-V has further strengthened the Company's market position. This new product launch not only adds to the Company's revenue but also demonstrates its commitment to innovation and meeting the evolving needs of patients.

AGP, the Parent Company, has ambitious plans to integrate and initiate in-house manufacturing for most of the acquired brands. This initiative is aimed at enhancing economies of scale, achieving operational synergies, and improving logistics efficiencies. By bringing manufacturing in-house, AGP aims to streamline operations, reduce costs, and maximize shareholder value. This strategic move is expected to bolster the Company's production capabilities and ensure a steady supply of high-quality products.

OBS Pakistan remains steadfast in its commitment to strengthening its existing brands, expanding into untapped markets, introducing new products and reinforcing its workforce. These strategic initiatives are designed to drive sustainable growth and solidify the Company's position as a key player in the pharmaceutical industry. The Company's dedication to innovation, quality and customer satisfaction continues to be the driving force behind its success and its vision for the future.

Dear Shareholders,

I am pleased to present the financial performance of OBS AGP and OBS Pakistan for the fiscal year 2024. Together, these entities contributed PKR 9.5 billion to AGP's consolidated revenue, reflecting our strategic focus on market expansion and strengthening our presence across the country to capture a greater market share. During the year, OBS AGP and OBS Pakistan achieved combined net earnings of PKR 994 million.

At OBS AGP, our commitment to portfolio diversification remains strong, with strategic initiatives continuing to drive growth and enhance our market position. Meanwhile, OBS Pakistan achieved remarkable success, generating PKR 3.2 billion in sales. Looking ahead, it is well-positioned for further growth, focusing on expansion into new territories and exploring export opportunities. Both entities remain dedicated to maximizing shareholder value through sales growth and improved profit margins. I would like to extend my sincere appreciation to our teams and stakeholders for their continued support. Together, we will continue to drive growth and innovation in the pharmaceutical industry.

Thank you for your trust and confidence in OBS Group.

Muhammad Kamran Mirza
Chief Executive Officer
OBS AGP (Pvt.) Ltd.
OBS Pakistan (Pvt.) Ltd.

OUR PEOPLE OUR PRIDE

AWARDS AND CERTIFICATIONS

ICAP / ICMAP Best Corporate Report Award

AGP has secured 1st place in the Pharmaceutical Category at the Best Corporate & Sustainability Reports (BCSR) Awards 2023, organized by ICAP and ICMAP and for the first time, the Company also earned a top spot across all sectors, achieving 4th position overall in the BCSR Awards 2023.

Global Diversity, Equity & Inclusion Benchmarks Award

AGP was recognized among the Top 20 Inclusive Companies of the Year and won in 9 categories at the GDEIB Awards 2025 for the 6th consecutive year. This accolade showcased AGP's commitment to Diversity, Equity and Inclusion (DEI) as the foundational pillars.

Top Exporter Award

AGP was honored as one of the 'Top Exporters' at the 7th Pharma Export Summit & Awards 2024.

ISO Certifications

ISO 9001:2015
Implementing and maintaining a companywide robust Quality Management System

ISO 14001:2015
Implementation of sustainable Environmental Management System

ISO 45001:2018
Occupational Health and Safety Management System

cGMP Certification

AGP's Plant I, Plant II and Plant III are certified to comply with Current Good Manufacturing Practices (cGMP) as per the Drugs Act,1976 and the related Rules.

Shariah Compliance Certificate

The Company received the "Certificate of Shariah Compliance with KSE Meezan Index (KMI) Shariah Compliance Criteria" after the Shariah Compliance Review, conducted by Meezan Bank limited.

WWF Green Office Certificate

AGP achieved the Green Office Certification of World Wide Fund for Nature (WWF) for the 3rd consecutive year, displaying our commitment to environmental conservation and implementation of sustainable practices at our head office, focusing on energy efficiency, water and paper conservation and waste reduction.

SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

AGP is committed to its core values of enhancing lives through a comprehensive sustainability framework. We actively engage with reputable stakeholders and established communities to generate shared value across social, environmental, and economic dimensions. Our primary objective is to integrate sustainability into our daily operations by advancing social well-being, implementing environmentally responsible practices, and cultivating a positive organizational culture. We are dedicated to ensuring a safe and healthy work environment, reducing our environmental impact, and contributing meaningfully to societal well-being. Through various initiatives, AGP continues to demonstrate its unwavering commitment to sustainable development and corporate responsibility.

Empowered Together, Promising Tomorrow

With steadfast commitment and unwavering dedication, AGP has successfully initiated and executed numerous impactful programs throughout the year. These initiatives are strategically designed to enhance the social and economic well-being of our community. Highlighted below are some of our key programs.

This October, AGP conducted Breast Cancer Awareness sessions and medical screening initiative, including ultrasounds and mammography, to promote early detection and preventive healthcare.

AGP established the Green Store to offer employees groceries at subsidized rates, alongside a dedicated rashan (groceries) distribution drive specifically for female employees.

We partnered with The Indus Hospital to organize a blood donation drive, aiming to raise awareness and mobilize the community in support of their cause.

AGP Limited supports employees and their families through initiatives such as mental health workshops for female employees' mothers, reflecting our inclusive approach to well-being.

AGP Limited donated to Empowering Communities for Change (ECC), supporting its mission to provide essential assistance and relief to Pakistan's most marginalized individuals, reinforcing AGP's commitment to social responsibility. AGP Limited is committed to fostering female empowerment and enablement through a range of impactful initiatives. In collaboration with Santex, the company provides free female hygiene products to all female employees, ensuring their well-being and comfort in the workplace. To promote health awareness, AGP conducted an informative session on Polycystic Ovary Syndrome (PCOS), highlighting the importance of early diagnosis and supportive care. Additionally, in observance of World Diabetes Day, medical screenings were organized to encourage proactive health management. The company also prioritizes workplace safety and well-being through ergonomics training, equipping employees with best practices to maintain a healthy work environment.

Furthermore, comprehensive training programs, including Advanced First Aid CPR, Firefighting, and Environment, Health & Safety (EHS) training, were conducted to enhance employees' preparedness and response to emergencies. Additionally, AGP donated for ration packs and Iftaar boxes during Ramadan, giving back to society and assisting the needy.

AGP on a Mission: "Educate, Elevate, Empower!"

AGP Limited is committed to driving societal progress through education and development. By partnering with reputable non-profit organizations, we empower children by providing access to quality education that nurtures their moral, spiritual, and intellectual growth. The company takes great pride in these collaborative initiatives and remains dedicated to supporting the educational advancement of underprivileged students.

AGP Limited continues its partnership with The Citizens Foundation (TCF) to support their mission of providing quality education, facilitating the education of 200 students in Jacobabad.

AGP Limited has partnered with DVAGO to establish Learning and Excellence Centers for pharmacists, aimed at enhancing their skills and knowledge to meet industry standards.

AGP Limited sponsors undergraduate education at IBA, providing financial assistance to deserving students to support their academic and career growth.

Preserving Nature First

AGP Limited is committed to environmental preservation and proudly collaborates with the World Wide Fund for Nature (WWF), a leading authority in sustainability. We have successfully achieved the Green Office Certification for the fourth consecutive year, reflecting our unwavering dedication to environmental stewardship. At our headquarters, we implement a comprehensive Environmental Management Plan (EMP) focused on reducing carbon emissions and minimizing our ecological footprint. This initiative has delivered significant benefits, including cost savings, waste reduction, enhanced procurement practices, and the cultivation of an environmentally conscious workforce.

AGP Limited's manufacturing facilities strictly comply with National Environmental Quality Standards (NEQs), reflecting the company's commitment to environmental preservation. In pursuit of sustainability and long-term growth, AGP also focuses on reducing energy and resource consumption through the following initiatives:

- Solar power systems at all three manufacturing plants provide ~13% of our energy needs, reducing our carbon footprint.
- A Sindh Environment Protection Agency-compliant effluent water treatment plant provides for proper water disposal.
- The Company also disseminates eco-tips, in addition to holding regular training sessions to raise environmental awareness amongst the employees.

AGP Limited celebrated World Earth Daywitha series of engaging initiatives aimed at promoting environmental sustainability among its employees. The company hosted a fun Bingo activity designed to assess employees' involvement in green initiatives, recognizing three employees for their outstanding contributions. In addition, AGP organized a Beach Cleaning Drive and a Mangrove Plantation Drive, further encouraging environmental awareness and action. These efforts reflect AGP's commitment to fostering sustainability and raising awareness on the importance of preserving our planet.

Consumer Protection and Safety

AGP is deeply committed to consumer protection and safety, recognizing its critical importance within the pharmaceutical industry. In alignment with this dedication, the Company has implemented rigorous measures to ensure product safety and prevent counterfeit purchases. These initiatives include the incorporation of unique design elements into the packaging of key brands, as well as the introduction of 2D barcodes on all AGP-produced products.

Promoting Health and Safety in Work

At AGP, we prioritize the well-being of our employees, maintaining an unwavering commitment to creating a safe and supportive work environment. As part of our ongoing efforts to promote employee health, motivation, and engagement, we have cultivated a strong culture of wellness within the organization.
Our state-of-the-art gym facility encourages physical and mental well-being, motivating our employees to take charge of their health. This initiative not only contributes to overall well-being but also enhances team morale by fostering opportunities for social interaction and relationship-building among colleagues.
Safety is a core value at AGP. To uphold this, we implement critical measures, including regular factory machine maintenance and comprehensive training sessions, to raise health and safety awareness, minimize risks, and prevent accidents. Additionally, we conduct regular emergency response drills and fire risk assessments, ensuring our employees are well-prepared for unforeseen accidents and natural disasters. In line with our commitment to safety, we provide essential safety gear, including helmets and jackets, for our field force across Pakistan.

Encouraging Gender Diversity & Inclusion

At AGP, we are deeply committed to fostering a culture of diversity, equity, and inclusion (DEI), reflecting our dedication to creating an environment where all employees thrive, regardless of gender, background, or personal challenges.

We actively organize female bicycle events to promote diversity and empower women, while encouraging community engagement. Through these initiatives, we continue to demonstrate our unwavering support for gender equity.

AGP's leadership promotes DEI through gender sensitization training, fostering an inclusive workplace where everyone feels respected and valued.
Additionally, AGP integrates Sign Language Sensitization training for all incoming SEED (Step Up for Excellence & Experiential Development) Diversity Interns before onboarding, providing an accessible and welcoming environment for all.
As part of our broader initiative to empower young talent, AGP organizes "Career Spark – Road to a Sparkling Career," offering career counseling clinics, CV review stations, and one-on-one coaching opportunities to students from diverse backgrounds. This program provides equal access to career opportunities, helping to bridge the gap and promote fairness in the professional world.

AGP fosters growth through diversity training, fair hiring, and ethical practices while promoting human rights, sustainability, and social responsibility.
Recognizing the needs of working parents, AGP provides an on-site daycare facility, particularly beneficial for female employees. This resource allows parents to balance their professional responsibilities with the peace of mind that their children are receiving high-quality care in a safe and nurturing environment.

AGP empowers youth through inclusive recruitment, fostering a diverse workforce that drives innovation and positive change while prioritizing DEI.


Independence Day


Beach Cleaning Drive


Women's Day 2024


First Aid 2024


Lady Riders Circle


Diwali


Ergonomics


Eco Bingo


Pinktober 2024


SEED (Inclusive Internship Program)


World Diabetic day 2024


Mangroves


Annual Picnic


Blood Donation NIBD


Career Orientation Summit


Christmas

TOWARDS A SUSTAINABLE FUTURE

AGP is committed to fostering social development by supporting initiatives that enhance societal well-being and education. Our efforts include financial contributions to Aga Khan University Hospital, and strategic partnerships with the Baluchistan Health Department. Additionally, we provide educational support to institutions and essential medicines to underserved communities. AGP aligns its initiatives with the United Nations Sustainable Development Goals (SDGs) as adopted by the Government of Pakistan (GoP), which are outlined in the table below:

Zero Hunger

- A donation of more than PKR 2 million was made in lieu of Ramadan Rashan packs and Iftaar distribution.

Good Health & Well-being

- Donated Fresenius Dialysis Machines (~PKR 5M) to the Kidney Foundation.
- Contributed PKR 1M to AKUH's Patients Behbud Society for underprivileged healthcare.
- Supported Pakistan Medical Centre (PMC) and SINA Health Trust in their healthcare missions.
- All direct and 3rd party employees are medically insured, and a four-year pay continuation plan is provided for deceased employees.

Quality Education

- AGP has a policy of granting scholarships to deserving children of factory workers and support staff.
- The company sponsored the education of 200 underprivileged students in collaboration with renowned NGOs, The Citizen Foundation (TCF), with a total investment of PKR 5.2 million.
- AGP established an endowment fund of PKR 4 million at IBA Karachi, allocating PKR 1 million each year to sponsor two students for their bachelor's program.
- AGP, along with its subsidiaries, donated PKR 0.8 million to Million Smiles Foundation for providing bootcamp to under-privileged children.
- Partnered with DVAGO to create Learning Center for training of pharmacist, allocating PKR 1.8 million.

Gender Equality

- The female-to-total workforce ratio at AGP is approximately 10.4%.
- AGP has been honored as one of the Top 20 Inclusive Companies of the year and proudly achieved wins in 9 categories at the GDEIB Awards 2025.
- AGP provides a convenient and affordable transportation facility specially for its female employees in lower management cadre.
- Commenced 'Himmat Wali' Return-to-Work Program to support women re-entering the workforce.

Clean Water and Sanitation

- The Company has a water treatment facility to appropriately dispose of effluent water and waste as per SEPA regulations.
- Using sensor-equipped taps and springs wherever possible to conserve water.

Decent Work and Economic Growth

- We facilitate our female employees by having a daycare center so they could peacefully and easily continue working even with their motherhood.
- A structured framework ensures gender equality, offering similar opportunities and rewards to male and female employees with comparable qualifications and experience.

Responsible Consumption and Production

- Our pharmaceutical products are produced as per international standards ensuring there is minimum wastage during production, packaging and distribution.

Climate Action

- AGP is committed to reducing carbon emissions and progressively adopting green initiatives. To foster environmental awareness, AGP actively involves employees in activities such as plantation drives and beach clean-ups, while also conducting sessions to educate them on ways to contribute to environmental sustainability at an individual level.

Affordable and Clean Energy

- All three (3) plants of the Company, has solar panels installations that fulfills ~10% of its energy needs.
- The company holds the WWF Green Office certification, implementing their recommended Environment Management System (EMS) to reduce our carbon footprint.

Reduced Inequalities

- AGP adheres firmly to fiscal policies regarding labor wages and compensation.
- Workers' wages have been increased to help workers to combat the impact of rise in the cost of living.
- AGP embraces diversity, including various ethnic groups, minority classes, and differently-abled individuals.
- Partnered with NOWPDP to recruit differently-abled students for internships while providing sensitivity training to employees, fostering an inclusive and supportive workplace environment.
- The management ensures all workers and staff are above eighteen
- (18) years, vehemently discouraging child labor.
- AGP contributed to Empowering Communities for Change (ECC) to help the underprivileged.

Life Below Water

- AGP employees actively participated in a Beach Cleaning Drive in collaboration with WWF, demonstrating our commitment to protecting and preserving the aquatic ecosystem.

Life on Land

- AGP's employees participated in Mangrove Plantation Drive in partnership with WWF to safeguard the mangrove ecosystem.

STATUS OF ADOPTION/COMPLIANCE OF THE CORPORATE SOCIAL RESPONSIBILITY (VOLUNTARY) GUIDELINES, 2013

The Corporate Social Responsibility (Voluntary) Guidelines, 2013 were introduced to promote responsible business practices that support community development and serve the public interest. These guidelines aim to eliminate harmful impacting society and enhance corporate accountability. Their key objective is to establish a comprehensive framework for CSR initiatives across all companies. AGP has voluntarily embraced these guidelines and is proactively taking the necessary steps to ensure full compliance.

CSR governance

Our CSR priorities are integral to our Governance Structure. The Board of Directors places significant emphasis on our extended responsibilities as a Corporate Citizen. CSR commitments are thoroughly examined and discussed in various management and Board meetings with strong emphasis on action plan.

Consultative Committee & Management Systems

Our Business Planning & Corporate Affairs and medical functions work in collaboration to assess potential CSR opportunities. These opportunities are systematically screened based on their impact on the broader social community, the outreach to individuals, and financial considerations.

Areas of Interest

As outlined in the CSR section of this report, AGP's CSR initiatives for the year predominantly is centered on health, education, skill development, livelihood improvement, social enterprise development, poverty alleviation, and youth development. These strategic contributions reflect AGP's commitment to making a positive impact on various societal facets.

AGP is deeply committed to driving sustainable initiatives that empower communities and promote long-term positive change while conserving natural resources. Our focused efforts in waste management, reducing carbon emissions, and minimizing water consumption aim to make a meaningful and lasting impact on community well-being and development. These CSR initiatives reflect AGP's broader commitment to social responsibility and sustainable business practices.

Implementation Structure

The CSR Committee, along with established management systems, is tasked with supervising the execution of initiatives and ensuring the attainment of associated objectives.

Allocation of Resources

The company consistently contributes funds to charities and various social causes, engaging in activities that generate positive social impact. In the year 2024, 1.22% of PAT was donated in CSR activities.

External Assurance

No external assurance was sought on our CSR activities during 2024.

Disclosure and Reporting

The Company has not released an independent CSR report for the present year. Nevertheless, comprehensive details regarding our CSR activities and related initiatives are provided in the 'Sustainability and Corporate Social Responsibility' section of this report. Also this year, AGP participated by providing Sustainability details for ESG Sustain (SECP).

OUR BUSINESS MODEL

At AGP Limited, we leverage our skilled resources, innovative activities, and adherence to global best practices to deliver high-quality medicines and healthcare products. Our mission is to create long-term value for stakeholders while maintaining responsibility and sustainability as core principles.

OUR BUSINESS MODEL

HUMAN CAPITAL
Our people bring scientific and technical expertise, driving innovation and excellence in production and processes. We prioritize talent development, offering growth opportunities to attract and retain the best talent.

SOCIAL CAPITAL
Ethical management of relationships with regulators, customers, suppliers, and third parties underpins our operations. Our strong corporate reputation facilitates trust and collaboration across our network.

FINANCIAL CAPITAL
Access to diverse funding sources, including cash, debt, and equity, enables strategic investments in capacity-building to address current and future needs.

INTELLECTUAL CAPITAL
Our trusted brand, diversified product portfolio, and successfully proven expertise in acquisitions and integrations empower us to achieve operational synergies and sustainable growth.

MANUFACTURING CAPITAL
AGP Limited's manufacturing capital is a cornerstone of our operations, enabling us to deliver high-quality products that meet international standards. Our investments in state-of-the-art manufacturing infrastructure and capabilities ensure efficiency, quality, and economies of scale.

NATURAL CAPITAL
Our commitment to environmental sustainability is reflected in how we manage and utilize our natural resources. We strive to minimize our ecological footprint while contributing to the health of the planet.

HOW WE CREATE VALUE

PRODUCT PIPELINE DEVELOPMENT
We focus on developing innovative product portfolios that address patient needs while identifying emerging opportunities in the healthcare sector. Our targeted acquisitions allow us to enhance our growth prospects and strengthen our market position.

MANUFACTURING AND SUPPLY CHAIN OPERATIONS
We achieve supply chain efficiencies due to our high bargaining power. We capitalize on our unique manufacturing capabilities due to consolidated manufacturing operations and widespread distribution network, to achieve optimization of operational costs and secure reliable supply of high-quality products.

COMMERCIALIZATION
We generate revenue and profit growth through portfolio optimization and focused promotion of our products through our extensive sales force network and nationwide distribution reach to align with strategic priorities, enhancing market focus and effectiveness.

REINVEST AND DISTRIBUTE RETURNS
As part of our capital allocation framework and functional realignment, we actively reinvest in our facilities to provide the platform for future revenue growth, improved positive synergies and to create capacity for new value adding opportunities. We ensure adequate shareholder returns in the form of dividends and capital appreciation, reflecting our commitment to delivering sustainable value and maintaining stakeholder trust.

ACHIEVING OUTCOMES

HUMAN CAPITAL
We employ [illegible] dedicated professionals, providing opportunities for skill enhancement and career progression. In 2024, we disbursed more than PKR 3.3 billion in employee remuneration and benefits, fostering a motivated and capable workforce.

FOR PATIENTS
Our high-quality healthcare products aim to enhance the well-being and quality of life of our patients. In 2024, we successfully manufactured approximately 97 million product packs to meet consumer needs.

FOR VENDORS
Generating business and develop mutually beneficial long-term relationships. Procurement of goods and services from local and international partners aggregate to an amount of PKR 8 billion in the year.

FOR DISTRIBUTORS
Provide quality manufactured medicines for distribution across the country and borders. The medicines distributed worth ~PKR 15 billion in domestic and international markets.

FOR SHAREHOLDERS
In 2024, the Board recommended a final dividend of PKR 4.0 per share.

FOR ECONOMY
Our contribution to the national exchequer totaled PKR 5.1 billion in 2024, reflecting our role in supporting economic growth through direct and indirect taxes and statutory levies.

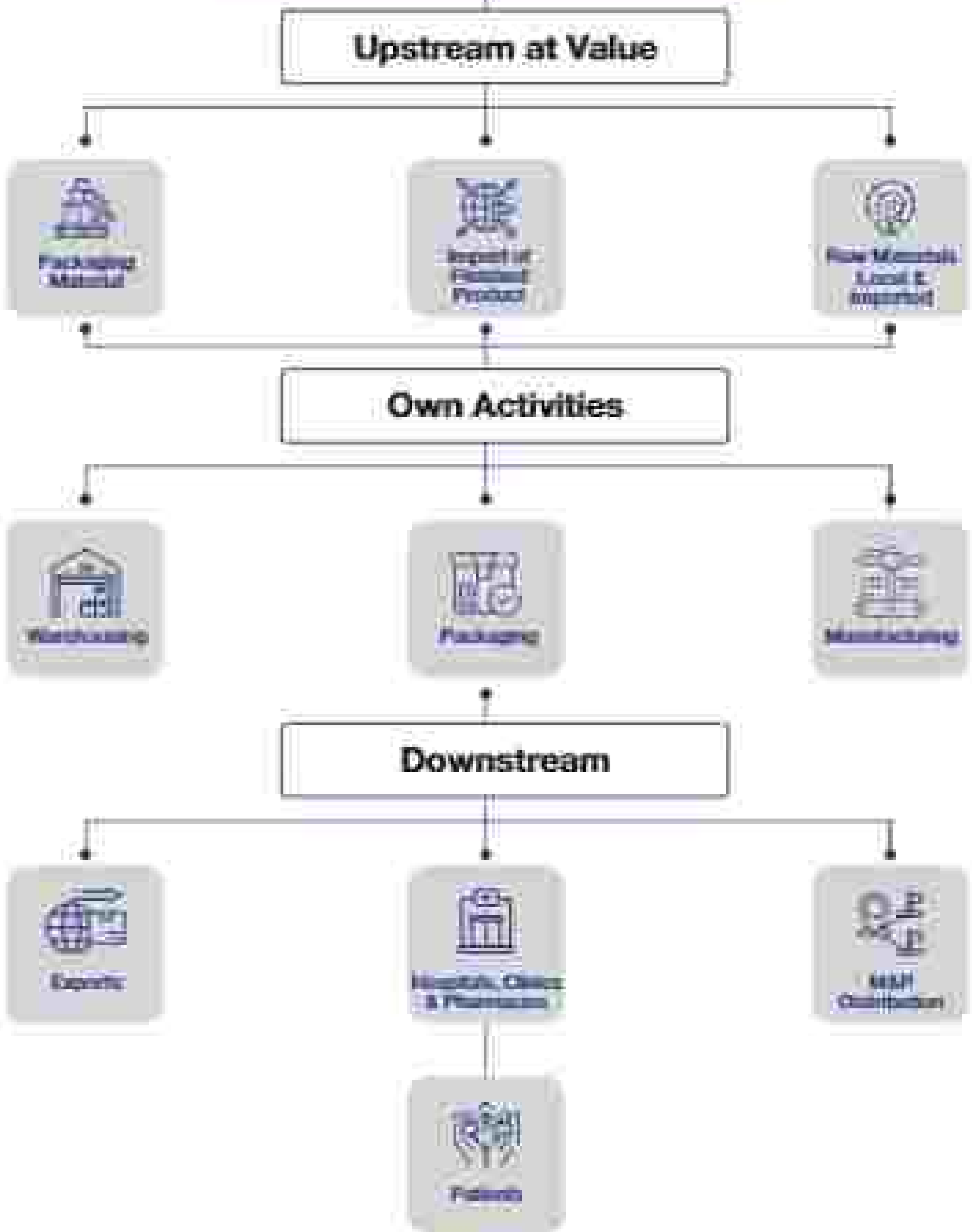
FOR SUBSIDIARIES
We supplied ~ PKR 3.1 billion worth of supplies to our associates, through toll manufacturing.

FOR ENVIRONMENT
With initiatives such as the solar energy base and WWF Green Office program, we actively work to reduce the environmental impact of our operations, underscoring our commitment to sustainability and natural resource conservation.

OUR VALUE CHAIN

AGP is dedicated to delivering excellence by strategically fostering a resilient and adaptive value chain to effectively address the needs of our end consumers. The following diagram provides a detailed overview of the integrated processes that ensure the seamless availability of our high-quality products.

SUPPLIERS



SUPPLY CHAIN DISRUPTIONS & MITIGATING RISKS

In an ever-evolving business landscape, AGP remains committed to transparency and excellence. Proactively addressing current and emerging challenges is vital to minimizing risks, particularly within the supply chain.
Despite the political and economic instability of 2024, our Supply Chain Department demonstrated remarkable resilience, ensuring efficient and effective supply chain management throughout the year

Challenges in Banking Processes Amid Currency Shortages

Foreign currency shortages have led to delays in opening letters of credit, bank contracts, and telegraphic transfers. While the situation improved last year, it remains unresolved in its entirety. AGP has effectively navigated these challenges through meticulous order planning and proactive engagement with banks, ensuring timely processing of documents and formalities to minimize potential disruptions.

Impact of Global Conflicts on Shipments

To address shipment delays and extended lead times, the Company has taken proactive measures by placing advance orders for major brands, ensuring uninterrupted supply chain operations and preventing potential shortages.
The ongoing energy crisis in Europe has caused disturbance in the supply of raw materials. To maintain a seamless supply chain, the management has implemented a proactive strategy by placing cumulative orders for the upcoming year, aligning delivery schedules with demand forecasts.
In response to global challenges, AGP maintained elevated levels of safety stock, particularly for mono-sourced raw materials. This strategic approach is designed to mitigate the risks associated with potential interruptions in the supply chain.

Specialized Transportation Requirements for Temperature-Sensitive and Short Shelf Life Items

Temperature-sensitive raw materials, finished products, empty gelatin capsules, Orlistat, and similar items require regulated storage environments. AGP ensures optimal preservation through continuous monitoring within temperature-controlled vehicles during transportation. Additionally, items with shorter shelf lives are strategically imported in smaller quantities strictly in accordance with market demand to maintain quality and compliance.

Efforts to Diversify Suppliers

AGP is actively working to develop alternate sources and local supplier base in consultation with regulatory and new product development, reducing dependency on single suppliers while maintaining and ensuring quality of materials.
Operational Safety Measures
The management has implemented comprehensive strategies to identify, monitor, and mitigate potential risks. A proactive approach encompassing forex management, strategic procurement, supplier diversification, and robust quality control measures, enables AGP to effectively navigate the complexities of the supply chain landscape.

STRATEGY & RESOURCE ALLOCATION PLAN

We've developed a comprehensive strategy to set ambitious business expansion goals and devise effective tactics to achieve them. Leveraging our brand recognition, strong quality management systems, skilled workforce, cohesive organizational culture, and financial expertise, we're dedicated to executing these strategies diligently to create substantial value for our stakeholders.

Objectives	Enhanced Revenue Generation	Expansion into New Business Areas	Cost Optimization
Strategies	• Capitalize on the growth of top brands and high potential products. • Market penetration. • Launching new products. • Establish a global presence through distinctive product offerings.	• Transitioning reliance from legacy portfolio to advance and novel portfolio. • Establishing a robust pipeline for the coming years with a balanced emphasis on chronic therapies. • Prioritizing exploration of new export channels through strategic collaborations with reputed international partners.	• Maintain optimal resource allocation and streamline business operations. • Cultivate alternative vendor channels to optimize supply chain resilience. • Investigate opportunities for localization to bolster operational efficiency. • Achieve operational excellence through continuous improvement and standardization of manufacturing processes.
Nature	Short term	Short Term	Short to Medium Term
Priority	High	High	High
Resource Allocated	Financial capital, human capital, social and relationship capital	Financial capital, human capital and intellectual capital	Financial capital, human capital, manufactured capital and intellectual capital
Sustainable competitive advantage and value creation	High quality products are easily available across the region, improving the lives of consumers globally	Manufacturing high-quality drugs in a cost-effective manner	Strong manufacturing capabilities led to competitive advantage without compromising the quality
KPI monitored	• Growth trajectory of flagship brands and high-potential products. • Annual tally of product launches. • Enhanced customer loyalty and reinforced credibility.	• No. of products launched. • Contribution in sales and profitability. • No. of international regions added to supply products. • Increase in forex inflows via exports.	• Profitability ratios i.e. gross profit margin, net profit margin, earning per share and expense ratios • Man-hours utilized • Energy consumed

Objectives	Explore avenues for Expansion	Attain Market Dominance	People Growth	Delivering Social And Corporate Responsibilities
Strategies	Explore and evaluate potential investments, mergers and acquisitions options to maximize growth and shareholders' value.	• Sustain and elevate product quality standards while securing market share. • Preserve and strengthen leadership positions of flagship and high-potential brands within their respective therapeutic segments. • Harness the power of Business Intelligence and Artificial Intelligence to optimize viable commercial strategies.	• Nurture talent and retain them by providing platform for growth to high potential employees through cross functional performance. • Enhance inclusion and diversity in work environment. • Maintain work life balance and incentivize appropriately. • Motivate staff with learning and development and provide career growth.	• Cultivate brand equity through robust Corporate Social Responsibility (CSR) initiatives. • Prioritize alignment with the United Nations Sustainable Development Goals (UN SDGs). • Address environmental challenges through proactive measures. • Contribute to education initiatives and national development efforts.
Nature	Medium Term to Long Term	Medium Term to Long Term	Short term to Medium Term	Short Term to Medium Term
Priority	Medium	Medium	High	High
Resource Allocated	Financial capital, human capital, social and relationship capital	Financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital	Financial capital, human capital, social and relationship capital	Financial capital, human capital, social and relationship capital
Sustainable competitive advantage and value creation	Experienced management well versed in M&A projects, economies of scale, implementing efficient processes and standardized practices for integrating businesses	Onboarding experienced Head of Export, and building effective sales team, business development, business intelligence, and New Product Development	Attractive and productive HR policies and the provision of leisure facilities improve the work environment and increase employee satisfaction	Engaging in impactful CSR projects with the aim to benefit the society. Focusing on achievement of maximum no. of SDGs
KPI monitored	Market share, earning per share and return on equity and ROIC	Market share, unit growth, value growth and ratio of exports to total sales.	Offer acceptance ratio, Employee turnover rate and feedback on surveys	Community investments and energy efficiency

Objectives	Enhanced Revenue Generation	Expansion Into New Business Areas	Cost Optimization	Explore avenues for Expansion	Attain Market Dominance	People Growth	Delivering Social And Corporate Responsibilities
Status	• Recorded overall sales growth of 34% • Domestic retails sales grew by 28% • Launched 6 brands • Afghanistan sales reached PKR 2.3 billion with impressive growth of 48% • Nutra sales crossed half a billion Rupee with more than 50% growth	• Realigned the structure of marketing teams in line with our strategic vision. • On boarded dedicated and experienced Head of Exports • In pre-commercialization phase in certain countries of Asia and Middle East, and exploring markets of Central and South American and African regions	• Profitability increased by 75% over last year • Net margins improved to 11.2% from 8.6% • Developed alternate, reliable and economic vendor source • Produced energy from Solar panels and met ~13% of the total energy needs • Reduced labor hours due efficient production procedures	• Both subsidiaries, OBS AGP, managing portfolio acquired from Sandoz, and OBS Pakistan, managing portfolio acquired from Viatris, are performing very well	• Top brands are market leaders in their respective segment • Organic growth coupled with acquisition, are boosting the market share • Exploring potential export markets	• Received awards by "Global Diversity, Equity & Inclusion Benchmarks" in 2024 for 6th year in a row and bags awards in 5 categories • Established a reputation where it is easy to attract and retain talent	• Solar powered energy in all 3 plants for conservation of energy • Several energy optimization initiatives are on-going • Actively worked towards supporting the education of underprivileged children • Collaboration with WWF Green Office to make our office practices greener and achieve agreed environmental KPIs
Future relevance of KPI	The KPI will remain relevant in future	The KPI will remain relevant in future	The KPI will remain relevant in future	The KPI will remain relevant in future	The KPI will remain relevant in future	The KPI will remain relevant in future	The KPI will remain relevant in future
Opportunities /Threats	• Potential to increase market share domestically • Build strong footprint in international markets • Intense competition hinders increasing market share • High inflation adversely affect the purchasing power of consumers • Regulated pricing of essential medicines	• First or early mover advantage in new molecular categories • Develop international footprint to increase foreign customer base • Risk of technological obsolescence • Probable side-effects of new medicines • Fierce global competition • Provision of bad debts from international customers	• Improved macroeconomic conditions, such as stable exchange rates and decreasing interest rates have helped the industries to improve profitability • Uncontrollable factors, particularly escalating energy prices, domestic inflation, and additional tax levies	• High potential to increase market share • Position the Company for better bargaining power over suppliers • Better spread of production overheads/Realignment and change, if not managed well can harm desired results	• Rise in diseases and disorders due to changes in occupation and dietary habits • Increasing focus and awareness on prevention and living longer and healthier lives • Upgradation of production facilities is a capital-intensive process and may leads to production downtime • The integration of Business Intelligence introduces potential cybersecurity vulnerabilities	• Ready pool of internal talent to fill the vacancies and take up senior management positions • Sufficient growth opportunities to allow internal elevations • Expensive to retain quality talent pool • Difficult to manage high caliber resources competing for elevated positions • High cost associated with specialized training of relevant staff	• Community service commitment can be a source of confidence • Negative publicity and mishaps and invite criticism
Impact due to external factors	• De-regularization of pricing of non-essential drugs has helped the industry to combat rising cost of doing business mainly on account of currency devaluation and high inflation • The increasing literacy rates are fostering awareness and appreciation of our products' capacity mitigate and manage illnesses and promote well-being	• The prevailing lifestyle trends in key regions of our nation have led to an imbalance, resulting in heightened dependence on orthopedic medications by individuals • Globalization and advancements in communication technology have facilitated seamless expansion opportunities for businesses across borders	• Technological advancements along with modernized production equipment and techniques make operational optimization easier and economical • Following the changes in eco-systems, green investments and clean energy utilisation are key for sustainable future	• Delays in obtaining regulatory approvals and arranging funds in foreign currency for acquisitions can cause business interruptions and unnecessary increase project costs	• Changing dietary habits and ecosystems are leading to an increase in consumption of healthcare products	• The shift of focus in advanced educational systems from Intelligence Quotient (IQ) to Emotional Quotient (EQ) makes the culture of the organization to be of utmost importance at the time of choosing workplace	• Due to the evolution of social media, globalized pressure groups, and increased ecological sustainability concerns, the objective of a business has been transformed from economic to both socioeconomic

Liquidity Position of the Company

The Company has an effective cash flow management system to timely meet the working capital and financing needs of the Company. However, debt servicing due to equity investments in the subsidiaries , and capital expenditure for expansion and Balancing, Modernization and Replacement (BMR) of plant and machinery impacted the liquidity position of the Company resulting in an overdraft of PKR 810 Million in cash and cash equivalents. The cash generated from significantly increased business operations together with provision of running finance facilities will be sufficient to fund operations, debt servicing costs, required levels of capital expenditure, payments for business expansion programs, dividends in line with industry trends, and other routine outflows including tax and statutory levies.

Strategy to Overcome any Liquidity Problems

The Company ensures prudent liquidity management by maintaining sufficient funds. Effective controls on credit sales and maintenance of an adequate amount of committed credit facilities result in effective management of its liquidity position. During the year, borrowings were settled on a timely basis thus maintaining our long-term and short-term credit rating of A+ and A1 respectively.

Significant Plans

During the year, a clear strategic vision has been developed, outlining a structured approach to drive sustainable business growth and market leadership. A strategic future roadmap has been developed with clear milestones and actionable steps to achieve the Company's long-term objectives. The management has successfully unified the Marketing and Sales functions through functional realignment, fostering synergy, efficiency, and adopting a more cohesive market approach.

Making Strategic Decisions & Fostering Culture

All strategic proposals after being deliberated amongst the leadership team, is routed by the CEO to the Board for approval . The Company has focused on sensitizing its employees to address and report any ethical issue they come across through pre-defined channel, ensuring the development of our organization's culture stays our top priority. The Company continues to invest in capability building of human resources and capacity enhancement of its manufacturing facilities, to continue to deliver enduring value for all its stakeholders.

Significant Changes in Objectives and Strategies from Prior Years

Other than the development of strategic vision as mentioned above, there is no significant change in objectives and strategies from the prior year. The Company continues to pursue its goals of expansion, development, and growth.

OUR KEY RISK & HOW WE MANAGE THEM

Business Risk Management Framework

The Board of Directors at AGP oversees the comprehensive risk management process, ensuring the establishment and maintenance of a robust risk management framework under the supervision and guidance of the Board Audit Committee. The Board has sanctioned the Company's risk management policy, delineating the organization's risk tolerance thresholds. Regular reviews of the risk management systems by the executive management teams are conducted to adapt to changes in the external environment, market dynamics, and the Company's operational activities. Furthermore, an annual presentation of principal risks is made to the Board Audit Committee for thorough evaluation and guidance.

Our Company's risk management framework constitutes a structured approach to identifying potential threats, implementing mitigating strategies to minimize their impact, and establishing mechanisms for effective monitoring, evaluation, and execution of these strategies. At AGP, every employee bears the responsibility of identifying and managing risks. The Risk Management Policy empowers employees to propose changes to the policy, subject to the approval of relevant tiers within the Risk Management Framework.

AGP faces a spectrum of risks spanning strategic, legal, regulatory, operational, financial, and reputational domains. These risks are diligently managed through the implementation of appropriate mitigation plans, assignment of clear accountability, and establishment of channels for transparent communication of significant issues and incidents as they arise.

Management of Capital Structure

The primary objective of capital management at our Company is to ensure the preservation of its status as a going concern while simultaneously delivering sustainable returns to shareholders, providing benefits to other stakeholders, and maintaining an optimal capital structure.

Currently, the Company predominantly finances its operations through internal resources and, if necessary, through running finance facilities, while also investing in activities through a combination of long-term financing and short-term borrowings, in addition to equity. Moreover, I am pleased to report that the Company has maintained an impeccable track record of meeting all debt obligations without default throughout the year.

Key Risks and Opportunites

The principal risks faced by the Company are listed below. The risks discussed are not exhaustive and the Company may be subject to other risks not specifically outlined in this Annual Report.

RISK #1

Country default risk increases as the forex reserve are low and has caused severe restrictions on foreign payments, supply chain disruptions and domestic inflation.

Capital
Financial, Human, Social, Manufactured & Relationship

Type
Strategic Risk

Nature
Medium term to long term

Source
External

Likelihood

Impact

Rating

OBJECTIVE
To avoid or manage country risk to an acceptable level

MITIGATION PLAN
HR has deployed highly experienced resources to leverage potential export avenues to create strong export base. Negotiation with major suppliers from various countries to change payment terms. Emphasizing building inventory. Diversifying supplier base and localization wherever possible

OPPORTUNITY
To compete effectively

RISK #2

Inability to supply medicines in the market due to issues in securing supplies of raw materials and other ingredients as LCs are delayed.

Capital
Financial, Manufactured & Reputational

Type
Operational Risk

Nature
Short to Medium term

Source
External

Likelihood

Impact

Rating

OBJECTIVE
Avoid stock out situation

MITIGATION PLAN
Negotiated with Chinese vendors for import payment clearing in Yuan. Continuous engagement with multiple banks for timely retirement of LCs.Provision of stocks to maintain inventories at optimum level

OPPORTUNITY
Achieve sustainable market penetration

RISK #3

Increasing primarily because of PKR devaluation, rise in fuel cost, utilities and general inflationary pressures and imposition of additional taxes and duties.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial	Financial Risk	Short term to medium term	External			

OBJECTIVE
Operations optimization and cost economization

MITIGATION PLAN
Pricing deregularization of non-essential drugs is a welcome measure but risks reversal. Lobbying with relevant stakeholders is ongoing. Early and bulk ordering as well as rate locking for longer periods reduces cost fluctuation. Portfolio rationalization also conducted

OPPORTUNITY
Control cost and improve profitability

RISK #5

Production infrastructure / capacity building may not be upgraded timely for internalization of Pfizer portfolio & other Projects

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial & Manufactured	Financial and Operational Risk	Short term to medium term	Internal			

OBJECTIVE
Integration and internalization of Pfizer portfolio

MITIGATION PLAN
PKR 500 Million CAPEX planned for "Liquid Suite" to meet rising internal demand. Project completion targed forQ2CY25. Sizeable CAPEX, where already incurred, is further planned for increasing manufacturing capacity. Strengthening of production and engineering staff to ensure uninterrupted operations.

OPPORTUNITY
Cost optimization and improve profitability

RISK #4

Intended level of synergies may not be achieved via integration of functions/business.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Human, Manufactured, and Social relationship	Strategic & Operational Risk	Medium term to long term	Internal			

OBJECTIVE
Achievement of synergies and cost optimization

MITIGATION PLAN
Major brands of subsidiaries have undergone internalization and realignment. Marketing teams have also been realigned to achieve the most cost effective mix. Effective centralization of all support and shared services completed.

OPPORTUNITY
Growth in business, particularly in terms of volume and market share, and efficient cost management

RISK #6

Over reliance on fewer products, any adverse event or occurrence related to therapeutic market of such product or availability of supplies will significantly hamper the business

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Manufactured/Human and Social relationship	Strategic Risk	Medium term to long term	Internal			

OBJECTIVE
Increase product base

MITIGATION PLAN
During the year, 5 new products have been launched adding to topline volumes. Further launches of products and line extensions also planned. Specific focus being given towards international and institutional business.

OPPORTUNITY
Enhance sales volume and increase market share

RISK #7

Potential exposure to currency fluctuations and shortage of foreign exchange reserves may impact international transactions and financial stability.

- **Capital**: Financial, Manufactured, and Social relationship
- **Type**: Financial Risk
- **Nature**: Short term to medium term
- **Source**: External
- **Likelihood**
- **Impact**
- **Rating**

OBJECTIVE
Minimize the impact of currency fluctuation and streamline production schedule without any delays.

MITIGATION PLAN
Planning and placing orders well in advance to timely arrange foreign currency for payments. Managing LCs and further capital lines with banks as per requirements Close coordination with business functions to stakeholders

OPPORTUNITY
Effective cost management and timelycompletion of projects

RISK #8

Failure to keep abreast with technological advancements and emerging cyberattacks

- **Capital**: Financial & Manufactured
- **Type**: Financial, Operational Risk
- **Nature**: Short term to Medium term
- **Source**: External and Internal
- **Likelihood**
- **Impact**
- **Rating**

OBJECTIVE
Achieve competitive position

MITIGATION PLAN
Upgrading ERP system to SAP HANA. BAC and IT governance committees manage and oversee cybersecurity controls and procedures. Periodic threat assessment is conducted.

OPPORTUNITY
Strong IT control environment to generate accurate and timely data for informed decision making

RISK #9

Inability to attract, retain and develop high potential talent within the Company

- **Capital**: Financial, Human, Social & Relationship
- **Type**: Operational Risk
- **Nature**: Medium term to Long term
- **Source**: Internal
- **Likelihood**
- **Impact**
- **Rating**

OBJECTIVE
Be an employer of choice

MITIGATION PLAN
Talent acquisition and retention have improved owing to GBS brand recognition. Positive employee culture is promoted and monitored, with periodic HR surveys and benchmark remuneration structures.

OPPORTUNITY
Top talent is attracted and key staff is retained

RISK #10

Separation and integration of new business ventures includes risks of compliance, financials, reputation, operational etc.

- **Capital**: Financial, Human, Manufactured, and Social relationship
- **Type**: Financial and Operational Risk
- **Nature**: Medium term to long term
- **Source**: Internal
- **Likelihood**
- **Impact**
- **Rating**

OBJECTIVE
To ensure a seamless, compliant, and strategically aligned transition while mitigating risks and maximizing growth opportunities.

MITIGATION PLAN
Extensive five-year corporate plan to grow our topline significantly in five years was deployed and underway. To increase corporate share, the strategy is to focus on organic and inorganic growth in the industry. To engage subject matter and field experts on matters related to new ventures when required.

OPPORTUNITY
Enhance operational efficiency, market expansion, and competitive positioning for sustainable growth

RISK #11

A lot of pharma companies comprising (600+), both MNCs and locals, are already existing in the market and due to intense competition, the company may not gain additional or lose its existing market share.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Social and Relationship	Strategic and Operational Risk	Short term to Long term	External and Internal			

OBJECTIVE
Maintain and expand market share

MITIGATION PLAN
Exploring therapeutic areas and new molecules with low competition and high return. Committed to increasing product portfolio in existing and new markets. Closely monitor market and competitor dynamics and identify gaps for action. Be on the look out for potential M&A opportunities.

OPPORTUNITY
Market expansion, product diversification, and competitive positioning

RISK #12

Infringement and unauthorized use of IP assets.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial & Reputational	Legal and Compliance Risk	Short term to medium term	External			

OBJECTIVE
Enhanced corporate image and protect IPR of brands

MITIGATION PLAN
Prioritize trademark filings and employ expert legal assistance to protect our intellectual property rights, ensuring strict surveillance to prevent infringement

OPPORTUNITY
Enhance corporate image, combat the menace of counterfeits and ensure patient safety

RISK #13

Volatile economic conditions, government policies and law and order situation may adversely impact the Company

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial & Manufactured	Strategic Risk	Short term to medium term	External			

OBJECTIVE
To avoid business disruptions and cost

MITIGATION PLAN
Monitor political and macroeconomic shifts and increase reaction time and course correction. Continuously tracking market trends, AGP preempt disruptions.

OPPORTUNITY
Improve revenue and profitability

RISK #14

Highly restrictive regulatory environment and lack of market-oriented pricing policies.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial & Relationship	Strategic / Financial Risk	Medium term to long term	External			

OBJECTIVE
Timely registration / approvals

MITIGATION PLAN
Regular dialogues with policy makers by management and Board members through diverse forums and associations. Regular liaising with regulators to encourage the implementation of favourable regulatory frameworks. Filed court case for annual price increases tied to CPI with industry peers.

OPPORTUNITY
Improve revenue and profitability

CORPORATE GOVERNANCE

Details of the Corporate Governance framework and how the Company engages with its stakeholders.

CORPORATE GOVERNANCE

Our trajectory to success involves fostering enduring relationships with external and internal stakeholders. We prioritize transparency and clear communication to ensure strong governance that leads to organizational excellence.

DIRECTORS' PROFILE

TARIQ MOINUDDIN KHAN

Chairman - Board of Directors
Non-Executive Director

Mr. Khan, Chairman of OBS Group, has over 40 years of experience commencing in the financial services industry, followed by broad-based healthcare experience. Under his dynamic leadership, OBS has emerged as a partner of choice for multinational pharmaceutical companies willing to work in Pakistan.

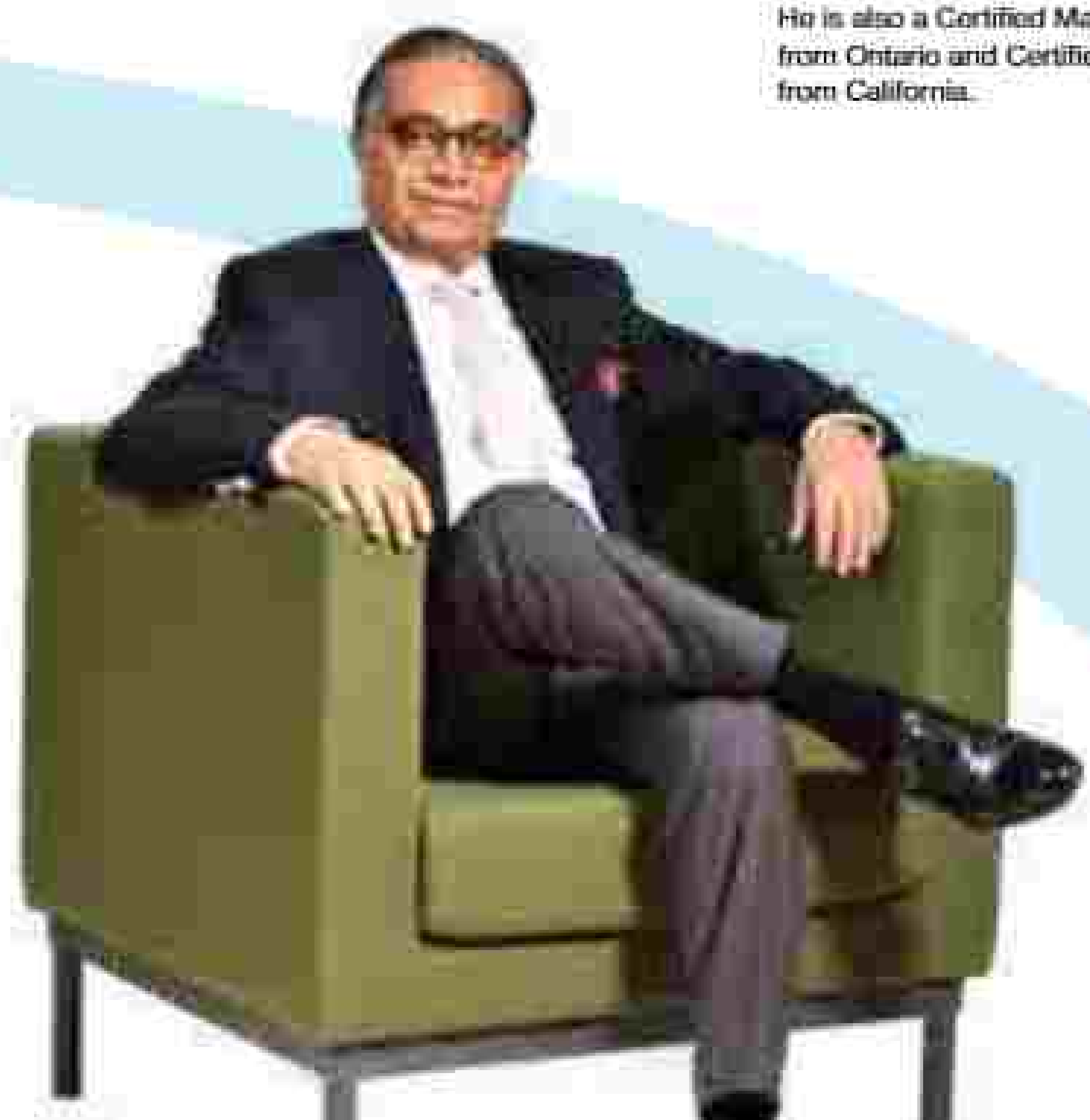
He commenced his career by working with leading companies in Canada followed by a move to Saudi Arabia where he worked with the Saudi Royal family and eventually joined Organon Pharma B.V. (OBS) (now part of Merck & Co. Inc.USA) where he served as the Managing Director for KSA and Pakistan.

He formed OBS Group in 2006 when he acquired Organon's Pakistan through a management buyout. This acquisition formed the base for several other acquisitions including, Merck Sharp & Dohme (MSD) Pakistan business, Schering Plough's Pakistan business, MSD Sri Lanka Operations, AGP, Janssen Pharma's Pakistan operations and Sandoz Business Division in Pakistan.

He is also the Honorary Consul General of Netherlands in Karachi, Secretary General of World Federation of Consuls Brussels for Pakistan Chapter and former President of Pakistan Sri Lanka Business Forum to promote trade between the two countries and Member of ASPEN Institute (USA).

He is a graduate of the Concordia University, Montreal and has a Post Graduate Diploma in Public Accountancy (GDPA) from McGill university.

He is also a Certified Management Accountant from Ontario and Certified Public Accountant from California.



ZAFAR IQBAL SOBANI

Chairman – Audit Committee
Independent Director

Mr. Iqbal Sobani brings with him around 40 years of experience of working in the manufacturing, power sector and audit profession in Pakistan and in the Middle East. Currently, he is on the Board of Zephyr Power Limited, TRG Pakistan Limited, Primus Leasing Limited, MUFAP, Karachi Water and Sewerage Corporation and IT Minds Limited.

During his career, he also held the position as CEO of HUBCO and Liberty Powertech two important players in power sector of the country. He also worked with House of Habib in the areas of New Project Development and Real Estate Management.

Majority of his career was spent with Century Paper & Board Mills Limited, a part of Lakson Group overseeing various business activities.

He has been the President of Institute of Chartered Accountants of Pakistan (ICAP) and served actively in council and regional committee in various capacities. He worked with A.F. Ferguson (PWC) in Pakistan and Ernst and Young, Kingdom of Saudi Arabia.

He held the position as Chairman of Quality Control Board of ICAP overseeing quality of auditing profession between 2006 and 2014 and also remained Member of the Managing Committee of Overseas Investors Chamber of Commerce and Industry. He is the Sponsor Director of Pakistan Institute of Corporate Governance and holds Certification as a trainer of Corporate Governance by IFC.

MS. MALEEHA HUMAYUN BANGASH

Chairperson - Human Resource & Remuneration Committee
Independent Director

Ms. Maleeha Mimi Bangash is a highly accomplished Fintech, Digital Banking, and Financial Industry expert with over 26 years of experience across Singapore, Türkiye, and Pakistan. She has 19 years of C-Suite experience in Banking & Investments. She is an active member of the Singapore FinTech Association and serves on the boards of several highly reputed companies.

Currently, as the Chief Executive of BAJO Digital Venture, she focuses on Fintech projects. Previously, she served as an expert consultant for the World Bank Group and IFC-Singapore, advising on Digital Banking, Climate/Green Banking, and SME & Gender Finance across Asia Pacific. She has also been a Founding Member (Commissioner) of the Competition Commission of Pakistan, leading Advocacy, M&A Review, and Competition Research. Additionally, she served as an Ambassador for the SME Finance Forum, a G20 initiative managed by IFC.

Ms. Bangash began her career in Corporate & Investment Banking at HBL, Singapore, and later structured Private Equity and Venture Capital deals at Makara Capital, covering UAE, South Asia, and Southeast Asia. At Global Strategies Pte. Ltd., Singapore, she developed investment options by forming alliances with global financial institutions like Citibank, Credit Suisse, and Morgan Stanley. As Dy. CEO of Habib Asset Management, she successfully launched the Separately Managed Accounts (SMA) business.

As ICRU MD at the World Bank, she helped Pakistan rise 39 ranks on the EODB index and co-founded the Competition Commission. Named among the 100 Most Prominent Women in Anti-Trust (2009, 2018) and a Miracle Woman Award winner (2016), she has championed SME, women, and startup inclusion through Green Sukuk and impact investments.

She holds an MBA from the University of Chicago (Honors) and LUMS, with certifications from OECD, ICN, and IFC/World Bank. She advises on ESG, Climate Finance, and Digital Banking across South Asia and the Pacific.

KAMRAN NISHAT

Non-Executive Director

Mr. Nishat is currently the Managing Director & Chief Executive Officer of Muller & Phipps Pakistan (Private) Limited. He is also serving in the capacity of Chief Executive Officer at M&P Express Logistic (Private) Limited, M&P Logistic (Private) Limited, Logex (Private) Limited, Tech Sirat (Private) Limited, Veribest Brands Pakistan (Private) Limited and Tech Sirat Technology (Private) Limited. He holds the rich professional experience in different sectors for more than 39 years. He is serving as Director in the Boards of Engro Polymer & Chemicals Ltd., HugoBank Limited, Briogene (Private) Limited, Muller & Phipps (Singapore) PTE. LTD and OBS AGP (Private) Limited.

He is currently a member of Executive Committee and Chairman of Finance & Taxation subcommittee at the American Business Council(ABC). He has served as past president of American Business Council as well. He served at the National Skills University Islamabad as the member of the Advisory Council. In past, he served as the Member of Accounting and Auditing Standards Committee (South) of the Institute of Chartered Accountants of Pakistan (ICAP), Information Technology Committee (South) of the ICAP and Management Association of Pakistan.

He is a Chartered Accountant and a fellow member of ICAP.

KAMRAN NASIR

Managing Director & Chief Executive Officer

Mr. Nasir, a Chartered Accountant from the Institute of Chartered Accountants of England & Wales (ICAEW) and a Chartered Certified Accountant from the Association of Chartered Certified Accountants U.K., also holds certification as a Certified Director from the Pakistan Institute of Corporate Governance.

While serving as the CEO of AGP Limited, he also oversees the strategic direction and operations of all group entities, enabling both local and international expansion. His responsibilities interalia include nurturing relationships with key principals, such as Fortune 500 pharmaceutical companies Johnson & Johnson, Sandoz, Bayer, and VIATRIS.

With extensive experience in leadership roles across the financial sector and multinational corporations, Mr. Nasir notably served as CEO of JS Global Capital Limited for over a decade. Previously, he held positions at KPMG, focusing on audits within the financial sector, particularly leading commercial banks.

He brings a wealth of expertise in capital markets, investment banking, and complex financial matters. His track record includes advising on mergers and acquisitions, debt-raising, and navigating capital markets, contributing to significant portfolio investments into the Pakistan Stock Exchange.

A seasoned speaker, Mr. Nasir has addressed diverse audiences on specialized topics, including Pakistan's capital markets and economy, through various media channels. He has played a pivotal role in showcasing Pakistan's corporate sector to global fund managers, conducting roadshows in financial hubs such as London, New York, and Singapore. His efforts were instrumental in Pakistan regaining its Emerging Market Status and presenting the country's narrative to foreign investors.

MAHMUD YAR HIRAJ

Non-Executive Director

Mr. Hiraj has over 20 years of professional experience in private equity, principal investments and investment banking. He is a founding partner and a member of the Investment Committee at Baltoro Capital, a leading private equity firm. Prior to Baltoro, he was the Head of Principal Investments at Bank Alfalah and held leading roles at Dhabi Group with representation on Investment Committees and boards of various portfolio companies. He is also a member on the board of OBS Pakistan (Private) Limited.

Mr. Hiraj has worked at leading global financial institutions and investment banks in US, UK and Canada. He started his career at the investment banking division of Salomon Smith Barney (Citigroup) in New York before moving to London to join Citigroup's Financial Sponsors Group where his clients included leading global private equity firms.

His other experiences include executive positions at J.P. Morgan and Scotia Capital in North America, where he advised various leading Fortune 500 Companies and sponsors on mergers and acquisitions and capital market fundraising and restructuring transactions.

Mr. Hiraj holds an MBA from Yale University and a BA from McGill University.

MUHAMMAD KAMRAN MIRZA

Non-Executive Director

Mr. Muhammad Kamran Mirza is the CEO of AGP Limited's two subsidiaries, OBS AGP (Pvt.) Limited and OBS Pakistan (Pvt.) Limited. With over 17 years of experience in healthcare and financial markets, his expertise lies in mergers & acquisitions, investment management and corporate strategy.

Under his leadership, OBS successfully executed three strategic asset acquisitions from Bayer AG, Viatris Inc., and Sandoz AG alongside the divestment of OBS' legacy portfolio. He also manages key relationships with OBS Group's principals which include Fortune 500 pharmaceutical companies, ensuring sustainable growth and expansion for the group.

Before joining OBS Group in 2018, Mr. Mirza served as Executive Vice President and Head of Investment Banking at JS Bank Limited, advising corporates on mergers, acquisitions, divestitures, and capital market transactions.

He is a certified director from the Pakistan Institute of Corporate Governance and currently serves as a Board Member of AGP Limited and OBS Pharma (Pvt.) Limited. Previously, he was a member of the Pakistan Stock Exchange's Listing Committee Panel of Experts.

Mr. Mirza holds an MBA from the Institute of Business Management (CBM) and earned a gold medal in his undergraduate commerce degree.

CHAIRMAN'S REVIEW

Dear Shareholders and Stakeholders,

It is my privilege to present AGP Limited's Annual Report for the financial year 2024. In a year marked by a stable and conducive business environment, AGP demonstrated its ability to leverage opportunities beyond normal. By fostering a culture of innovation and operational excellence, we achieved robust growth, strengthened our market presence and hence delivered sustainable value to our shareholders.

Our integrated approach has been instrumental in driving success, as AGP and its subsidiaries synergize to maximize efficiencies and enhance performance. This collaborative effort has enabled us to elevate our benchmarks, solidify our industry leadership, and build a foundation for continued progress.

The recognition of our accomplishments on esteemed platforms through prestigious awards further reinforces our unwavering commitment to excellence, societal impact, and adherence to the highest industry standards. We remain steadfast to upholding a culture of compliance and governance as key pillars of our operations.

AGP has continued to integrate sustainability and responsible business practices into its core strategy. This year, we enhanced our corporate social responsibility (CSR) and environmental, social, and governance (ESG) initiatives, demonstrating our unwavering commitment to ethical business conduct, environmental stewardship, and societal impact. Our sustainability-driven projects, including renewable energy adoption, water conservation, and community healthcare initiatives, reflect our dedication to creating a positive and lasting impact.

The Board of Directors has played a pivotal role in guiding AGP towards achieving its strategic objectives. Through effective governance, insightful decision-making, and a commitment to sustainable growth, the Board has ensured that AGP remains well-positioned to capitalize on emerging opportunities and navigate industry challenges. Our efforts have strengthened market leadership, expanded our footprint, and reinforced our ability to deliver long-term value to shareholders.

The Board has diligently overseen the company's internal control framework, ensuring its effectiveness, transparency, and alignment with best industry practices. Regular evaluations and enhancements have strengthened our risk management capabilities and reinforced our corporate governance standards. The Board has reviewed and affirmed the adequacy of AGP's internal control system, ensuring operational resilience and regulatory compliance across all business functions.

I take this opportunity to extend my deepest gratitude to our entire workforce particularly executive management team and the CEO, whose strategic vision and relentless efforts have been pivotal in achieving our objectives. I am equally grateful to my fellow Board members for their invaluable guidance and oversight, which have steered us toward sustainable success.

As we look to the future, I wish to express my sincere appreciation to our customers, suppliers, and shareholders for their unwavering trust and support. Your confidence in AGP motivates us to innovate further, integrate our resources effectively, and elevate our aspirations to reach new milestones.

With a strong commitment to delivering value, fostering innovation, and capitalizing on opportunities, I am confident that we will continue to achieve remarkable progress and create a lasting positive impact. Together, we will innovate, integrate, and elevate to new heights of success.

TARIQ MOINUDDIN KHAN
CHAIRMAN

CEO'S MESSAGE

The year 2024, marked by transformation and resilience, AGP Limited continued to innovate, integrate, and elevate, achieving remarkable progress. Through strategic foresight, operational excellence, and the relentless commitment of our employees, we delivered a strong financial performance, reinforced our market leadership, and expanded our footprint in both domestic and international markets.

The broader economic environment showed signs of stabilization in 2024, with a notable recovery in GDP growth, a significant reduction in the policy rate, stability of Pakistani Rupee against US Dollar and enhanced foreign exchange reserves supported by the IMF program. The pharmaceutical industry benefitted from the deregulation of non-NEML drug pricing, allowing companies to optimize pricing strategies.

Our unwavering focus on innovation has been a key driver of growth. AGP's revenue surpassed PKR 18.5 billion, reflecting an impressive 33.8% year-over-year growth. The domestic retail segment remained our primary revenue contributor, with a robust 27.8% increase, driven by the strong performance of our leading brands. Our emphasis on establishing strong footprint across borders and focused approach for market penetration enabled us to capitalize on new opportunities in exports, where we achieved an exceptional 48.1% growth. Supplies to our subsidiary, OBS AGP, not only contributed to topline growth but also enabled synergies and cost efficiencies at both the Group and consolidated levels, further strengthening our financial performance. Additionally, our nutraceutical portfolio gained significant traction, posting a 52.3% increase, demonstrating our ability to swiftly adapt to evolving consumer demands in nutraceutical market. Despite inflationary pressures, our gross profit reached PKR 8.8 billion, underscoring our ability to elevate performance through cost efficiencies, well-calibrated sales mix and agile decision-making.

Cost control remained a top priority, ensuring that administrative, marketing, and selling expenses were effectively contained despite an impressive increase in sales. However, finance costs increased by 43.9%, primarily due to the syndicate term finance facility utilized for our equity investment in subsidiaries , as well as higher short-term borrowings driven by expanded working capital requirements. The tax increased mainly because of increase in profit before tax. Additionally, the tax regime on exports transitioned from final taxation to minimum/normal tax, further contributing to the overall tax burden. Despite these financial obligations and adverse tax impact, AGP delivered an impressive profit after tax of PKR 2.1 billion, with earnings per share (EPS) of PKR 7.44, marking a 75% increase over the previous year.

Investor confidence in AGP reached new heights, as reflected in the surge of our share price from PKR 68.5 to PKR 168.15, with a peak of PKR 194.9. Our active engagement in prominent investor forums—including the Frontier Asia Conference in Colombo, Pakistan Pharma Conference, and Topline Pharma Invest 2024—has significantly enhanced our visibility on the global stage. AGP has been the only Pakistani pharmaceutical company to represent

> *I am elated to announce that the Board of Directors has recommended a final dividend of PKR 4.0 per share for the year 2024. This reaffirms our commitment to delivering sustainable returns to our esteemed shareholders.*

at these prestigious summits, we have further solidified our standing as a trusted and forward-thinking organization.

In alignment with our commitment to sustainable shareholder value, the Board of Directors has approved a final dividend of PKR 4.0 per share for the year 2024. This decision reflects our financial strength and confidence in AGP's ability to maximize shareholders' returns.

AGP's pursuit of excellence has been recognized with numerous accolades. We secured the 1st Position in the Best Corporate & Sustainability Report Awards 2023 for the pharmaceutical sector, along with 4th position in overall category, reinforcing our dedication to corporate governance and transparency. Our ongoing commitment to diversity and inclusion was acknowledged for the 6th consecutive year at the Global Diversity and Inclusion Benchmarks Conference, earning distinctions in nine categories. Furthermore, AGP was honored as the Top Exporter at the 7th Pakistan Pharmaceutical Manufacturers' Association (PPMA) Summit, a testament to our growing international presence.

Sustainability remains at the core of our operations, actively engaging in Corporate Social Responsibility (CSR) activities to make a positive impact on society and the environment. We have taken decisive steps to minimize our environmental impact through the implementation of the Environmental Management System (EMS) in collaboration with WWF to reduce our carbon footprint, the installation of solar power systems, and deployment of environmentally compliant water treatment plants. Our Corporate Social Responsibility (CSR) initiatives—ranging from employee-driven plantation drives and beach clean-ups to healthcare support for children—underscore our commitment to creating a positive societal impact.

We extend our sincere appreciation to our dedicated employees, esteemed customers, trusted suppliers, and valued shareholders for their unwavering support and confidence in AGP Limited. We also express our profound gratitude to our Board of Directors for their strategic oversight and, in particular, to our Chairman for his invaluable guidance, which has been instrumental in steering the Company toward sustained success.

As we embark on the journey ahead, we are committed to innovating across all facets of our business to drive sustainable growth and global expansion. Through strategic integration of advanced technologies including Artificial Intelligence, optimized processes, and an enriched product portfolio, we aim to earn our competitive edge. Simultaneously, we strive to elevate our operational efficiencies and market presence, ensuring agility and resilience in a rapidly evolving industry landscape. With a steadfast focus on excellence and a vision for a dynamic future, AGP Limited is well-positioned to achieve new milestones and create enduring value for all stakeholders.

Muhammad Kamran Nasir
Chief Executive Officer

CORPORATE GOVERNANCE FRAMEWORK

As we progress into the future, our steadfast dedication to ethics and principles remains paramount in all our pursuits. Anchored by robust governance and compliance frameworks, we uphold the highest standards of ethical and accountable behavior in every facet of our operations. These frameworks form the foundation of our commitment to fostering a culture of integrity, enabling us to consistently surpass the expectations of our stakeholders.

Compliance with the Best Practices of Code of Corporate Governance

Adhering to the Company standards, the Board of Directors have throughout the financial year 2024, complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, (CoCG) Rule Book of the Pakistan Stock Exchange Limited (PSX) and the Financial Reporting Framework of Securities & Exchange Commission of Pakistan (SECP). Report of the Board's Audit Committee on adherence to the CoCG, Statement of Compliance report with the CoCG endorsed by the Chairman and the Chief Executive Officer and reviewed by the Company's Auditors are included in this Report.

Governance Practices beyond Legal Requirements

The Company complies with all the mandatory requirements of CoCG and other applicable Regulations. AGP has always believed in going the extra mile and staying ahead with legal formalities. In view of this strategy, we comply with all mandatory legal requirements and have also carried out the following practices in addition to the legal requirements:

- Best corporate reporting practices as recommended jointly by the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountant of Pakistan (ICMAP)
- Disclosure of various financial analysis including ratios, reviews, risk matrices and graphs etc. in the Annual Report
- Implementation of Health, Safety and Environment practices to ensure wellbeing of employees and society.

Business Ethics and Anti-Corruption

Based on an ethical corporate culture, fundamental values of the Company are the cornerstone of our operations. These values permeate every aspect of our business practices and are ingrained in the daily work of all employees through the Code of Conduct and various unit-specific ethical compliance protocols. The Audit Committee convenes at regular intervals throughout the year to meticulously assess the sufficiency and efficacy of our internal controls, particularly those aimed at fortifying the Company's risk management policies and systems.

- To ensure that the Board plays an effective role in setting up the Company's corporate strategy and business direction;
- To promote and oversee the highest standards of corporate governance within the Board and the Company;
- To ensure integrity, credibility, trustworthiness and active participation of Board members in key matters of the Company;
- To ensure that the Board only directs the Company and does not manage it;

Conflict of Interest of Board Members

Within the framework of their roles and responsibilities, all Board members are exclusively committed to the interests of the Company and stakeholders, and neither pursue personal interests nor grant undue advantages to third parties. Board members are accountable for transparent self-disclosure and are encouraged to seek direct and indirect guidance from peers, the Chair, or relevant experts in instances of ambiguity or uncertainty.

Role of the Chairman

The Chair assumes leadership and oversight of the Board, ensuring its effective operation and that of its committees. Additionally, the Chair collaborates with the Company Secretary on governance matters and the CEO for industry-specific insights, agreeing upon and periodically reviewing the training and developmental requirements of each Director.

The Chairman's role involves but is not limited to the following:

- To ensure that relevant, accurate and up to date Company information is received from the management and shared with the Board members to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company;
- To review the Board performance and to take the lead in identifying and meeting the development needs of individual directors and to address the development needs of the Board as a whole with a view to enhance its overall effectiveness as a team;
- To manage and solve conflict (if any) amongst the Board members and to also ensure freedom of opinion in the Board;
- To promote highest moral, ethical and professional values and good governance throughout the Company;
- To ensure that a formal and effective mechanism is in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.

Chairman's Significant Commitments
Mr. Tariq Moinuddin Khan, AGP's Chairman, holds the position of Chairman of the Company and the OBS group . Additionally, he serves as the Honorary General Consul of the Netherlands in Karachi and fulfils the role of Secretary General for the Pakistan Chapter of the World Federation of Consuls in Brussels.

Chairman's Overview On How The Company's Sustainable Practices Can Affect Their Financial Performance:

I am proud to highlight that our dedication to sustainability and corporate social responsibility is ingrained in our corporate ethos, guiding every decision we make. Whether through charitable donations, employee volunteer programs, or partnerships with welfare organizations, we are dedicated to making a difference where it matters the most. We have implemented and embraced eco-friendly initiatives across our operations.

As key players in the healthcare sector, we understand the importance of prioritizing well-being of our people. Our employees are the heart and soul of our organization, and their dedication and hard work drive our success. We are committed to provide a safe work environment that fosters growth, creativity, and inclusivity, ensuring that every member of our team feels valued and supported.

Role of CEO

The CEO assume overarching responsibility for devising the appropriate strategy, including the development of a strategic vision to increase the size of the Company by 3 times in 5 years and executing the same after endorsement by the Board, overseeing the operational management of the Company, and directing associated business endeavors. This role is supported by senior management members, each heading their respective departments. The CEO reports to the Board of Directors and his responsibilities mainly include:

- Formulating, and after Board's approval, successfully implementing Company policies;
- Directing strategy towards the profitable and sustainable growth and operations of the Company;
- Developing strategic operating plans that reflect the longer-term objectives and priorities established by the Board;
- Ensuring that adequate operational planning and financial control systems are in place;
- Monitoring of operating and financial results against budget and taking corrective actions when required;
- Taking remedial action where necessary and informing the Board of significant changes;
- Ensuring that the Company is in compliance with all applicable laws and regulations;
- Building and maintaining an effective executive team and appropriate succession plans;
- Placing significant issues for the information, consideration and decision, as the case may be, of the Board or its committees.

Evaluation Of The Performance Of The Chief Executive

As a member of the Board, the CEO attends all Board meetings, offering insights into the Company's performance and addressing queries from Board members. The CEO's performance is evaluated based on a comprehensive system established by the Company, encompassing qualitative and quantitative objectives. These objectives encompass strategic vision, financial performance, process enhancement, business excellence, compliance, sustainability, leadership development, and people management.

Diversity Policy

AGP has a diverse and balanced Board which not only represents the shareholders but also provides a mix of professional expertise in leadership, finance, legal, regulatory and business management skills and experiences covering adequately all areas of AGP's business undertakings. Furthermore, in compliance with requirements of Code of Corporate Governance, a competent and highly professional female director is present on the Board. To encourage representation of minority shareholders, the Company facilitated the minority members, as a class, to contest election of directors for which purpose, the Company fully complies with the relevant regulation.

The Board has established a gender diversity policy to govern procedures and practices aimed at enhancing gender diversity within the organization. It mandates the Company to uphold high standards of Human Resource Management practices, fostering participation from diverse groups, aiding in the development of in-demand skills, and creating pathways for advancement into leadership roles.

The Company integrates gender diversity targets into the Key Performance Indicators (KPIs) of its senior management. These targets are monitored through workforce diversity trackers provided by the Human Resource Department, ensuring transparency and accountability. Additionally, Gender Pay Gap Analysis is conducted based on industry-relevant metrics and statistics, aligning with International Standards and in compliance with directives issued by SECP to address any disparities in pay based on gender.

Whistleblowing Policy

AGP upholds a zero-tolerance policy towards unlawful and unethical conduct, ensuring compliance with the law and safeguarding the interests of all stakeholders. The Whistleblowing Policy formalizes AGP's commitment to enabling employees, shareholders, and business associates to disclose instances where they genuinely believe the Company's business is being conducted inappropriately or in violation of applicable laws, policies, procedures, or ethical values. A dedicated whistleblowing unit, comprised of senior officials, is tasked with promptly addressing and resolving concerns or issues raised. In addition to internal channels, stakeholders may also report concerns via email or regular mail using the designated addresses provided on the Company's official website. The policy is designed to:

- Support Company's values in line with its commitment to the highest possible standards of ethical, moral and legal business conduct and its strong pledge to open and candid communication.
- Ensure that all stakeholders can raise concerns without fear of retribution and with full confidence that their identities will not be revealed.
- Provide a swift and confidential process for rectifying misconduct wherever and whenever it occurs in the Company.

Throughout the year, the Company received several complaints, the majority of which were found to be of a trivial nature. However, serious complaints were thoroughly investigated, properly addressed, and appropriate actions were taken in accordance with relevant policies of the Company. To prevent future occurrences, the management implemented effective mechanisms. A comprehensive whistleblowing status report was presented to the Audit Committee, briefing about the material complaints and detailing the resolution process for such matters.

Dividend Policy

The management proposes dividend as per the policy approved by the Board considering financial performance of the Company, market dynamics, shareholders' expectations and industry trends. The policy is regularly reviewed by the Board and necessary changes are incorporated if necessary. After review of the dividend proposed by the management, it is recommended by the Board to the shareholders for approval.

I.T. Governance Policy

AGP Limited has aligned itself to efficiently use Information Technology resources in achieving its operational and strategic objectives while increasing shareholders' value. To ensure value creation through benefits realization and resource optimization, the Company has IT governance framework which aims to cover the following:

- Alignment of IT objectives with Company strategy
- Maximize return on technology investment by assuring that all the activities planned are delivered as per agreed achievable targets
- Ensure provision of a coherent and integrated IT architecture and management structure
- Encourage proactive innovation and automation in all business functions
- Assist in the decision-making process by providing reliable information and reports
- Ensure the necessary protection of IT assets through optimization of IT Risk Management
- Comply with legal and regulatory requirements, internal controls and monitoring, and related policies and procedures
- Ensure the satisfaction of end users' expectations with respect to IT services
- Employ a comprehensive sourcing procedure to manage third parties / vendors relationships

The Audit Committee of the Company included the oversight of IT governance and cyber security in its Terms of Reference to ensure the adequacy and effectiveness of cyber security control measures.

Policy For Records Safety

The Company prioritizes information as one of its most valuable assets, emphasizing stringent measures for storage and safekeeping of both financial and non-financial records. Utilizing an ERP system for financial data recording, access to electronic information is restricted and secured through a comprehensive password-protected authorization matrix. The records are stored in a secure and easily retrievable manner using cloud-based technologies with appropriate and necessary measures in place.

Access to information is strictly regulated, with controls in place to ensure access is granted on a need-to-know basis, safeguarding the privacy, security, and confidentiality of Company IT resources.

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Investors' Relations Policy

We prioritize maintaining the trust of our investors and are dedicated to upholding it over time. To effectively address and resolve any grievances from investors and shareholders, we strictly adhere to an Investor Grievance Policy. This policy aims to facilitate clear communication and cultivate positive relationships with shareholders and investors, ensuring timely resolution of their concerns. Additionally, we maintain an internal mechanism for handling investor services and grievances to further support this commitment. Main principles of the Investors Grievance Policy are as follows:

- All the investors are treated fairly and equally at all times;
- Complaints raised by investors are dealt with courtesy, fairness and in a timely manner;
- The management works in good faith and without prejudice towards the interests of any of the investors.

Investors' Contacts Section on Our Website

Detailed information of the Company regarding financial highlights, investor information, share pattern/ value and other requisite information specified under the relevant regulations, has been placed on the corporate website of the Company, which is updated on regular basis. In order to promote investor relations and facilitate access to the Company for grievance / other query registration, an 'Investors' Contacts' section has been introduced on Company's website www.agp.com.pk, besides the link to 'SECP's Service Desk Management System'. The contact details of specialized persons designated for assistance and handling investor related queries / grievances are also placed under this section.

Human Resource Management Policy

AGP upholds rigorous Human Resource Management practices to attract, onboard, nurture and retain top-tier talent. We seek individuals who are skilled, motivated, and committed to driving our company's success through their expertise and dedication.

The Company's HR policy has been developed encompassing the following principles:

Equal Opportunity

The Company shall provide equal opportunity to all job applicants through clearly defined and consistently applied induction standards. In addition, a work environment shall be provided where every employee has an equal opportunity for optimum career growth and development.

Recruitment and Selection

The hiring process of the Company is transparent and fair. The hiring process is followed consistently to select the right candidate as per the job requirement.

Training and development
Appropriately planned activities are designed to help employees become more effective at their work by improving, updating or refining their experience, knowledge and skills through, formal training, education programs or on the job development that meets employee and Company objectives.

Performance Management
A transparent, objective oriented and merit-based Performance Management System is in place, that supports and conserves a culture of learning, innovation, leadership and accountability.

Compensation and Benefits
Compensation commensurate with the industry, particularly pharmaceutical sector and marked to market allowances and benefits are provided to attract and retain talent in the Company.

Diversity and Inclusion
Work environment free from all forms of discrimination and biases is provided where all individuals are treated fairly and respectfully, have equal access to opportunities and resources so that they may contribute fully to the success of the organization. Female participation in the workforce and at the senior management level is encouraged.

Succession Planning
A key organizational priority for the HR department is to ensure structured career progression for all employees. To facilitate employees in steering their careers and realizing their full potential, a formally documented succession planning policy is followed.

Related Party Transaction Policy
The Company adheres to a policy governing related party transactions to ensure strict compliance with international accounting standards, Companies Act 2017 as well as relevant laws and regulations. All such transactions undergo thorough review, consideration, approval, and reporting processes to uphold transparency and accountability. The policy ensures that:

- All transactions with related parties arising in the normal course of business are carried out in an unbiased, arm's length basis at normal commercial terms and conditions;
- In the event, any transaction is conducted other than arm's length basis, specified procedures as prescribed in relevant laws and regulations shall be followed. During the year all related party transactions, other than the ones that are charged at cost via Service Level Agreements, are conducted on arm's length basis, ;
- All transactions with related parties are referred to the Board Audit Committee for review and for onward recommendation to the Board of Directors for review and approval;
- The Company maintains the record of Related party transactions, prescribed in the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018;
- In the event, majority of Directors of AGP are interested in transactions with related parties, such transactions are referred to the shareholders in a general meeting for approval. However, during the year no related party transactions are conducted that may require shareholders' approval.

Related Party Transactions During the year
The Company entered into Related party transactions during the year. Details of these transactions are disclosed in note 34 to the standalone and note 33 to the consolidated financial statements attached therein.

Environmental, Social and Governance Policy
The Company is dedicated to promoting sustainability across its business strategies, encompassing Environment, Social, and Governance (ESG) principles, including Health, Safety, and Environment (HSE) considerations. Our policy provides stakeholders with a roadmap for conducting business in a fair, transparent, and responsible manner. It ensures proactive measures for employee safety, asset protection, community welfare, and environmental preservation. Moreover, it guides strategic planning and systematic management of Corporate Social Responsibility (CSR) initiatives and activities.

Committees of the Board
The Board of Directors of the Company ensures effective oversight of operations and affairs through the establishment of two (2) committees. These committees serve as advisory bodies, keeping the Board informed about key developments and changes in the operating environment. The Board includes two (2) independent directors who maintain impartiality, with no involvement in management or conflicts of interest that could compromise their judgement.

Audit Committee
The terms of reference of Audit Committee have been explicitly documented and approved by the Board. The salient features of terms of reference of the Audit Committee are:
The terms of reference of Audit Committee have been explicitly documented and approved by the Board. The salient features of terms of reference of the Audit Committee are:

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board;
- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits;
- Review of management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Ascertaining that the internal control systems, accounting systems and the reporting structure are adequate and effective;
- Oversee IT governance, and adequacy and

effectiveness of cyber security controls measures. Nominated representative from the IT Steering Committee, comprising of members from the senior management, shall keep Audit Committee updated on a timely basis and seek their guidance where necessary. Audit Committee shall inform the Board on matters that are deemed necessary and critical.

- Review of the Company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the CEO;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with Code of Corporate Governance;
- Review of arrangement for staff and management to report to the Audit Committee in confidence, concerns, if any, about actual or potential improprieties and recommend instituting remedial and mitigating measures;
- Recommend to the Board the appointment of external auditors, their removal and audit fees;
- Consideration of any other issue or matter as may be assigned by the BOD.

Human Resource and Remuneration Committee

The terms of reference of the Human Resource and Remuneration Committee are determined by the Board. The salient features of terms of reference of the Human Resource and Remuneration Committee are:

- Recommend to the Board for consideration and approval a policy framework for determining remuneration of Directors and members of senior management;
- Undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant;
- Recommending human resource management policies to the Board;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of CEO, Chief Operating Officer (COO), Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO;
- Where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the Company;
    - Oversee the implementation of talent strategy and strategic workforce planning (SWP), ensuring alignment with long-term business priorities and organizational goals;
    - Recommending policies for the establishment, maintenance, and periodic review of the whistleblowing mechanism;
    - Administer the development and maintenance of a corporate culture that aligns with the company's values and strategic goals;
    - Recommend training programs for board members to acquire essential skills;
    - Ensure that the organization's complaint redressal mechanism is fair, transparent, and effective in resolving employee concerns in a timely manner;

Ensure enforcement of the workplace harassment policy, is in line with legal and organizational guidelines.

List of Companies in which Executive Director is acting as a Non-Executive Director

The Company only has one Executive Director on the Board who is CEO of the Company, Mr. Kamran Nasir holds Non-Executive Directorship on the Board of the following companies:

- Aitkenstuart Pakistan (Pvt.) Limited
- Aspin Pharma (Pvt.) Limited
- OBS AGP (Pvt.) Limited
- OBS Healthcare (Pvt.) Limited
- OBS Pakistan (Pvt.) Limited
- OBS Pharma (Pvt.) Limited
- Zameen REIT Management Company Limited

Board Meetings Held Outside Pakistan

No Board meeting was held outside Pakistan during the year 2024, to economize on the resources of the Company.

Meetings of the Board

In addition to quarterly meetings, the Board meetings are convened to monitor the Company's performance and provide valuable guidance, worthy suggestions and required approvals for special business agendas.

The Board held six (6) meetings during the year. The Board pack including notices and relevant materials, including agendas of the meetings were circulated in advance, in a timely manner other than those meetings which were emergent in nature. Discussion held and decisions made by the Board during the meetings were appropriately recorded in the minutes of the meetings maintained by the Company Secretary and were duly circulated to all the directors for endorsement and were duly approved in the subsequent Board meetings.

All meetings of the Board during the year had attendance of more than the requisite quorum prescribed by the Code of Corporate Governance and were also attended by the Chief Financial Officer and the Company Secretary except such part of the meetings wherein agenda item relates to consideration of their performance or terms and conditions of their service.

Board's Roles and Decision Making

The powers of the Board are meticulously defined in compliance with the Companies Act 2017, the Code of Corporate Governance, and the Articles of Association of the Company.

Primarily, the Board serves as stewards, entrusted with governance responsibilities on behalf of the shareholders. At AGP, the Board exercises its duties by providing strategic guidance to the management, establishing performance benchmarks, and closely monitoring their attainment. Decisions requiring Board resolution in accordance with legal requirements, as well as significant managerial matters, are deliberated and decided upon by the Board. Additionally, the Board regularly assesses the Company's performance and operations in light of emerging risks and opportunities.

Functions Delegated to the Management

The management headed by the CEO is responsible for the business execution in an effective and ethical manner in conformity with the strategies approved by the Board, including annual targets of sales, cost, and profitability.

They are also responsible for identifying new areas of investment and expansion for the Company, managing the principal risks which could affect the achievement of Company's objectives and compliance with legal and regulatory requirements.

Policy of Retention of Board Fee by the Executive Director in Other Companies

The Executive Director of the Company is not remunerated with the Board fee against his services as Non-Executive Director in other companies.

Security Clearance of Foreign Directors

AGP does not have a foreign director on its Board. In case a foreign director is elected on the Board in future, security clearance will be duly made from the Ministry of Interior.

External Oversight on our Functions

To increase transparency and to enhance credibility of internal controls and systems, we have outsourced our internal audit function to a reputable professional service firm, A.F. Ferguson & Co.

Directors' Training Program

Out of the 7 directors of the Board, 6 have obtained the requisite certification which ensure the accreditation of the entire Board. Majority of the Directors underwent a training in the year 2023 organized by International Institute for Management Development in Switzerland. Board members of leading organizations of the world took part in this training ranging to over 10,000 executives. One of the biggest takeaways of the training was learning team dynamics applied to Boards and learning to transform a collection of individuals into an engaged and high performing team of people.

Trading in Shares by Directors and Executives

During the year, no trading was conducted by the directors, executives and their spouses and minor children, except the following transactions:

Name of Person	Description	Particulars	Nature	No. of Shares
Muhammad Kamran Nasir	CEO	25-06-2024	Buy	1,000
Ammara Tasnim	Spouse of CEO	25-06-2024	Buy	1,000
Maleeha Bangash	Board Member	25-06-2024	Buy	10
Shauzab Ali	Ex-Board Member	25-06-2024	Buy	5

Shares held by Sponsors / Directors / Executives Shares

During the year, the Sponsor's, Directors and Executives of the Company held the following number of shares as of December 31, 2024.

Particulars	Number of Shares
Sponsors	156,850,434
Directors	38,012
Executives	1,340

A detailed pattern of shareholding is disclosed on pages 339-341 of the Annual Report.

Board Evaluation

The Company has appointed Pakistan Institute of Corporate Governance (PICG) to evaluate the performance of the Board inclusive of its committees and members. PICG has conducted around 200 Board Evaluations since 2014 as an external evaluator. Being an independent third party, PICG provides an external view, add more value and brings more transparency into the process whilst maintaining anonymity. PICG formulates assessments on the basis of statutory requirements, best practices and knowledge gained from the governance practices of other companies. The evaluations are designed to facilitate an independent review of the Board's working to help build an effective Board.

Encouragement of Minority Shareholders to attend the General Meetings

The Company encourages all its shareholders to attend the general meetings. It circulates the notice of general meetings well within regulatory timeframe. Moreover, advertisement is published in English and Urdu newspapers, having nationwide circulation. The Company also timely updates its website with respect to notices of general meetings. We also ensure that the Annual Report, containing the agenda and notice of general meeting, is emailed and dispatched to every shareholder at her/his registered address within the stipulated time.

Queries raised at last Annual General Meeting

No significant issues were raised during the 9th Annual General Meeting (AGM) of the Company held on March 19, 2024. Queries raised during the last AGM of the Company mainly pertained to pharmaceutical industry, financial and non-financial performance of the Company, which were responded by Board members, the CEO and Company Secretary and resolved to the satisfaction of the shareholders.

Presence of the Chairperson Audit Committee at the AGM

Chairman of the Audit committee – Mr. Zafar Iqbal Sobani was present at the last AGM to answer any questions on the conduct of the Committee and matters within the mandate of the Committee.

Formal Orientation Program

When a new member is taken on Board it is ensured that he/she is provided with a detailed orientation of the Company, covering the following objectives:

- The Company's vision and strategies
- Company's core competencies, investments, diversification ventures, etc.
- Organizational / group structure, associations and other related parties
- Summary of the Company's major assets, liabilities, noteworthy contracts and major competitors
- Major risks both external and internal, including legal and regulatory risks and constraints
- Critical performance indicators
- Summary of major members, stakeholders, suppliers and auditors
- Role and responsibility of the Director as per the Companies Act, including Code of Corporate Governance and any other regulatory laws applicable in Pakistan
- AGP's expectations from the Board, in terms of output, professional behavior, values and ethics
- Major policies of the Company

Apart from a formal orientation program, Directors are encouraged to attend trainings, which help them reassess their role in the Company's progress and enhance their competencies for the betterment of the Company in line with Code of Corporate Governance.

Connection of External Search Consultancy for Appointment of Chairman or Independent Directors

The Company has effectively maintained the structure of its Board of Directors with the composition of a Chairman, two (2) independent directors and four (4) non-executive directors. During the year, election of Directors was held, however, there was no change in the Board's structure and hence, the need for an external search consultancy for the appointment of Chairman or independent directors did not arise.

STAKEHOLDER'S RELATIONSHIP & MANAGEMENT

The Company places great emphasis on the development of sustained stakeholder relationships. It has developed various mechanisms that enable the Board and management to understand and consider stakeholder views and cater to their needs and interests.

Identification of Stakeholders

Our management places great focus on identification and engagement with stakeholders across all departments of the Company. Our marketing department is extensively involved in market research and customer analysis to better connect with our customers and to expand and update our existing customer base. Our supply chain department actively engages with our suppliers and vendors to develop better relationships and enrich our supply base. Our corporate affairs department makes concentrated efforts to foster better relationships with our shareholders through direct engagement and corporate briefing sessions.

Stakeholders' Engagement Process

AGP regularly engages and effectively communicates with its stakeholders. The table sets out our key stakeholder groups, some of the ways in which we engage with them and how these relationships are likely to affect the performance and value of the entity.

Stakeholder	Engagement Process	Effect and Value
Shareholders	• Annual general meeting • Extra ordinary general meeting • Corporate briefing sessions • Communication of interim and final results	• Maintain regular and constructive dialogue with investors and shareholders to communicate performance update in order to build confidence and ensure continued access to capital
Analyst	• One-to-one meetings between senior executives including CEO and institutional investors • Participation in prominent local and international investor forums • Corporate briefing sessions	• Briefly explain key financial highlights and strategic approach towards growth • Clarifies the Company's stance in the market to create a positive and transparent image
Patients and consumers	• Pharma summits, medical conventions and conferences • Engage ethically with institutions and • healthcare professionals through our experienced and well-trained marketing team	• Feedback from summits and other engagements enable us to develop products and advocate for policies that better cater to unmet needs

Stakeholder	Engagement Process	Effect and Value
Bank and other lenders	• Meetings and negotiation are held with banks/financial institutions to discuss working capital and other financing requirements	• Access to the financial products at competitive prices • Ready availability of short-term and long-term financing facilities
Media	• Different communication mediums including social media used on need basis to apprise the general public about new developments and activities • Engaging expert media agencies for specific campaigning over social media and communication channels	• By informing the media of the developments and activities at AGP, effective awareness is created regarding the Company and the products and activities, indirectly having a positive impact
Regulators	• Meetings with official according to business needs • Timely submission of data for review and compliance • Filing application for approval and registration	• Understanding and ensuring compliance with all legal and regulatory requirements • Dialogue with regulatory authorities to address matters impacting business operations, new product registrations and hardship cases
Employees	• Routine interactions and meetings with senior management and the CEO • Project based collaborations • Trainings, both on the job and formal training courses • Appraisals (conduced twice a year) • Continuous feedback	• The Company realizes that employees are its most valuable resource representing the Company in the industry and community • Providing a nurturing and friendly work environment that helps the Company to maintain a dedicated and competent workforce • The employees feel valued when they are regularly engaged • Motivated workforce supports effective implementation of strategies
Suppliers	• Engaging with suppliers and distributor to monitor quality, delivery and performance • Regular auditing of suppliers' quality processes to ensure they comply with relevant regulations and required standards	• Suppliers provide materials and services that support us in delivering high-quality, safe products for our patients • Distributor ensure that our products remain available and accessible in the markets

Steps Taken by the Board to Engage with Shareholders

The AGP's Board is cognizant of the potential impact of its decisions on stakeholders. In the performance of its duty to promote the success of the Company, the Board gives regard to a number of factors, including listening to and considering the views of shareholders and other key stakeholders. The Board's interaction with the Company's main stakeholder group – shareholders is set out below in more detail.

Participation at General Meetings

The Company engages with shareholders in several ways. This includes regular communications, the General Meetings and other investor relations activities. It announces results on a quarterly basis and annual results are included in the annual report. The management encourages maximum participation of shareholders including minority shareholders to attend General Meetings. In addition to the legal requirements of dispatching and newspaper publication of the notice of general meetings, the shareholders can also view a notification through "Latest News" on the official website of the Company, which advises them that the annual report and notice of the general meetings are available.

The CEO and management maintain a continued and active dialogue with institutional shareholders on performance of the Company through regular meetings. The Company Secretary acts a focal point for handling investor grievances and queries raised through email, website or telephone. The Company Secretary also manages key relationships with the Company's registrar. For facilitation of stakeholders and shareholders, the "Investors' Relations" section is also present on the corporate website of the Company, containing useful information from investors' perspective.

Last Annual General Meeting

The last Annual General Meeting had a considerable level of attendance, of more than 85%, and interactive engagement by shareholders. All the proposed resolutions were duly approved by shareholders. The Annual General Meeting held by the Company, provided an opportunity to put questions and receive responses from the Board during the formal proceedings and provide shareholders the chance to meet with the Board Directors and senior management.

Corporate Briefing Session

The Board has implemented an Investor Relations and Communication Policy, which encourages the management to conduct regular corporate briefing sessions. The CEO, CFO and Company Secretary attend these sessions and give detailed presentation on financial and non-financial performance of the Company. The sessions end with a Q&A segment, where attendees are given responses to their questions. These sessions helped the Company to build trust and confidence with stakeholders.

Redressal of Investor Complaints

Our shareholders have been given an open forum through our website and dedicated email address to reach out in case of any queries and complaints. Normally, the Company receives complaints related to request to receive hard copies of the annual report and dividend not being credited in cases where there is an error in shareholders banking particulars . Our corporate affairs department is actively engaged to liaison with such shareholders and ensure that such matters are resolved in an appropriate and timely fashion.

IT GOVERNANCE & CYBER SECURITY

Board Responsibility Statement
The Board of Directors understands the value and recognizes the responsibility of having an information technology (IT) governance framework which is clearly defined and focuses on enterprise governance, IT leadership, implementing IT strategy, IT framework, and IT processes.

IT Governance and Cyber Security Oversight function
The Board Audit Committee is charged with oversight of IT governance, and adequacy and effectiveness of cyber security controls measures. Nominated representative from the IT Steering Committee, comprising of members from the senior management, shall keep Audit Committee updated on a timely basis and seek their guidance where necessary. Audit Committee shall inform the Board of Directors on matters that are deemed necessary and critical.

IT Steering Committee
The management has established an IT steering committee consisting of senior personnel to enhance the IT governance and cyber security framework. A charter has been drafted and put in place to regulate and manage the operations of the committee, which will oversee the activities and responsibilities of the IT department, focusing particularly on IT governance and cyber security measures. The committee will consult Chief Executive Officer on contentious and important matters and will provide quarterly reports to the Audit Committee as appropriate. The committee will meet at least once in a quarter and will follow the mandate as per the charter of the committee. In response to new challenges and evolving IT environment, a mandate has been given to the committee for evaluating new technologies to bring business synergies and commercial efficiencies, and combat against cyber threats.

IT Governance and Cyber Security Policy and Programs
The IT governance policy is designed to ensure that IT activities are aligned with business objectives and stakeholder requirements. Programs such as value delivery, risk minimization and resource optimization have been initiated under the relevant standard operating procedures.

Early Warning System
The KPIs of the relevant management has a mandate to build and maintain effective security control systems for risk mitigation. Our IT department is actively monitoring the environment to identify and prevent threats, to the extent possible, and make timely disclosures as appropriate.

Independent Comprehensive Security Assessment
Management engages third-party experts to perform risk assessment and penetration testing as and when it is deemed necessary. The management actively and regularly plans and conducts training of its staff, including IT department, depending on their unique skill set and training requirements as per their roles and responsibilities.

Digital Transformation
The management continuously assess the business need to update its technology and infrastructure. The proposal is presented to the Board of Director for all material projects and adequate capital budget is allocated for its implementation.

AGP has digitized the general gate pass process by developing a web-based application, which is currently in the final stages of user acceptance testing (UAT). This application is expected to be implemented in the first quarter of 2025.

To ensure secure external access to Packaging and Lab Instruments for QC, NCD, Production, and Engineering resources, AGP has implemented measures to protect against intrusions, viruses, and data leakage.

Fiber redundancy and bandwidth have been enhanced to ensure optimal production and services. This upgrade includes transitioning to dual fiber connectivity for WAN and increasing bandwidth to enable smooth responses for applications like SAP.

AGP now holds a license subscription for comprehensive unified threat protection, which inspects incoming and outgoing network traffic to safeguard against internal and external attacks, viruses, and intrusions.

Management of risk associated with ERP
AGP has signed a Service Level Agreement (SLA) with SuperNova Solutions to ensure the timely resolution of SAP-related issues, enhance business processes, and provide training. SAP capacity planning and scheduling have been implemented. Additionally, a new income tax module has been developed and tested, and it will be implemented in January 2025.

To better utilize employee data, AGP is in the process of integrating SAP HCM (Human Capital Management) with the Decibel Application (Employee Data Management, Recruitment Management, Performance Management). This integration is currently in the testing phase.

AGP has also subscribed to a comprehensive unified threat protection service that inspects incoming and outgoing network traffic, safeguarding against internal and external attacks, viruses, and intrusions.

STATEMENT OF VALUE ADDED AND DISTRIBUTED

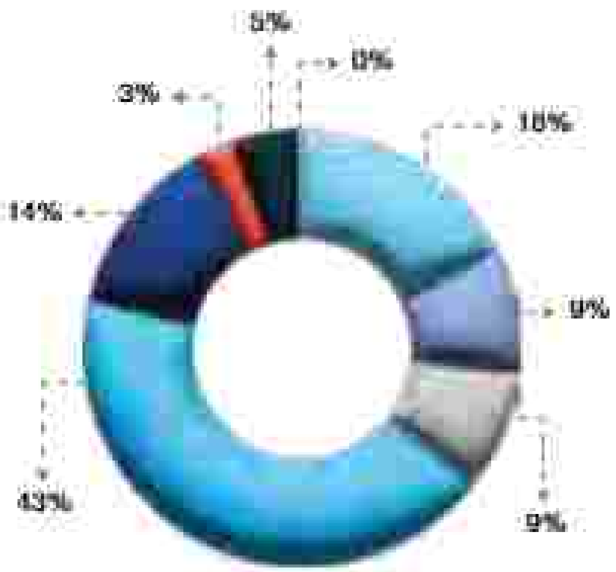
Wealth Generated

PKR in Million

Wealth Distributed

PKR in Million

Particulars	2024	2023
Retained with Entity	1,384	630
Reinvested	716	752
Shareholders as Dividend	700	560
Employees as Remuneration & Benefits	3,368	2,757
Government as Taxes & Duties	1,073	1,154
Statutory Levies	203	151
Providers of Long Term Finance	380	222
Society as Donations	24	33
Wealth Distributed	7,844	6,249



DIRECTOR'S REPORT

The Board of Directors of AGP Limited (AGP / the Company) is pleased to present the Annual Report along with the audited financial statements for the year ended December 31, 2024.

About the Company

AGP Limited is engaged in the manufacturing, marketing, import, and sale of pharmaceutical and healthcare products in both domestic and international markets. The Company offers a diverse portfolio of high-quality products, addressing various therapeutic segments. As of December 31, 2024, Aitkenstuart Pakistan (Private) Limited, the Parent Company, holds a 55.8% equity stake in AGP. The Company maintains a 65% shareholding in OBS AGP (Private) Limited, which acquired a pharmaceutical portfolio from Sandoz AG in 2021, and a 91.8% shareholding in OBS Pakistan (Private) Limited, which acquired selected pharmaceutical brands from Viatris Inc. in 2023.

Economic Overview

The economy showed signs of recovery in the year 2024 with rebounding of GDP growth. Significant reduction by 1,000 bps in the policy rate since June 2024 will continue to unfold and further support economic activity. The import bill outpaced export earnings, however, remittances inflows more than offset the widening trade deficit. The Pakistani Rupee also stabilized against the USD, bolstered by IMF support and improvements in foreign exchange reserves, contributing to a more stable macroeconomic environment. Moreover, the business confidence index has continued to show positive sentiments.

The pharmaceutical sector has witnessed favorable growth, particularly following the deregulation of pricing for drugs not included in the National Essential Medicines List (NEML). This policy change allows drug manufacturers to adjust prices for non-essential medicines to offset rising cost of doing business in line with market dynamics, creating growth opportunities, particularly for those with a higher portfolio of non-essential products, thereby enhancing revenue potential.

Market Overview

As per the Industry Report issued by IQVIA Solutions Pakistan Pvt. Ltd., a pharma research company, the pharmaceutical industry in Pakistan reached PKR 1,008 billion in the year 2024 with a value growth of 21.5% and unit growth of 2.9%. The sector's growth has been mainly attributed to a deregulatory policy introduced this year. AGP outperformed the market and registered a value growth of 28.6% with an impressive unit growth of 11.2%. On a consolidated level, AGP along with its subsidiaries, registered a value growth of 23.7% with an encouraging unit growth of 12.9%.

Financial Results

Financial performance of AGP

AGP delivered a robust financial performance, achieving a revenue milestone of crossing PKR 18.5 billion, reflecting an impressive 33.8% growth over the last year. The Company's domestic retail sales, which constitute majority of the revenue, registered strong 27.8% growth, driven by the exceptional performance of its leading brands. Export sales also demonstrated significant expansion, with an outstanding 48.1% growth, supported by focused market penetration initiatives. Additionally, the nutraceutical segment gained momentum, posting 52.3% growth over the last year. The overall sales performance was further complemented by toll manufacturing, including supplies made to OBS AGP. In totality, the toll business registered a growth of 66.6%.

On account of proficient sales mix, efficient inventory management and operational excellence initiatives, the Company along with its subsidiaries, on a consolidated level, was able to improve its gross margins to 58.1% from 53.6%, reinforcing its strong profitability positioning. During the year, the management has devised a detailed 5-year strategic plan, whose favorable impacts have already been reflected in our financial results.

The management remained vigilant in cost control efforts, effectively containing Administrative, Marketing and Selling expenses given the impressive increase in sales. However, the finance cost has increased by 43.5% mainly because of the syndicate term finance loan obtained by the Company to fund its equity investment in OBS Pakistan (Private) Limited (OBS PK). Additionally, increased working capital requirements necessitated higher short-term borrowings, further contributing to a rise in finance costs. The tax has increased primarily due to increase in profit before tax. Also, tax regime on exports has now shifted from final taxation to minimum / normal tax, which further enhanced the tax burden. Consequently, the Company reported an encouraging profit after tax of PKR 2.1 billion, with earnings per share (EPS) of PKR 7.44, representing remarkable increase of 75%.

Financial performance of OBS AGP
The performance has been encouraging as the Company crosses the PKR 6.25 billion mark with a healthy gross margin. The management has done well to control and restrict its expenses and, hence, recorded a profit after tax of more than PKR 736 million, with promising net margins.

Financial performance of OBS PK
The performance of the acquired portfolio has been remarkable, and the Company has recorded net sales of PKR 3.2 billion with an impressive gross margin. However, due to high finance cost of long-term financing secured for acquisition of the brands, the bottom-line profitability remained under pressure and recorded at a net profit of 250 million.

Consolidated financial performance
The encouraging topline performance of AGP and its subsidiaries, has led to a consolidated revenue of PKR 25 billion, representing an increase of 33.6% over the last year. The gross margins are recorded at an impressive level of 58%, improved from 53.6% in the last year. Finance cost remained high due to debt servicing of long terms loans acquired for acquisition of brands. All other expenses were contained efficiently and resultantly, consolidated net profit is recorded at around PKR 3 billion and net profit attributable to parent Company stands at PKR 2.7 billion with EPS of PKR 9.58, registering an impressive increase of ~70%.

Capital Structure
AGP strengthened its financial position during the year, with total equity increasing by 12.5% to PKR
12.2 billion, up from PKR 10.8 billion in the previous year. The Company settled its debt payments in a timely manner, thereby reducing its gearing ratio to 18.0% from 23.2%. As of December 31, 2024, the Company's long-term financing, including current maturity, stood at PKR 2.2 billion decreased from PKR 2.5 billion in the last year. On a consolidated basis, total equity grew by 17.6% to PKR 14.5 billion. The gearing ratio improved to 69% from 88% as the debt continued to be settled on a timely basis.

In line with its growth and expansion strategy, the Company invested more than PKR 0.7 billion on an individual level and around a PKR 1 billion on a consolidated level in capital enhancement initiatives, focusing on balancing, modernization, and restructuring of equipment and machinery to strengthen operational capabilities and upgrade infrastructure.

The Company's strong financial standing was reaffirmed by Pakistan Credit Rating Agency Limited (PACRA) in October 2024, which rated AGP Limited at A+ for long term and A1 for short term. AGP's ratings reflect strong and sustained gross margins over the past three (3) years along with sizeable cash flows to service debt and meet the working capital needs.

Profit Distribution and Reserves
The standalone revenue reserves – unappropriated profit stood at PKR 8 billion at the start of 2024. Profit after tax for the year 2024 increased reserves by PKR 2 billion, whereas dividend payments led to a reduction of PKR 0.7 billion to the reserves. Accordingly, the reserves closed at PKR 9.4 billion, signifying an increase of 16.9% for the year.
The consolidated revenue reserves – unappropriated profit stood at PKR 8.8 billion at the start of 2024. Profit after tax for the year 2024, increased reserves by PKR 2.6 billion, whereas dividend payments led to a reduction of PKR 0.7 billion to the reserves. Accordingly, the reserves closed at PKR 10.7 billion, signifying an increase of 22.4% for the year.

Dividend
The Board of Directors, in its meeting held on February 27, 2025, recommended a final cash dividend of PKR 4 per share, that is 40%, for the year ended 2024. The same shall be placed for shareholders' approval at the forthcoming Annual General Meeting scheduled to be held on April 10, 2025.

Pattern of Shareholding
The shares of AGP are listed on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2024, and other related information including trade of shares by Board Directors, CEO, substantial shareholder and/or their spouses and minor children, if any, is set out in the relevant section of pattern of shareholding in the Annual Report 2024.

Subsequent Events
No other material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

Nurturing the Environment
While delivering remarkable sales performance, we remain fully cognizant of ethical standards and sustainability principles in the conduct of our business. We continuously pledge to decrease our carbon footprint by reducing emissions and implementing programs and awareness that promote water and energy conservation. We believe and practice business operations while adhering to environmental regulatory framework such as Environment, Health and Safety (EHS) and Sindh Environmental Protection Agency (SEPA) to create a positive social and environmental impact.

As part of our "Go Green Strategy" to establish sustainable energy sources, we met ~13% of our energy needs through solar panels. As part of our partnership with the Worldwide Fund for Nature (WWF) to make AGP a more environment-friendly office, we continue to follow an effective and efficient environmental management system (EMS) and have been successfully awarded a Green Office Certificate for the third consecutive year. As part of our sustainable targets, we worked towards achieving the following annual KPIs:

TARGET	
Water consumption reduction	3%
Paper consumption reduction	5%
Waste reduction	5%
Energy consumption reduction	7%

Our production processes comply with international standards, good manufacturing practices (cGMP) and goods storage practices (cGSP). Our methods and procedures are sustainable, and controls are effectively in place that assure quality of our medications and ensure safety of our staff.

Similarly, our products meet high-quality standards. To facilitate accomplishing our goals and objectives, well-designed in-house and external training and courses are provided to relevant employees to maintain and enhance EHS performance throughout the Company.

Corporate Social Responsibility

AGP firmly focuses on its social responsibility so that both the Company and the community at large can advance together. In this regard, we have supported various projects aimed at promoting societal well-being and educating deserving students. To fulfill our mission of valuing life, we donated funds to healthcare institutes to aid patients and partnered with welfare organizations to help the underprivileged. We also extended educational support to well-reputed academic NPOs and donated medicines and food to those in need who cannot afford them.
Our strive towards improving sustainability, while pursuing United Nations' sustainable development goals (SDGs) as adopted by the Government of Pakistan (GoP), can be summarized through the following table:

SDGs	Actions
SDG 2 Zero Hunger	• A donation of more than PKR 2 million was made in lieu of Ramadan Rashan packs and Iftaar distribution.
SDG 3 Good Health and Well Being	• Donated Fresenius Dialysis Machines worth ~PKR 5 million to the Kidney Foundation. • A contribution of PKR 1 million was made to AKUH's Patients Behbud Society to provide quality healthcare to the underprivileged. • Donated to Pakistan Medical Centre (PMC) to support its mission of providing unmatched healthcare services without discrimination. • Supported SINA Health Trust in its mission to be the primary healthcare provider to vulnerable patients. • Along with our direct employees, all our 3rd party employees are medically insured, and we have also introduced pay continuation plan for four years for the deceased employees.
SDG 4 Quality Education	• AGP has a policy of granting scholarships to deserving children of factory workers and support staff. • The company sponsored the education of 200 underprivileged students in collaboration with renowned NGOs, The Citizen Foundation (TCF), with a total investment of PKR 5.2 million. • AGP established an endowment fund of PKR 4 million at IBA Karachi, allocating PKR 1 million each year to sponsor two students for their bachelor's program. • AGP, along with its subsidiaries, donated PKR 0.8 million to Million Smiles Foundation for providing textbooks to under privileged children. • Partnered with [illegible] to create Learning Center for training of pharmacists, allocating PKR 1.8 million.

SDGs	Actions
SDG 5 Gender Equality	• The female-to-total workforce ratio at AGP is approximately 10.4%. • AGP has been honored as one of the Top 20 Inclusive Companies of the year and proudly achieved wins in 8 categories at the GDEIB Awards 2025. • AGP provides a convenient and affordable transportation facility specially for its female employees in lower management cadre. • Commenced 'Himmat Wali' Return to Work Program to support women in entering the workforce.
SDG 6 Clean Water and Sanitation	• The Company has a water treatment facility to appropriately dispose of effluent water and waste as per SEPA regulations. • Using sensor-equipped taps and springs wherever possible to conserve water.
SDG 7 Affordable and Clean Energy	• All three (3) plants of the Company, has solar panels installations that fulfills ~13% of its energy needs. • The company holds the WWF Green Office certification. • Implementing their recommended Environment Management System (EMS) to reduce our carbon footprint.
SDG 8 Decent Work and Economic Growth	• We facilitate our female employees by having a daycare center so they could peacefully and easily continue working even with their motherhood. • A structured framework ensures gender equality, offering similar opportunities and rewards to male and female employees with comparable qualifications and experience.

SDGs	Actions
SDG 10 Reduced Inequalities	• AGP adheres firmly to fiscal policies regarding labor wages and compensation. • Workers' wages have been increased to help workers to combat the impact of rise in the cost of living. • AGP embraces diversity, including various ethnic groups, minority classes, and differently-abled individuals. • Partnered with NOWPDP to recruit differently-abled students for internships while providing sensitivity training to employees, fostering an inclusive and supportive workplace environment. • The management ensures all workers and staff are above eighteen (18) years, vehemently discouraging child labor. • AGP contributed to Empowering Communities for Change (ECC) to help the underprivileged.
SDG 12 Responsible Consumption and Production	• Our pharmaceutical products are produced as per international standards ensuring there is minimum wastage during production, packaging and distribution.
SDG 13 CLIMATE ACTION	• AGP is committed to reducing carbon emissions and progressively adopting green initiatives. To foster environmental awareness, AGP actively involves employees in activities such as plantation drives and beach clean-ups, while also conducting sessions to educate them on ways to contribute to environmental sustainability at an individual level.
SDG 14 Life Below Water	• AGP employees actively participated in a Beach Cleaning Drive in collaboration with WWF, demonstrating our commitment to protecting and preserving the aquatic ecosystem.
SDG 15 Life on Land	• AGP's employees participated in Mangrove Plantation Drive in partnership with WWF to safeguard the mangrove ecosystem.

Risk Management

The Board of Directors considers risk governance a critical element in achieving sustainable growth. The Company has implemented a comprehensive risk management framework aimed at identifying, analyzing, and mitigating strategic, financial, operational, reputational, legal, and compliance risks. The Audit Committee periodically reviews key risks along with their mitigation strategies, ensuring a structured evaluation process. The findings and recommendations are subsequently communicated to the Board for informed decision-making.

To mitigate the impact of external challenges, the management has implemented various measures to enhance operational efficiencies and cost optimization. The Company has adopted a strategic approach to inventory management, ensuring optimal stock levels to support seamless production and avoid stock out situations in the market. Additionally, negotiations with existing and potential international and local suppliers with improved terms of trade have shown promising results. To further strengthen supply chain resilience, the Company is actively diversifying its supplier base by engaging local vendors where feasible. Moreover, to mitigate foreign currency volatility, the Company is exploring new export opportunities, reinforcing its commitment to sustainable growth and financial stability. A dedicated senior management resource, with hands-on experience in leading international businesses, has been inducted to explore full potential of export avenues. Dollar based earnings, will of course hedge the risk of forex volatility.

Composition and Meeting of the Board and its Committees

To provide diligent strategic leadership to the Company, the Board consists of distinguished professionals from various sectors with a diversified skill set and understanding of the relevant subjects. Our Board of Directors serve the interests of all the stakeholders, including minority shareholders. The following Board and committee meetings were held for the Company to adopt and practice effective corporate governance policies and procedures:

Committee Meetings		
Board of Directors	BOD	6
Board Audit Committee	BAC	4
Human Resource & Remuneration Committee	HRC	5

The composition and attendance record of the meetings of the Board and its committees are as follows:

Name	Categories	BOD	BAC	HRC
Mr. Tariq Moinuddin Khan	Non-Executive Director	6/6	-	-
Mr. Zafar Iqbal Sobani	Independent Director	6/6	4/4	-
Mr. Shauzab Ali*	Independent Director	2/2	-	3/3
Ms. Maleeha Humayun Bangash	Independent Director	4/4	-	2/2
Mr. Kamran Nishat	Non-Executive Director	6/6	4/4	4/5
Mr. Muhammad Kamran Nasir	Executive Director	6/6	-	5/5
Mr. Mahmud Yar Hiraj	Non-Executive Director	6/6	4/4	5/5
Mr. Muhammad Kamran Mirza	Non-Executive Director	6/6	4/4	5/5

* Mr. Shauzab Ali continued as an Independent Director until the new Board was constituted after election of Directors held in July 2024.

Mr. Tariq Moinuddin Khan chairs the meetings of the Board of Directors, Mr. Zafar Iqbal Sobani chairs the meetings of the Audit Committee and Mr. Shauzab Ali and after his departure, Ms. Maleeha Humayun Bangash chairs the meetings of the Human resource Committee. The meetings of the Board and its committees were presided over by their respective Chairpersons. All members of the Board and its committees attended all their respective meetings except for one instance.
The Chief Financial Officer and Company Secretary attended all meetings of the Board except such part of the meetings wherein agenda items related to the consideration of the performance of themselves or other senior management executives or terms and conditions of their services.

The Chief Financial Officer and Chief Executive Officer attended meetings of BAC at the invitation and with the permission of the Audit Committee and its Chairman.

Adequacy of Internal Controls

The Board of Directors holds ultimate responsibility for the Company's internal control systems and their effectiveness. These controls are designed to manage, rather than eliminate, risks associated with achieving business objectives. As a result, they provide reasonable, rather than absolute, assurance against material misstatements or losses.

To ensure an independent and robust internal audit function, the Company has outsourced this responsibility to A.F. Ferguson & Co. (AFF), a renowned professional services firm, which deploys qualified and experienced personnel for the task. The internal audit is conducted in line with a structured audit plan, which is reviewed and duly approved by the Audit Committee. This plan is aligned with the Company's strategic objectives and risk assessment framework to ensure a comprehensive evaluation of critical areas. The Audit Committee evaluates the effectiveness of the internal control system, while AFF independently monitors and certifies the adequacy of the internal controls and risk management framework on a regular basis.

Recognizing the importance of IT governance, the Board has implemented a well-defined governance framework focused on enterprise governance, IT leadership, strategic implementation, and cybersecurity risk management. The Audit Committee oversees IT governance, ensuring the adequacy and effectiveness of cybersecurity control measures.

In the year 2023, the ERP of the Company successfully upgraded to SAP S/4 HANA. Since then, the management is making continuous efforts to further upgrade its ERP system and better integrate processes. This transition to a cloud-based, intelligent ERP system enhances real-time insights, operational efficiency, regulatory compliance, and business resilience. The IT Steering Committee, comprising senior management representatives, regularly updates the Audit Committee, which in turn provides oversight and guidance, and escalates critical matters to the Board as necessary.

Board Evaluation

Following best corporate governance practices and as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, AGP has engaged the Pakistan Institute of Corporate Governance (PICG) to evaluate the Board's performance, as well as that of its committees and members. The findings of PICG's assessments are discussed in depth at the subsequent Board meeting to address the highlighted areas and enhance the performance of the Board and its committees.

PICG is a public-private collaboration with a skillful team with rich credentials and experiences targeted at developing good corporate governance standards in Pakistan.

Directors' Remuneration

The Board of Directors, in accordance with the Companies Act, 2017, and the Code of Corporate Governance, has approved the remuneration of the Board members for attending meetings of the Board and its committees. The Board reviews the meeting fee of Directors on a periodic basis and make appropriate revisions if need be.

The remunerations are determined as per time spent in proper conduct of Board meetings, thorough discussion and reaching appropriate decisions on business critical and governance related matters. Remuneration considerations are also based on industry trends and practices to ensure commitments by all Board members along with their retention by the Company. However, the meeting fee is not set at such a level that it may be perceived to compromise the independence of Board members.

As stated in note 29 of the financial statements for the period ended December 31, 2024, the details of the remunerations, which include but are not limited to salary, benefits, bonuses, performance, and other incentives, for the directors and chief executives, are as follows:

Name	Chief Executive		Director		Executive	
	2024	2023	2024	2023	2024	2023
	Rupees in '000					
Managerial remuneration	49,280	33,612	-	-	603,952	481,713
Bonus	8,212	4,549	-	-	58,798	38,303
Performance incentive	34,088	17,332	-	-	32,348	5,520
Reimbursement of expenses	344	718	-	-	43,580	111,204
Provident fund	3,185	2,275	-	-	33,320	26,294
Others	3,188	1,845	-	-	155,789	39,083
Total	97,880	55,729	-	-	925,040	700,738
Number of persons	1	1	7	8	138	97

In addition, the chief executive and certain executives are provided with free use of Company maintained car in accordance with their entitlements.

During the year, fee paid to two (2023: two) independent directors and four (2023: five) non-executive directors for attending board and other meetings aggregating to Rs. 8.9 million (2023: Rs. 15 million). Travelling and boarding expenses of executive and non-executive directors borne by the Company amounted to Rs. 0.3 million (2023: Rs. 1.45 million). Number of non-executive directors at year end were four (2023: five).

Directors' Compliance Statement

The Board is pleased to state that:

- Management's financial statements correctly portray its state of affairs, the results of its activities, cash flows, and changes in equity.
- The Company's books of account have been kept properly.
- There are no concerns about the Company's capacity to continue as a going concern.
- Appropriate accounting rules were regularly followed in the compilation of the financial statements, and accounting assumptions were based on reasonable and competent judgment.
- International financial reporting standards as applicable in Pakistan were followed in the compilation of the financial statements, and any deviation was sufficiently stated.
- The internal control system is well-designed and has been efficiently implemented and monitored.
- There has been no major deviation from the best corporate governance procedures described in the listing requirements.
- Information on unpaid taxes and levies, as required by listing regulations, is reported in the notes to the financial statements.
- The Board has duly complied with the requirements of the Directors' training program and the criteria as prescribed in the regulations.
- The key operating and financial data for the last six (6) years is set out in the relevant sections of the annual report; and
- The Company's management is committed to best corporate governance and appropriate steps are taken to comply with best practices.

Provident Fund

All permanent employees of the Company and its subsidiary OBS AGP, are eligible for a contributed Provident Fund as part of retirement benefits. According to the records, the value of Defined Contribution Provident Fund investments as of December 31, 2024, was PKR 549 million (un- audited), whereas it was PKR 408 million as of December 31, 2023 (audited).

Auditors

M/s Grant Thornton (GT) Anjum Rahman Chartered Accountants, the Company's current auditors, have published a report on AGP's standalone and consolidated financial statements.

Being eligible, GT has offered themselves to be reappointed as the Company's auditors for the year 2025. In agreement with the Audit Committee, the Board has proposed to shareholders for approval at the forthcoming Annual General Meeting the re-appointment of GT as AGP's statutory auditors for the year 2025.

Future Outlook

While Pakistan's economy is showing signs of stabilization, challenges such as fiscal constraints, external debt obligations, devaluation of local currency, and global supply chain disruptions persist. Expected volatility in oil prices, due to supply and demand factors, are posing risks for global trade and commodity prices. Hence, future profitability may be impacted by macroeconomic challenges.

Despite economic and geopolitical challenges, AGP remains committed to sustainable growth and expanding its market share. By leveraging its existing product portfolios and realizing group synergies, the Company aims to outperform market growth. AGP is actively working on research and

development to introduce new medications to address both existing and emerging therapeutic needs, strengthening its domestic presence while seeking to seize opportunities to expand into international markets. Additionally, the Company continues to explore strategic acquisition options to drive inorganic growth.

To diversify revenue streams and reduce reliance on top-performing brands, AGP has adopted a launch philosophy focused on introducing prudently selected brands with blockbuster potential, introducing New Chemical Entities (NCEs), enriching its portfolio through line extensions and support brands, and expanding into high-potential therapeutic areas. A key aspect of AGP's growth strategy is its enhanced commercial focus.

Additionally, AGP is investing in talent development and sales force optimization, with an emphasis on quality hiring, structured training programs, data-driven sales force deployment, and increasing field force (FF) coverage to penetrate further into existing markets and capture untapped market potential.

AGP is committed to maintaining its competitive edge by continuously enhancing its adaptability, resilience, and growth capacity in an evolving business environment. In line with this strategy, the Company has incurred or committed over PKR 0.7 billion in Capital Expenditures during the year to expand manufacturing capacity and strengthen operational capabilities.

Response to Future Challenges and Uncertainties

To mitigate the challenges posed by economic constraints, AGP is actively diversifying its supplier base by shifting from imports to local sourcing, while ensuring that quality standards remain uncompromised, which has been a cornerstone of the Company's success. Close to the end of the current year, AGP has diligently made structural changes for portfolio rationalization, carefully realigning teams and placing each product within suitably selected teams. This will help the Company to fully reap out the benefits of acquisitions and synergies. AGP is also focused on building a strong export base, optimizing inventory levels, and implementing operational excellence initiatives to drive cost efficiencies and enhance profitability. Recently, a senior management resource, with hands-on experience in leading international businesses, has been inducted to explore full potential of export avenues. Dollar based earnings, will of course hedge the risk of forex volatility.

Recognizing the importance of adaptability in a dynamic environment, AGP remains vigilant of evolving external factors, continuously assessing potential risks and opportunities to safeguard business continuity. The de-regularization of prices of non-essential drugs, has helped the pharmaceutical sector to combat the impact of cost of doing business, in particular the depreciation of Pak Rupee over the last three (3) years. Further, supportive regulatory frameworks, business-

friendly policies, including taxation reforms, will be instrumental in strengthening the local pharmaceutical sector, enabling companies like AGP to expand, innovate, and contribute to national healthcare objectives.

Acknowledgment

We sincerely acknowledge the dedication and commitment of our hard-working employees across AGP and its subsidiaries, who have played a pivotal role in upholding our vision and core values, ensuring uninterrupted access to high-quality medicines for patients. We extend our deepest gratitude to our clients, suppliers, and business partners for their continued support and trust, which has been instrumental in our success. Lastly, we express our sincere appreciation to our esteemed shareholders for their confidence in the Company's management, as we remain committed to delivering sustainable growth and long-term value.

Muhammad Kamran Nasir
Chief Executive Officer

Muhammad Kamran Mirza
Non-executive Director

۱۸۔ پروویڈنٹ فنڈ

کمپنی اور اس کے ذیلی ادارے AGP OBS کے تمام مستقل ملازمین ریٹائرمنٹ کے فوائد کے حصے کے طور پر تعاون شدہ پروویڈنٹ فنڈ کے حق دار ہیں۔ غیر آڈٹ شدہ ۳۰ ستمبر ۲۰۲۴ تک جمع شدہ کنٹری بیوشن پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت ۴۰۵ ملین روپے (آڈٹ شدہ) تھی، جب کہ ۳۰ ستمبر ۲۰۲۳ کو ۲۰۸ ملین روپے (آڈٹ شدہ) تھی۔

۱۹۔ آڈیٹرز

میسرز گرانٹ تھورنٹن (GT) انجم رحمان چارٹرڈ اکاؤنٹنٹس، جو کمپنی کے موجودہ آڈیٹرز ہیں، نے AGP کے انفرادی اور مجموعی مالیاتی گوشواروں کا آڈٹ مکمل کر لیا ہے اور رپورٹ جاری کی ہے۔

اہلیت کے حامل ہونے کی وجہ سے GT نے سال ۲۰۲۵ کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی کے اتفاق رائے کے ساتھ، بورڈ نے آئندہ سالانہ جنرل اجلاس میں منظوری کے لیے شیئر ہولڈرز کو GT کی سال ۲۰۲۵ کے لیے AGP کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز پیش کی ہے۔

۲۰۔ مستقبل کی توقعات

اگرچہ پاکستان کی معیشت استحکام کی علامات ظاہر کر رہی ہے جیسے مالیاتی پابندیاں، بیرونی قرضوں کی ادائیگیاں، مقامی کرنسی کی قدر میں کمی، اور عالمی سپلائی چین میں خلل جیسے چیلنجز اب بھی برقرار ہیں۔ سپلائی اور طلب کے عوامل کی وجہ سے جنس کی قیمتوں میں متوقع اضافہ، عالمی تجارت اور اجناس کی قیمتوں کے لیے خطرات پیدا کر رہا ہے۔ لہٰذا، مستقبل میں منافع کمانے کی اہلیت پر ممکنہ چیلنجز اثر انداز ہو سکتے ہیں۔

معاشی اور جغرافیائی سیاسی چیلنجز کے باوجود، AGP پائیدار ترقی اور مارکیٹ میں اپنا حصہ بڑھانے کے لیے پرعزم ہے۔ کمپنی اپنے موجودہ پورٹ فولیو سے فائدہ اٹھاتے ہوئے اور گروپ کی ہم آہنگی سے استفادہ کرتے ہوئے مارکیٹ سے بہتر کارکردگی دکھانے کا ارادہ رکھتی ہے۔ AGP تحقیق اور ترقی پر فعال طور پر کام کر رہی ہے تاکہ علاج کی موجودہ اور ابھرتی ہوئی ضروریات پوری کرنے کے لیے نئی ادویات متعارف کرائی جا سکیں، جس سے اس کی مقامی موجودگی مستحکم ہوگی اور بین الاقوامی منڈیوں میں توسیع کے مواقع تلاش کرے گی۔ مزید برآں، کمپنی غیر نامیاتی ترقی کو آگے بڑھانے کے لیے اسٹریٹجک حصول کے آپشنز بھی تلاش کر رہی ہے۔

آمدنی کے ذرائع متنوع بنانے اور بہتر کارکردگی دکھانے والے پراڈکٹس پر انحصار کم کرنے کے لیے، AGP نے احتیاط سے منتخب کردہ پراڈکٹس کے ساتھ نئی تھراپیوٹک فرنچائز بنائی ہے، جن میں بلاک بسٹر صلاحیت موجود ہے۔ نئی کیمیکل اینٹیٹیز (NCEs) متعارف کروا کر اپنے پورٹ فولیو کو اینٹی بائیوٹکس اور ... کے ذریعے مزید بہتر بنانا اور اعلیٰ ممکنہ علاج کے شعبوں میں توسیع کرنا شامل ہے۔ AGP کی ترقی کی حکمت عملی کا ایک کلیدی پہلو اس کا بہتر تجارتی ارتقاء ہے۔

مزید برآں، AGP ٹیلنٹ کی ترقی اور فروخت کے شعبے کی اصلاح میں سرمایہ کاری کر رہا ہے جس میں معیاری بھرتی، منظم تربیتی پروگرام اور فیلڈ سیلز اسٹاف کی حوصلہ افزائی، اور موجودہ علاقوں میں مزید گہرائی تک رسائی حاصل کرنے اور نئی مارکیٹس کے امکانات سے استفادہ کرنے کے لیے فیلڈ فورس (FF) کو وسعت دینا شامل ہے۔

AGP بدلتے ہوئے کاروباری ماحول میں اپنی مسابقتی برتری کو برقرار رکھنے کے لیے اپنی مطابقت پذیری اور ترقی کی صلاحیت کو مسلسل بہتر بنانے کے لیے پرعزم ہے۔ اس حکمت عملی کے تحت کمپنی نے سال کے دوران ملین روپے سے زیادہ کی سرمایہ جاتی اخراجات صرف کیے ہیں تاکہ مینوفیکچرنگ کی صلاحیت بڑھائی جا سکے اور عمل کی سہولتوں کو مضبوط بنایا جا سکے۔

۲۱۔ مستقبل کے چیلنجز اور غیر یقینی صورتحال کا جواب

AGP معاشی دباؤ کے اثرات کم کرنے کے لیے درآمدات سے مقامی ذرائع کی طرف منتقلی کرتے ہوئے اپنی سپلائی چین کو مضبوط بنانے کے لیے فعال طور پر کام کر رہی ہے، جبکہ معیار کے بلند معیارات کو برقرار رکھا جا رہا ہے، جو کمپنی کی کامیابی کی بنیاد رہی ہے۔ موجودہ سال کے اختتام کے قریب، AGP نے پورٹ فولیو کی معقولیت کے لیے ساختی تبدیلیاں کی ہیں، کیونکہ احتیاط سے دوبارہ ترتیب دیے گئے برانڈز کو مناسب طور پر منتخب کردہ ٹیموں کے تحت رکھا ہے۔ اس سے کمپنی کو وسائل اور مہارت سے مکمل طور پر استفادہ کرنے میں مدد ملے گی۔ AGP ایک منظم آمدنی کے ڈھانچے کی تعمیر کرتے ہوئے ایکویٹی کی سطح کو بہتر بنانے اور آپریشنل ایکسیلنس کے اقدامات نافذ کرنے پر بھی توجہ مرکوز کر رہی ہے تاکہ لاگت کی کارکردگی کو بہتر بنایا جا سکے اور مواقع میں اضافہ کیا جا سکے۔ حال ہی میں، بین الاقوامی کاروبار کی قیادت کے مکمل تجربے کے حامل ایک سینئر مینجمنٹ ریسورس شامل کیا گیا ہے تاکہ برآمدی راستوں کی مکمل صلاحیت کا فائدہ اٹھایا جا سکے، جو بلاشبہ غیر ملکی کرنسی کے اخراجات کا خطرہ کم کرے گی۔

مسلسل بدلتے ہوئے ماحول میں لچک کی اہمیت تسلیم کرتے ہوئے، AGP بدلتے ہوئے بیرونی عوامل پر گہری نظر رکھتی ہے تاکہ کاروباری تسلسل محفوظ رہے اور مسلسل نئے خطرات اور مواقع کا جائزہ لیتی ہے۔ غیر ضروری ادویات کی قیمتوں کی ڈی ریگولیشن نے فارماسیوٹیکل سیکٹر کو کاروباری آسانی کے اقدامات، خاص طور پر گزشتہ تین (۳) سالوں میں قدر میں کمی کے اثرات سے نمٹنے میں مدد دی ہے۔ مزید برآں، معاون ریگولیٹری فریم ورک، کاروبار دوست پالیسیاں مقامی فارماسیوٹیکل سیکٹر کو مضبوط بنانے میں اہم کردار ادا کریں گی، جس سے AGP جیسی کمپنیوں کو وسعت دینے، جدت لانے اور قومی صحت کے اہداف میں حصہ ڈالنے میں مدد ملے گی۔

۲۲۔ اعتراف

ہم AGP اور اس کے ذیلی اداروں کے ملازمین کی لگن اور عزم پر ان کا دلی شکریہ ادا کرنا چاہتے ہیں جنہوں نے ہمارے معیار کو برقرار رکھنے کے لیے تندہی سے کام کیا ہے تاکہ یہ یقینی بنایا جا سکے کہ مریضوں کو بہترین اعلیٰ معیاری ادویات ملیں۔ ہم مسلسل ترقی کے لیے اپنے تمام کاروباری شراکت داروں کا شکریہ ادا کرنا چاہتے ہیں۔ ہم کمپنی کی انتظامیہ پر یقین اور اعتماد کا اظہار کرنے کے لیے اپنے معزز شیئر ہولڈرز کا بھی شکریہ ادا کرنا چاہتے ہیں، جبکہ ہم پائیدار ترقی اور طویل مدتی قدر پیدا کرنے کے لیے پرعزم ہیں۔

محمد کامران ناصر
چیف ایگزیکٹو آفیسر

محمد کامران مرزا
ڈائریکٹر

چیف فنانشل آفیسر اور چیف ایگزیکٹو آفیسر نے بحیثیت ڈائریکٹر کمپنی کے چیئرمین کی اجازت سے بی اے سی کے اجلاسوں میں شرکت کی۔

۱۴۔ اندرونی کنٹرول کی موزونیت

آئی ٹی گورننس کی اہمیت کو تسلیم کرتے ہوئے، بورڈ نے ایک واضح گورننس فریم ورک نافذ کیا ہے جو اعلیٰ آئی ٹی گورننس، آئی ٹی حکمت عملی اور سائبر سکیورٹی رسک مینجمنٹ پر مرکوز ہے۔ آڈٹ کمیٹی آئی ٹی گورننس کی نگرانی کرتی ہے اور سائبر سکیورٹی کنٹرول اور اقدامات کی موزونیت کو یقینی بناتی ہے۔
سال ۲۰۲۴ میں کمپنی نے ERP کو کامیابی کے ساتھ HANAS/4SAP میں اپ گریڈ کیا۔ جس سے انتظامیہ نے اپنے آئی ٹی سسٹم کو جدید بنانے اور عمل کو بہتر انداز میں یکجا کرنے کی مسلسل کوشش کی ہے۔ کاروباری اور تکنیکی جہت آئی ٹی سسٹم میں تبدیلی، سائبر حملوں، آپریشنل کارکردگی، ریگولیٹری کمپلائنس اور کاروباری تسلسل کو یقینی بناتی ہے۔ آئی ٹی اسٹیئرنگ کمیٹی رسک مینجمنٹ کے اقدامات پر مشتمل ہے۔ آڈٹ کمیٹی باقاعدگی سے جائزہ لیتی ہے، نگرانی اور رہنمائی فراہم کرتی ہے اور ضرورت کے مطابق اہم امور کو بورڈ تک پہنچاتی ہے۔

۱۵۔ بورڈ کی تشکیل

کارپوریٹ گورننس کے بہترین طریقوں کی پیروی میں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ کے تقاضوں کے مطابق AGP نے بورڈ کے ساتھ ساتھ اس کی کمیٹیوں اور ممبران کی کارکردگی کا جائزہ لینے کے لیے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کی ہیں۔ PICG کے جائزوں سے حاصل شدہ نتائج بورڈ میٹنگ میں گہرائی کے ساتھ تبادلۂ خیال کیا جاتا ہے تاکہ بہتری کے شعبوں کی نشاندہی کی جا سکے اور بورڈ اور اس کی کمیٹیوں کی کارکردگی بہتر بنائی جا سکے۔
PICG ایک غیر منافع بخش ادارہ ہے جس کی بنیاد پاکستان میں کارپوریٹ گورننس کے بہترین معیارات کو فروغ دینے کے لیے وسیع تجربے اور مہارت کے ساتھ کام کرتی ہے۔

۱۶۔ ڈائریکٹرز کا معاوضہ

لسٹڈ کمپنیز ۲۰۱۹ اور کوڈ آف کارپوریٹ گورننس کی تعمیل میں، بورڈ نے بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے بورڈ کے اراکین کے معاوضے کی باضابطہ منظوری دی ہے۔ بورڈ وقتاً فوقتاً ڈائریکٹرز کی اجلاس فیس کا جائزہ لیتا ہے اور ضرورت پڑنے پر مناسب ترامیم کرتا ہے۔
معاوضہ اجلاسوں کے باضابطہ انعقاد اور بورڈ کی اہمیت اور گورننس سے متعلق معاملات پر غور کیا جاتا ہے اور مناسب فیصلوں پر صرف کیے گئے وقت کی بنیاد پر مقرر کیا جاتا ہے۔ یہ معاوضہ صنعت کے رجحانات اور کاروباری طریقوں کے مطابق طے کیا جاتا ہے تاکہ بورڈ کے تمام ممبران کی دانشمندی کو یقینی بنایا جا سکے اور کمپنی ان کو برقرار رکھ سکے۔ تاہم اجلاس کی فیس اس سطح پر نہیں رکھی گئی ہے کہ اسے آزادی پر سمجھوتہ تصور کیا جا سکے۔
جیسا کہ ۳۱ دسمبر ۲۰۲۴ کو ختم ہونے والے سال کے لیے مالیاتی گوشواروں کے نوٹ ۴۹ میں بیان کیا گیا ہے، ڈائریکٹرز اور چیف ایگزیکٹو کے لیے معاوضے کی تفصیلات، جن میں تنخواہ، بونس، کارکردگی اور دیگر مراعات شامل ہیں لیکن ان تک محدود نہیں، درج ذیل ہیں:

	چیف ایگزیکٹو		ڈائریکٹرز		ایگزیکٹوز	
	۲۰۲۴	۲۰۲۳	۲۰۲۴	۲۰۲۳	۲۰۲۴	۲۰۲۳
			(ہزار روپے)			
انتظامی اجرت	۳۵,۰۰۰	۳۳,۰۱۲	-	-	۴۰۹,۹۳۷	۳۸۱,۱۱۳
بونس	۲,۴۱۴	۳,۵۳۸	-	-	۵۰,۱۹۳	۳۸,۳۰۳
کارکردگی پر مبنی مراعات	۳۳,۰۰۰	۳۷,۵۳۴	-	-	۳۴,۳۳۹	۵,۵۲۹
کیے گئے اخراجات کی واپسی	۴۳۳	۷۱۸	-	-	۳۳,۵۰۴	۱۱۱,۹۷۳
پروویڈنٹ فنڈ	۳,۱۰۵	۲,۴۷۳	-	-	۳۳,۳۳۴	۲۹,۲۵۳
دیگر	۳,۱۰۸	۷,۱۲۵	-	-	۱۵۵,۷۹۰	۳۸,۴۹۳
	۹۱,۱۹۹	۸۵,۷۴۸	-	-	۷۲۵,۰۶۳	۷۰۰,۷۳۹
افراد کی تعداد	۱	۱	۷	۹	۱۳۸	۸۷

بورڈ اور کمیٹی اجلاسوں میں شرکت کے لیے دو (۲۰۲۳: دو) خود مختار ڈائریکٹرز اور پانچ (۲۰۲۳: چار) نان ایگزیکٹو ڈائریکٹرز کو دی گئی فیس ۹.۸ ملین روپے تھی (۲۰۲۳: ۱۵ ملین روپے)۔ کمپنی کی طرف سے برداشت کیے جانے والے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے سفر اور بورڈ فیس کے اخراجات ۳ ملین روپے (۲۰۲۳: ۲۵ ملین روپے) تھے۔ سال کے اختتام پر غیر ایگزیکٹو ڈائریکٹرز کی تعداد چار (۲۰۲۳: چار) تھی۔
اس کے علاوہ، چیف ایگزیکٹو اور بعض ایگزیکٹوز کو کمپنی کے زیر انتظام گاڑیوں کا مفت استعمال ان کے حقوق کے مطابق فراہم کیا جاتا ہے۔

۱۷۔ ڈائریکٹرز کا کمپلائنس کا بیان

بورڈ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ:
ا۔ انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اس کی حالت، اس کے کام کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
ب۔ کمپنی کے اکاؤنٹس کی مناسب دیکھ بھال کی گئی ہے۔
ج۔ ایک جاری ادارے کے طور پر کاروبار جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی خاص شک نہیں ہے۔
د۔ مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
ہ۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، جیسا کہ پاکستان میں لاگو ہوتے ہیں، اور ان سے کسی بھی انحراف کا مناسب طور پر انکشاف کیا گیا ہے۔
و۔ اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
ز۔ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔
ح۔ واجب الادا ٹیکسوں اور محصولات سے متعلق معلومات، جیسا کہ لسٹنگ ریگولیشنز کا تقاضا ہے، مالیاتی گوشواروں کے نوٹس میں ظاہر کی گئی ہیں۔
ط۔ بورڈ نے ڈائریکٹرز کے تربیتی پروگرام کے تقاضوں اور ضوابط میں بیان کردہ معیارات کی مناسب تعمیل کی ہے۔
ی۔ گزشتہ چھ (۶) سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا سالانہ رپورٹ کے متعلقہ حصوں میں بیان کیا گیا ہے، اور
ک۔ کمپنی کی انتظامیہ اچھی کارپوریٹ گورننس کے لیے پرعزم ہے اور بہترین طریقوں کی تعمیل کے لیے مناسب اقدامات کیے جاتے ہیں۔

۱۳۔ ماحولیاتی اقدامات	• ایس پی پی کاربن اخراج کم کرنے اور بہتر ماحول دوست اقدامات اپنانے کے لیے پر عزم ہے۔ ماحولیاتی شعور کو فروغ دینے کے لیے ایس پی پی فعال طور پر ملازمین کو شجرکاری مہمات اور ساحلی علاقوں کی صفائی کی مہمات میں شامل کرتی ہے۔ جبکہ ہر سال ماحولیاتی ذمہ داری میں حصہ ڈالنے کے طریقوں کے بارے میں آگاہی فراہم کرنے کے لیے سیشنز کا انعقاد بھی کیا جاتا ہے۔
۱۴۔ زیر آب حیات	• ایس پی پی کے ملازمین نے ورلڈ وائیڈ فنڈ فار نیچر (WWF) کے ساتھ تعاون کرتے ہوئے ایک ساحلی صفائی مہم میں فعال طور پر حصہ لیا، جو آبی حیات کو محفوظ بنانے اور اس کی حفاظت کے لیے ہمارے عزم کو تقویت دیتا ہے۔
۱۵۔ زمینی حیات	• ایس پی پی کے ملازمین نے WWF کے ساتھ شراکت داری میں مینگروو کی شجرکاری مہم میں حصہ لیا تاکہ مینگروو کے ماحولیاتی نظام کو محفوظ بنایا جا سکے۔

۱۲۔ خطرات کا انتظام (رسک مینجمنٹ)

بورڈ آف ڈائریکٹرز کا خیال ہے کہ خطرات کا مؤثر انتظام کمپنی کے پائیدار ترقی کے اہداف کے حصول کے لیے اہم ہے۔ پورے رسک مینجمنٹ سسٹم کا مقصد خطرات کے نتیجے میں کسی بھی ممکنہ نقصان اور کمپنی کو درپیش غیر یقینی صورتحال میں تخفیف ہے۔ آڈٹ کمیٹی وقتاً فوقتاً اہم خطرات اور ان کے تخفیفی حکمت عملیوں کا جائزہ لیتی ہے، جس سے ایسے طریقہ کار پر عمل درآمد یقینی بنایا جاتا ہے۔ بعد ازاں نتائج اور سفارشات سے بورڈ کو مطلع کیا جاتا ہے تاکہ معلومات پر مبنی فیصلے کیے جا سکیں۔

خطرے کی شناخت اور انتظام کا نظام موجود اور فعال ہے۔ اس میں کمپنی کو درپیش اندرونی، بیرونی، آپریشنل، ساختی اور قانونی اور کمپلائنس کے خطرات کی شناخت، جائزہ اور ان کا ازالہ سب اس عمل کا حصہ ہیں۔

آڈٹ کمیٹی بنیادی خطرات کا ان میں تخفیف کے منصوبوں کے لیے تجزیہ، گائیڈنس اور کسی ضروری سفارشات کے ساتھ جائزہ لیتی ہے۔ فیصلہ اور نتائج سے بورڈ کو بھی آگاہ کیا جاتا ہے۔

بیرونی چیلنجز کے اثرات کو کم کرنے کے لیے انتظامیہ نے آپریشنل کارکردگی بڑھانے اور لاگت کم کرنے کے مختلف اقدامات اٹھائے ہیں۔ کمپنی نے ٹیکنالوجی کے ذریعے ایک اسٹریٹجک طریقہ کار اپنایا ہے جس سے بجلی کی لاگت سے پیداواری صلاحیت کے لیے استفادہ کی بہتری یقینی بنائی گئی ہے اور مارکیٹ میں اشیاء کی عدم دستیابی کی صورتحال کا تدارک کیا گیا ہے۔ اس کے علاوہ، موجودہ اور ممکنہ بین الاقوامی اور مقامی سپلائرز کے ساتھ بہتر تجارتی شرائط پر مذاکرات نے امید افزا نتائج دکھائے ہیں۔ بیرونی چیلنجوں کی وجہ سے صنعت میں مزید مشکلات کے باوجود، کمپنی مقامی وینڈرز کو شامل کر کے جہاں ممکن ہو اولین ترجیح میں مصروف عمل رہی ہے۔

مزید برآں، کمپنی غیر ملکی کرنسی کی قیمت میں اتار چڑھاؤ کا مقابلہ کرنے کے لیے آمدنی کے متبادل ذرائع تلاش کر رہی ہے جس سے پائیدار ترقی اور مالی استحکام کے عزم کو تقویت ملتی ہے۔ اس مقصد کے لیے ایک سینئر مینجمنٹ سطح پر کوشش کی گئی ہے جو بین الاقوامی کاروبار کی ترقی میں کلیدی کردار ادا کرتی ہے تاکہ آمدنی کے راستوں کی مکمل صلاحیت تلاش کی جا سکے۔ اس طرح آمدنی یقینی طور پر غیر ملکی زرمبادلہ کی قیمت میں اتار چڑھاؤ کے خطرے کو کم کرے گی۔

۱۳۔ بورڈ اور اس کی کمیٹیوں کی تشکیل اور اجلاس

کمپنی کو مستعد اور اسٹریٹجک قیادت فراہم کرنے کے لیے بورڈ مختلف شعبوں سے تعلق رکھنے والے ارکان پر مشتمل ہے جو کمپنی کو حکمت عملی کی رہنمائی فراہم کرنے کے لیے متعلقہ شعبوں میں متنوع مہارت اور علم رکھتے ہیں۔ ہمارا بورڈ آف ڈائریکٹرز تمام ممبران کے شیئر ہولڈرز کے مفادات کی نمائندگی کرتا ہے اور خصوصاً اقلیت کے مفادات کو یقینی بناتا ہے۔ کمپنی کی طرف سے کارپوریٹ گورننس کے بہترین طریقوں کو اپنانے اور اس طرح کے طریقوں کی مؤثر نگرانی کے لیے بورڈ اور اس کی کمیٹیوں کے درج ذیل اجلاس منعقد کیے گئے:

بورڈ آف ڈائریکٹرز (بورڈ)	۶
بورڈ آڈٹ کمیٹی (BAC)	۴
ہیومن ریسورس اینڈ ریمیونریشن کمیٹی (HRC)	۵

بورڈ اور اس کی کمیٹیوں کی تشکیل اور حاضری کا ریکارڈ درج ذیل ہے:

نام	کیٹیگری	بورڈ آف ڈائریکٹرز	BAC	HRC
جناب طارق محسن الدین خان	نان ایگزیکٹو ڈائریکٹر	۶/۶	-	-
جناب ظفر اقبال سوبانی	خود مختار ڈائریکٹر	۶/۶	۴/۴	-
جناب شوذب علی	خود مختار ڈائریکٹر	۴/۴	-	۳/۳
محترمہ علینہ نائن بیگ	خود مختار ڈائریکٹر	۳/۳	-	۲/۲
جناب کامران ثاقب	نان ایگزیکٹو ڈائریکٹر	۶/۶	۴/۴	۵/۴
جناب محمد کامران ناصر	ایگزیکٹو ڈائریکٹر	۶/۶	-	۵/۵
جناب محمد جاوید بیلاچ	نان ایگزیکٹو ڈائریکٹر	۶/۶	۴/۴	۵/۵
جناب محمد کامران مرزا	نان ایگزیکٹو ڈائریکٹر	۶/۶	۴/۴	۵/۵

مسٹر شوذب علی نے جولائی ۲۰۲۴ میں ڈائریکٹرز کے انتخابات کے بعد نئے بورڈ کے تشکیل پانے تک بطور خود مختار ڈائریکٹر اپنی خدمات جاری رکھیں۔

جناب طارق محسن الدین خان بورڈ آف ڈائریکٹرز کے اجلاسوں کی صدارت کرتے ہیں، جناب ظفر اقبال سوبانی آڈٹ کمیٹی کے اجلاسوں کی صدارت کرتے ہیں اور جناب شوذب علی اور ان کے بعد محترمہ علینہ نائن بیگ ہیومن ریسورس کمیٹی کے اجلاسوں کی صدارت کرتی ہیں۔ بورڈ اور اس کی کمیٹیوں کے اجلاسوں کی صدارت ان کے متعلقہ چیئرپرسن نے کی۔ بورڈ اور اس کی کمیٹیوں کے تمام اراکین نے اپنے متعلقہ اجلاسوں میں شرکت کی، ماسوائے ایک موقع کے۔

چیف فنانشل آفیسر اور کمپنی سیکریٹری نے بورڈ کی تمام میٹنگوں میں شرکت کی سوائے میٹنگوں کے ایسے حصے کے جس میں ان کی اپنی تقرری، معاوضے اور کارکردگی یا ان کی سروس کی شرائط و ضوابط پر غور کرنے سے متعلق ایجنڈا آئٹمز شامل ہیں۔

۴۔ معیاری تعلیم	• AGP کی ایک پالیسی موجود ہے جو فیکٹری ورکرز اور معاون عملے کے ضرورت مند اور مستحق بچوں کو تعلیمی وظائف فراہم کرتی ہے۔ • مشہور و معروف این جی اوز دی سٹیزن فاؤنڈیشن (TCF) اور شوکت خانم میموریل فاؤنڈیشن (SKMF) کے تعاون سے ۴۰۰ غیر مراعات یافتہ طالب علموں کی تعلیم کو سپانسر کیا گیا۔ مستحق طلباء کی تعلیم میں مجموعی طور پر ۲۵ ملین روپے کی سرمایہ کاری کی گئی۔ • اے جی پی نے IBA کراچی میں ۳۰ ملین روپے کا اوقاف فنڈ قائم کیا، جس میں ہر سال ۱ ملین روپے مختص کیے جاتے ہیں تاکہ طلباء کو ان کے پروگرام کے لیے سپانسر کیا جا سکے۔ • اے جی پی اور اس کی ذیلی کمپنیوں نے ملین ماسٹر فاؤنڈیشن کو ۸۰ ملین روپے کا عطیہ دیا تاکہ کم وسائل والے بچوں کو وظائف فراہم کیا جا سکے۔ • DVAGO کے ساتھ شراکت داری کر کے فارماسسٹس کی تربیت کے لیے ایک تربیتی سینٹر قائم کیا گیا جس کے لیے ۸ ملین روپے مختص کیے گئے۔
۵۔ صنفی مساوات	• اے جی پی میں خواتین کا تناسب کل ورک فورس کا تقریباً ۲۰٪ ہے۔ • اے جی پی کو سال کی ٹاپ ۲۰ صنفی جامع کمپنیوں میں شامل ہونے کا اعزاز حاصل ہوا اور GDEIB ایوارڈز ۲۰۲۵ میں ۹ زمروں میں کامیابیاں حاصل کیں۔ • اے جی پی نے خاص طور پر کم درجے کی انتظامیہ میں کام کرنے والی خواتین ملازمین کے لیے سبسڈی والی اور سستی ٹرانسپورٹ کی سہولت فراہم کی۔ • خواتین کو دوبارہ ورک فورس میں شامل کرنے کے لیے بہترین ریٹرن ٹو ورک پروگرام کا آغاز کیا۔
۶۔ صاف پانی اور طہارت	• پانی کو مناسب طریقے سے ٹھکانے لگانے کے لیے اندرونی طور پر وضع کردہ ہدایات موجود ہیں جو سندھ ماحولیاتی تحفظ ایجنسی (SEPA) کی تعمیل کرتی ہیں۔ • جہاں ممکن ہو پانی کی بچت کے لیے بہتر والے نلکوں اور شاوروں کا استعمال کیا جاتا ہے۔

۷۔ سستی اور صاف توانائی	• تین (۳) پلانٹس پر سولر پاور سسٹم کی تنصیب، جو AGP کی توانائی کی ضروریات کا تقریباً ۱۳ فیصد پورا کرتا ہے۔ • AGP کو ایک ماحول دوست ادارہ بننے کے لیے WWF کے تحت ایک جامع ماحولیاتی انتظام کے نظام (EMS) کو نافذ کرنے اور ادارے کے کاربن کے اثرات کم کرنے کے لیے WWF گرین آفس سرٹیفیکیشن حاصل کی گئی اور برقرار رکھی گئی ہے۔
۸۔ باوقار کام اور معاشی ترقی	• ہم نے ایک ڈے کیئر سہولت کی موجودگی کے ذریعے اپنی خاتون ملازمین کو سہولت فراہم کی ہے تاکہ وہ اپنے بچے کے بعد بغیر کسی خلل کے ملازمت جاری رکھ سکیں۔ • یکساں قابلیتوں اور تجربے کے حامل مرد اور خواتین ملازمین کے درمیان یکساں سطح کے کام میں مساوات یقینی بنانے کے لیے ایک مضبوط نظام موجود ہے تاکہ انہیں ایک جیسے مواقع اور مراعات حاصل ہوں۔
۱۰۔ عدم مساوات میں تخفیف	• AGP کی طرف سے مزدوروں کی اجرت اور معاوضے سے متعلق تمام ریاستی پالیسیوں پر سختی سے عملدرآمد کیا جاتا ہے۔ • مہنگائی کے اثرات کم کرنے کے لیے کارکنوں کی اجرتوں میں اضافہ کیا گیا ہے۔ • مشکل حالات کے دوران بھی کارکنوں کی معاونت کے لیے اضافی پیکج فراہم کیے گئے۔ • اے جی پی متنوع ادارہ ہے جس میں مختلف ثقافتیں شامل ہیں جن میں مختلف طبقے اور مختلف طرح کے قابل افراد شامل ہیں۔ • NOWPDP کے ساتھ شراکت داری کر کے مختلف صلاحیتوں کے حامل طلباء کو انٹرن شپس کے لیے بھرتی کیا گیا، جبکہ ملازمین کو حساسیت کی تربیت فراہم کی گئی تاکہ ایک شمولیتی، یکساں اور معاون کام کا ماحول فروغ دیا جائے۔ • انتظامیہ سختی سے اس بات کو یقینی بناتی ہے کہ تمام کارکنان اور عملہ ۱۸ سال سے زیادہ عمر کے ہوں اور چائلڈ لیبر کی سختی سے حوصلہ شکنی کرتی ہے۔ • AGP نے Empowering Communities for Change(ECC) کو کم وسائل والے افراد کی مدد کرنے کے لیے تعاون فراہم کیا۔
۱۲۔ پائیدار کھپت اور پیداوار کے اسلوب	• ہماری فارماسیوٹیکل پروڈکشن میں بین الاقوامی معیارات کے مطابق تیاری کی جاتی ہے اور پیداوار اور پیکنگ کے دوران کم سے کم ضیاع یقینی بنایا جاتا ہے۔

۹۔ بعد میں رونما ہونے والے واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی دوسری مادی تبدیلیاں یا معاہدے تشکیل نہیں ہوئے ہیں۔

۱۰۔ ماحول کی نگہداشت

شان دار اسٹیک ہولڈر مشن کا مظاہرہ کرنے کے ساتھ، ہم اعلیٰ اخلاقی اقدار کا مظاہرہ کرتے ہوئے اپنے کاروباری فیصلوں کے پیرامیٹر ماحولیاتی پہلو کو مکمل طور پر مدنظر رکھتے ہیں۔ ہم اخراج کم کرکے، پانی اور توانائی کے تحفظ کو فروغ دینے والے پروگراموں اور پالیسیوں کو نافذ کرکے اپنے کاربن اثرات مسلسل کم رکھنے کا عہد کرتے ہیں۔ ہم ماحولیات، صحت اور حفاظت (EHS) اور سندھ انوائرمنٹل پروٹیکشن ایجنسی (SEPA) جیسے ماحولیاتی ریگولیٹری معیارات پر عمل کرتے ہوئے کاروباری سرگرمیاں سرانجام دینے کو یقینی بناتے ہیں اور ان پر عمل کرتے ہیں تاکہ سازگار، ذمہ دارانہ اور ماحولیاتی اثرات پیدا کیے جا سکیں۔

توانائی کے ماحولیاتی پائیدار ذرائع تیار کرنے کے لیے ہماری "گو گرین حکمت عملی" کے حصے کے طور پر، ہم سولر انرجی کے ذریعے اپنی توانائی کی ضروریات کا تقریباً ۱۳% پورا کر رہے ہیں۔ AGP کو ایک پائیدار ماحول وضع کرنے کے لیے ورلڈ وائلڈ لائف فنڈ فار نیچر (WWF) کے ساتھ ہماری شراکت داری کے ایک حصے کے طور پر، ہم ایک موثر اور مستحکم ماحولیاتی انتظامی نظام (EMS) کی پاسداری جاری رکھے ہوئے ہیں اور تین سال مسلسل گرین آفس سرٹیفکیٹ سے نوازے گئے ہیں۔ اپنے پائیدار اہداف کے حصے کے طور پر، ہم نے درج ذیل سالانہ KPIs کو حاصل کرنے کے لیے کام کیا:

درج ذیل میں کمی	شرح فی صد
پانی کی کھپت	۳%
کاغذ کی کھپت	۵%
کچرے میں کمی	۵%
توانائی کی کھپت	۳%

ہمارے پیداواری طریقہ کار بین الاقوامی معیارات کے مطابق ہیں اور موجودہ گڈ مینوفیکچرنگ پریکٹس (cGMP) کی تعمیل کرتے ہیں۔ ہمارا طریقہ کار اور کنٹرول مستحکم اور ماحولیاتی طور پر پائیدار ہیں اور کنٹرول نافذ ہیں جو ہماری ادویات کے معیار کی ضمانت دیتے ہیں اور ہمارے عملے کی حفاظت یقینی بناتے ہیں۔

اسی طرح، ہماری مصنوعات معیار کے اعلیٰ معیارات پر پوری اترتی ہیں۔ ہمارے اہداف اور مقاصد حاصل کرنے میں مدد کے لیے متعلقہ ملازمین کو بھی طرح سے واقف کرایا جاتا ہے، ہدایات اور وقتاً فوقتاً تربیت اور کورسز فراہم کیے جاتے ہیں تاکہ تمام کمپنی میں EHS کی کارکردگی کو برقرار رکھا اور مزید بہتر بنایا جا سکے۔

۱۱۔ کارپوریٹ سماجی ذمہ داری

اے جی پی اپنی سماجی ذمہ داری پر پوری توجہ مرکوز کرتی ہے تاکہ کمیونٹی اور معاشرے کی فلاح و بہبود میں کردار ادا کرے۔ اس سلسلے میں، ہم نے سماجی بہبود کو فروغ دینے اور مستحق طلباء کو تعلیم دینے کے مقصد سے مختلف منصوبوں میں معاونت کی ہے۔ زندگی کی قدر کرنے کے اپنے مشن کو پورا کرنے کے لیے، ہم نے مریضوں کی مدد کے لیے صحت کی دیکھ بھال کرنے والی تنظیموں کو نقد عطیات دیے اور پسماندہ افراد کی مدد کے لیے فلاحی تنظیموں کے ساتھ شراکت داری کی۔

ہم نے سال بھر معاشرے کی فلاح و بہبود اور پسماندہ افراد کی تعلیم سے متعلق مختلف منصوبوں کی اسپانسرشپ کا بیڑا اٹھایا ہے۔

ہم نے معروف تعلیمی غیر منافع بخش تنظیموں کو تعلیمی مدد بھی فراہم کی اور ان لوگوں کو ادویات اور کھانے پینے کی اشیاء دیں جو ضروریات کی استطاعت نہیں رکھتے۔ ہماری پائیداری بہتر بنانے کا عزم، جیسا کہ حکومت پاکستان (GoP) کی طرف سے منظور کردہ اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGs) کی پیروی کرتے ہوئے مجموعی پائیداری کو بہتر بنانے کے لیے ہماری کوششوں کا خلاصہ مندرجہ ذیل جدول کے ذریعے کیا جا سکتا ہے:

پائیدار ترقیاتی اہداف (SDGs)	اقدامات
۲۔ زیرو ہنگر (کوئی بھوکا نہ سوئے)	• رمضان راشن بیگز اور افطاری کی تقسیم کے لیے ملین روپے عطیہ کیے گئے۔
۳۔ اچھی صحت اور فلاح و بہبود	• کڈنی فاؤنڈیشن کو تقریباً ملین روپے مالیت کی Fresenius ڈائیلاسز مشینیں عطیہ کی گئیں۔ • AKUH کی پیشنٹ ویلفیئر سوسائٹی کو ملین روپے کا عطیہ دیا گیا تاکہ کم وسائل والے افراد کو معیاری صحت کی سہولیات فراہم کی جا سکیں۔ • پاکستان میڈیکل سینٹر (PMC) کو عطیہ دیا گیا تاکہ اس کے بغیر کسی امتیاز کے بے مثال صحت کی خدمات فراہم کرنے کے مشن میں معاونت کی جا سکے۔ • SINA: ہم نے SINA کو اس کے مشن میں معاونت کی جو کم حیثیت مریضوں کو بنیادی صحت کی خدمات فراہم کرتا ہے۔ • ہمارے اور اسٹاف ملازمین کے ساتھ ساتھ ہمارے تمام تھرڈ پارٹی ملازمین بھی میڈیکل انشورنس کے تحت ہیں، اور ہم نے مرحوم ملازمین کے لیے چار (۴) سال تک تنخواہ جاری رکھنے کا پلان بھی متعارف کرایا ہے۔

۴۔ مالیاتی کارکردگی

AGP کی مالی کارکردگی

AGP نے ٹھوس مالیاتی کارکردگی پیش کرتے ہوئے ۱۸ [illegible] بلین روپے کی غیر معمولی آمدنی کا سنگ میل حاصل کرنے کے ساتھ گزشتہ سال کے مقابلے میں ۸.۲۳٪ کی ٹھوس [illegible] کا مظاہرہ کیا۔ [illegible] آمدنی کا کثیر حصہ [illegible] کارکردگی [illegible] ظاہر کی۔

آمدنی فروخت میں بھی [illegible] اضافہ ہوا جس نے [illegible] ۲۸٪ کی شاندار [illegible] حاصل کی [illegible] مارکیٹ میں [illegible] کے حاصل ہوئی۔ اس کے علاوہ [illegible] پچھلے سال کے مقابلے میں ۳٫[illegible]٪ [illegible] کرتا ہے۔

مجموعی طور پر [illegible] کارکردگی میں [illegible] OBS AGP کا [illegible] شامل ہیں۔ مجموعی طور پر [illegible] ۱۹۹٫۹ [illegible] کمپنی نے اپنے [illegible] کے ساتھ [illegible] مجموعی منافع جات ۹٫[illegible] [illegible] ۵۸٪ [illegible] سال کے دوران [illegible] کی [illegible] ہو چکے ہیں۔

[illegible] بڑھانے کی کوششوں میں [illegible] (OBSPK) OBS پاکستان [illegible] [illegible] مالیاتی [illegible] ۳۳٫۹ [illegible] اضافہ ہوا [illegible] سرمایہ کاری کے لیے حاصل [illegible] قلیل مدتی قرضے [illegible] ضرورت [illegible] جس سے مالیاتی [illegible] میں مزید اضافہ ہوا۔

ٹیکس میں اضافہ [illegible] منافع میں اضافے کی وجہ سے ہوا ہے۔ اس کے علاوہ [illegible] (EPS) آمدنی [illegible] فی شیئر [illegible] [illegible] روپے ہوگئی، [illegible] اضافہ ظاہر کرتی ہے۔

OBS AGP کی مالی کارکردگی

کارکردگی [illegible] کمپنی نے [illegible] مجموعی منافع جات کے ساتھ [illegible] بلین روپے [illegible] اخراجات [illegible] محدود کرنے [illegible] کارکردگی [illegible] منافع جات کے ساتھ [illegible] بلین روپے [illegible] منافع درج کیا ہے۔

PKOBS کی مالی کارکردگی

حاصل [illegible] کارکردگی [illegible] کمپنی نے [illegible] ۱۳ [illegible] روپے کی خالص فروخت کے ساتھ [illegible] مجموعی منافع جات [illegible] کے حصول کے لیے حاصل [illegible] طویل مدتی [illegible] منافع [illegible] بلین روپے کا خالص منافع ریکارڈ کیا گیا۔

AGPL کی مالی کارکردگی

AGP اور اس کی [illegible] کمپنیوں کی [illegible] کارکردگی [illegible] بلین روپے کی مجموعی آمدنی [illegible] گزشتہ سال کے مقابلے میں ۲۳٫۹٪ اضافہ ظاہر کرتا ہے۔ مجموعی منافع [illegible] ۵۸٪ [illegible] پچھلے سال ۹٫[illegible] [illegible] طویل مدتی قرضوں کی مد سے [illegible] ادا

ئی جو [illegible] کے حصول کے لیے حاصل کیے گئے تھے۔ تمام [illegible] اخراجات [illegible] کے بعد مجموعی خالص منافع تقریباً ۳ [illegible] بلین روپے [illegible] کیا [illegible] کمپنی کے لیے خالص منافع [illegible] بلین روپے [illegible] فی شیئر آمدنی (EPS) [illegible] پاکستانی روپے [illegible] اضافہ ظاہر کرتی ہے۔

۵۔ سرمایہ کی ساخت

اے جی پی نے سال کے دوران اپنی مالی حیثیت مضبوط کی جس کے نتیجے میں کل [illegible] روپے [illegible] پچھلے سال [illegible] بلین روپے تھی۔ کمپنی نے اپنے قرضوں کی ادائیگیاں [illegible] کے نتیجے میں ان کا قرض اور [illegible] ۳۱ دسمبر ۲۰۲۳ [illegible] طویل مدتی قرضہ جات [illegible] بلین روپے [illegible] پچھلے سال [illegible] روپے تھے۔ مجموعی [illegible] بلین روپے ہوگئی۔ قرض اور [illegible] کا تناسب [illegible] قرضوں کی ادائیگیاں وقت پر کی جاتی رہیں۔

اپنی ترقی اور توسیع کی حکمت عملی کے مطابق کمپنی نے [illegible] پاکستانی روپے [illegible] سرمایہ کاری کی [illegible] بڑھانے اور [illegible] کے لیے [illegible] اور مشینری کی توازن کاری [illegible] مرکوز ہے۔

کمپنی کی مضبوط مالی حیثیت کی پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے اکتوبر ۲۰۲۳ میں [illegible] تصدیق کی جس نے اے جی پی لمیٹڈ کو طویل مدت کے لیے A+ اور قلیل مدت کے لیے A1 کی درجہ بندی دی۔ اے جی پی کی درجہ بندی پچھلے تین (۳) سالوں میں مضبوط اور مسلسل مجموعی مارجن کے ساتھ ساتھ قرضوں کی واپسی اور ورکنگ کیپٹل کی ضروریات پوری کرنے کے لیے [illegible] کی عکاسی کرتی ہے۔

۶۔ منافع کی تقسیم [illegible]

آمدنی کے [illegible] ۲۰۲۳ کے آغاز میں کمپنی کا غیر تقسیم شدہ منافع ۸ [illegible] بلین روپے [illegible] ۲۰۲۳ کے لیے بعد از ٹیکس منافع [illegible] بلین روپے [illegible] کی ادائیگیوں کے نتیجے میں [illegible] بلین روپے کی کمی ہوئی۔ اس کے مطابق [illegible] بلین روپے [illegible] سال کے لیے ۱۹٫۹٪ اضافے کی [illegible] ہوتی ہے۔

آمدنی کے مجموعی [illegible] ۲۰۲۳ کے آغاز میں غیر تقسیم شدہ منافع ۸ [illegible] بلین روپے [illegible] ۲۰۲۳ کے لیے بعد از ٹیکس منافع [illegible] بلین روپے کا اضافہ کیا [illegible] کی ادائیگیوں کے نتیجے میں [illegible] بلین روپے کی کمی ہوئی۔ اس کے مطابق [illegible] بلین روپے [illegible] سال کے لیے [illegible] اضافے کی [illegible] ہوتی ہے۔

۷۔ ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے ۲۰ فروری ۲۰۲۴ کو منعقدہ اپنے اجلاس میں ختم ہونے والے سال ۲۰۲۳ کے لیے [illegible] روپے فی شیئر کے حساب سے منافع کی سفارش کی ہے جو [illegible] ہے۔ [illegible] ۲۰۲۴ کو ہونے والے [illegible] سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کے لیے پیش کیا جائے گا۔

۸۔ شیئر ہولڈنگ کا اسلوب

کمپنی کے شیئرز پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہیں۔ [illegible] ۳۱ دسمبر ۲۰۲۳ [illegible] شیئر ہولڈنگ کی معلومات [illegible] معلومات [illegible] بورڈ آف ڈائریکٹرز، سی ای او، [illegible] شیئر ہولڈرز اور ان کے [illegible] بچوں کی طرف سے شیئرز کے لین دین کی معلومات ۲۰۲۳ کی سالانہ رپورٹ میں شیئر ہولڈنگ کے اسلوب سے متعلق حصے میں درج کی گئی ہیں۔

ڈائریکٹرز رپورٹ

AGP لمیٹڈ ("اے جی پی" یا "کمپنی") کے بورڈ آف ڈائریکٹرز کے لیے ۳۱ دسمبر ۲۰۲۴ کو ختم ہونے والے سال کے لیے سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

۱۔ کمپنی کے بارے میں

کمپنی بنیادی طور پر ملکی اور درآمدی مارکیٹ میں دواسازی اور صحت کی دیکھ بھال کی مصنوعات کی مینوفیکچرنگ، مارکیٹنگ، درآمد اور فروخت میں مصروف عمل ہے۔ کمپنی مارکیٹ کی مخصوص مطابقاتی ضروریات پوری کرنے کے لیے معیاری مصنوعات کے وسیع انتخاب کی مالک ہے۔ مورخہ ۳۱ دسمبر ۲۰۲۳، Aitkenstuart Pakistan (Private) Limited (ہولڈنگ کمپنی) کمپنی کی ادا شدہ سرمایہ کے ۵۵.۸ فیصد حصص کی مالک ہے۔

کمپنی OBS AGP (پرائیویٹ) لمیٹڈ (OBS AGP) میں ۹۵ فیصد شیئر ہولڈنگ کی مالک ہے جس نے ۲۰۲۱ میں Sandoz AG سے ایک فارماسیوٹیکل پورٹ فولیو حاصل کیا تھا، اور OBS پاکستان (پرائیویٹ) لمیٹڈ میں ۸۱.۹ فیصد شیئر ہولڈنگ رکھتی ہے جس نے ۲۰۲۳ میں Viatris Inc. سے منتخب فارماسیوٹیکل برانڈز حاصل کیے تھے۔

۲۔ معاشی جائزہ

سال ۲۰۲۴ میں معیشت میں بحالی کی علامات ظاہر ہوئیں جس میں جی ڈی پی کی شرح نمو میں اضافہ ہوا۔ جون ۲۰۲۴ سے پالیسی ریٹ میں ۱۰۰۰ بیسس پوائنٹس کی کمی نے اقتصادی سرگرمی کو فروغ دینے میں اہم کردار ادا کیا۔ درآمدی بل نے درآمدی آمدنی کو پیچھے چھوڑ دیا مگر ترسیلات زر نے تجارتی خسارہ پورا کر دیا۔ آئی ایم ایف کی مدد اور زرمبادلہ کے ذخائر میں بہتری سے پاکستانی روپے نے امریکی ڈالر کے مقابلے میں استحکام حاصل کیا جس سے معاشی ماحول مزید مستحکم ہوا۔ اس کے علاوہ، کاروباری اعتماد کا اشاریہ مثبت رجحانات کی عکاسی کرتا رہا۔

دواسازی کے شعبے نے خاص طور پر قومی ضروری ادویات کی فہرست (NEML) میں شامل نہ ہونے والی ادویات کی قیمتوں کی عدم ضابطہ بندی کے بعد بہتری دیکھی ہے۔ اس پالیسی کی تبدیلی نے دواسازوں کو غیر ضروری ادویات کی قیمتوں میں رد و بدل کی اجازت دی ہے تاکہ کاروباری لاگت میں اضافہ مارکیٹ کے رجحانات کے مطابق پورا کیا جا سکے، خاص طور پر غیر ضروری مصنوعات کے وسیع پورٹ فولیو رکھنے والوں کے لیے ترقی کے مواقع پیدا ہوئے ہیں جس سے آمدنی کی صلاحیت میں اضافہ ہوا ہے۔

۳۔ مارکیٹ کا جائزہ

IQVIA سولوشنز پاکستان لمیٹڈ، ایک فارماسیوٹیکل کمپنی کی طرف سے جاری کردہ ڈیٹا رپورٹ کے مطابق پاکستان میں دواسازی کی صنعت نے ۲۰۲۴ میں قدری نمو میں ۲۱.۵ فیصد اور حجمی نمو میں ۲.۹ فیصد اضافے کے ساتھ ۱۰۱۹ بلین روپے کی مالیت حاصل کی۔ شعبے کی یہ نمو اس سال متعارف کرائی گئی ڈی ریگولیٹری پالیسی سے منسوب کی گئی ہے۔ اے جی پی نے مارکیٹ سے بہتر کارکردگی دکھائی اور مستحکم نمو کے ساتھ قدر میں ۲۹.۹ فیصد کی نمایاں نمو درج کرائی۔ اتفاقی طور پر اے جی پی اور اس کے ذیلی اداروں نے قدر میں ۳۲.۷ فیصد اور ۲۴.۹ فیصد کی اوسط نمو درج کرائی۔

REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended December 31, 2024.

Composition of the Audit Committee

The Audit Committee ("the Committee") comprised four (4) members. The Chairman is an independent director, who is not the Chairman of the Board. The remaining three (3) members are non-executive directors. All the members are qualified as financially literate professionals, and the Committee as a whole possesses significant economic, financial and business acumen. The Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Internal Auditors are not members of the Committee but attended all its meetings during the year at the invitation of the Chairman. The Committee has appointed Company Secretary as a Secretary of the Committee.

Meetings of the Audit Committee

The Committee met four (4) times during the year, primarily to review and recommend interim and annual financial statements to the Board of Directors ("the Board") for its consideration and approval. The details of all related party transactions were placed periodically before the Committee and upon satisfaction and recommendations of the Committee, the same were placed before the Board for review and approval. The Secretary of the Committee circulates the meeting minutes or a synopsis to all members, directors, the Head of Internal Audit and where required, the CFO before the subsequent meeting of the Board. The Chairman of the Committee briefed the Board on key discussions and significant matters arising during the Committee meetings.

Financial Statements

The Committee has concluded its annual review of the Company's performance, financial position, and cash flows during the year ended December 31, 2024, and reports that:

- The standalone and consolidated financial statements of the Company for the year ended December 31, 2024, have been prepared on a going concern basis under requirements of the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, International Financial Reporting Standards and other applicable regulations.
- These standalone and consolidated financial statements present a true and fair view of the Company state of affairs, results of operations, profits, cash flows and changes in equities of the Company for the year ended December 31, 2024.
- The auditors have issued unmodified audit reports on both standalone and consolidated financial statements, in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by the Securities and Exchange Commission of Pakistan (SECP).
- Appropriate accounting policies have been consistently applied and adequately disclosed in the standalone and consolidated financial statements.
- The CEO, one Non-Executive Director and the CFO have endorsed the standalone and consolidated financial statements of the Company, while the Directors' Report is signed by the CEO and one Non-Executive Director. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal

- controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the external auditors of the Company.

Internal Audit Function

The internal audit function is outsourced to M/s A.F. Ferguson & Co., Chartered Accountants (AFF), a well-reputed professional service firm, who are suitably qualified and experienced for the task. The Company has also appointed a full-time employee other than CFO, as Head of Internal Audit (HOIA) holding equivalent qualification prescribed under the Code of Corporate Governance. The HOIA functionally reports to the Committee and administratively to the CEO and his performance appraisal is conducted jointly by the Chairman of the Committee and the CEO. The Committee has ensured the achievement of operational, compliance, risk management, financial reporting, and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by the internal audit function. The internal audit is conducted as per the internal audit plan duly approved by the Committee. All internal audit reports are provided for the review of external auditors. The internal auditors also discussed major findings in relation to the reports with the Committee, and the Committee reports matters of significance to the Board. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable and sound financial reporting system. At the year-end meeting, the Committee met AFF along with HOIA without the presence of CEO & CFO. The management supported internal audit activities and provided all the required information on timely basis in a transparent manner. The recommendations of the auditors were agreed for implementation in due course of time and there was no point of conflict between the management and the internal auditors.

Internal Control and risk management

The Board has implemented a comprehensive internal control framework, with the independent internal audit function monitoring the implementation of financial and operational controls. The Committee regularly reviews the effectiveness of this framework and evaluates its adequacy. The Committee also reviewed the summary of risk assessment registers to ascertain that principal business risks are identified and appropriate action plans for mitigating risks are developed and implemented. The Company's approach towards risk management has been disclosed in the risk assessment portion of the Directors Report. The types and detail of risks along with mitigation measures are disclosed in relevant section of the Annual Report. The Committee also oversee IT governance and the effectiveness of cyber security controls. The CFO has been nominated as a representative from the IT Steering Committee, to provide updates to the Committee on a timely basis and seek their guidance where necessary.

External Auditors

The statutory auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants (GT), have completed their assignments of the audit of Company's financial statements and the statement of Compliance with the Code for the year ended December 31, 2024, and shall retire on the conclusion of the eleventh (11th) Annual General Meeting (AGM) of the Company. The Chairman of the Committee met the GT audit team along with engagement partner Mr. Khurram Jameel, to review the audit plan, assess resource adequacy, and discuss the appropriate recording of investment in the subsidiary in the financial statements. The Committee reviewed the Management Letter issued by external auditors along with management's response and actions plans. At the year-end meeting, the Committee met Mr. Khurram Jameel and his senior team members without the presence of CEO, CFO and HOIA. The Committee discussed the audit process, key observations identified during audit of the financial statements, compliance with the applicable regulations and other significant matters. The Committee being satisfied with the performance of external auditors, has recommended their reappointment for the financial year 2025 at the forthcoming AGM of the Company.

Conclusion

The Audit Committee affirms that it has diligently discharged its roles and responsibilities fairly and transparently in compliance with the Code of Corporate Governance and as per the Terms of Reference approved by the Board, which principally included the items mentioned above. The Committee further confirms that all necessary information for a comprehensive understanding of the state of affairs of the Company has been duly incorporated in the Annual Report. The evaluation of the Board's performance, which also included members of the Audit Committee, was carried out by an external independent consultant, Pakistan Institute of Corporate Governance. As per the result of the evaluation, all committees of the Board, including the Audit Committee, are functioning effectively.

Zafar Iqbal Sobani
Chairman - Audit Committee
February 26, 2025

Grant Thornton

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

AGP Limited
YEAR ENDED 31 DECEMBER 2024

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 7 as follows:

a.	Male	06	b.	Female	01*

2. The composition of the Board is as follows:

a.	Independent Directors*	02	Mr. Zafar Iqbal Sobani Ms. Maleeha Humayun Bangash (Female Director)
b.	Non-executive Directors	04	Mr. Tariq Moinuddin Khan Mr. Kamran Nishat Mr. Mahmud Yar Hiraj Mr. Muhammad Kamran Mirza
c.	Executive Director	01	Mr. Muhammad Kamran Nasir

* Two independent directors were appointed on the Board of the Company and the fraction was not rounded up as one since the Board considers that the current composition is adequate to protect the interests of the shareholders at large and minority shareholders in particular.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. The Board has duly complied with the Directors' training program requirements and the criteria as prescribed in the Regulations;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Zafar Iqbal Sobani	**Chairman (Independent Director)**
Mr. Kamran Nishat	**Member (Non-Executive Director)**
Mr. Mahmud Yar Hiraj	**Member (Non-Executive Director)**
Mr. Muhammad Kamran Mirza	**Member (Non-Executive Director)**

Human Resource and Remuneration Committee

Ms. Maleeha Humayun Bangash	**Chairperson (Independent Director)**
Mr. Kamran Nishat	**Member (Non-Executive Director)**
Mr. Muhammad Kamran Nasir	**Member (Executive Director)**
Mr. Mahmud Yar Hiraj	**Member (Non-Executive Director)**
Mr. Muhammad Kamran Mirza	**Member (Non-Executive Director)**

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees were as per following:
    - Audit Committee: Four (4) meetings during the financial year ended December 31, 2024
    - HR and Remuneration Committee: Five (5) meetings during the financial year ended December 31, 2024

15. The Board has outsourced the internal audit function to M/s. A.F. Ferguson & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all other requirements of regulations 3 (Number of Directorship), 6 (Independent Director), 7 (Female Director), 8 (Executive Director), 27 (Audit Committee), 32 (Terms of appointment of external auditor), 33 (Rotation of auditors) and 36 (Compliance Statement and Auditor Review) of the Regulations have been complied with.

19. Explanation with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as below:

S. No	Requirement	Explanation	Reg. No
1	It is encouraged that all the directors on the Boards have acquired the prescribed certification under any director training program. The companies are also encouraged to arrange training for executive, including females.	All directors have attended directors training program except one. In addition, majority of the Directors had undergone a training organized by International Institute for Management Development in Switzerland. The Company has plans to enrol a director along with executive(s) under the directors' training program in the year 2025.	19
2	The Board may constitute the nomination committee.	The responsibilities as prescribed for the nomination committee are being taken care of at Board level as and when needed, hence a separate committee is not considered necessary.	29
3	The Board may constitute the risk Management committee.	Effective risk management policy and procedures are in place to ensure a sound system of risk identification and management to safeguard assets, resources, reputation and interest of the company and shareholders. The management annually present an overall review of business risks along with their mitigation strategies to the Audit Committee which are subsequently briefed to the Board. Hence a separate committee is not considered necessary.	30

Tariq Moinuddin Khan
Chairman Of The Board

Muhammad Kamran Nasir
Chief Executive Officer

Gender Pay Gap

Gender Pay Gap Statement under SECP Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2024

- Mean Gender Pay Gap [illegible]
- Median Gender Pay Gap [illegible]

[illegible]

On behalf of the Board of Directors

Managing Director & Chief Executive Officer

Date: February [illegible]

STRATEGIC OUTLOOK

Analysis of Last Year's Forward-Looking Statement

In alignment with our strategic goal to deliver quality healthcare to patients, , and sustained results to other key stakeholders, our Company has experienced significant topline growth, driven by strong domestic performance, encouraging nutraceutical operations and promising sales in Afghanistan. Overall, we achieved 34% growth, including supplies to our subsidiary companies . Our continuous efforts have enabled us on progress towards operational and financial excellence. During the year, profitability has improved by a remarkable 75.1% growth over last year. This year, we successfully completed the internalization of major brands acquired from Viatris Inc., apart from one brand, Cardura. This transition is generating significant cost savings and synergies .

Source of Information and Assumptions Used for Projections / Forecasts

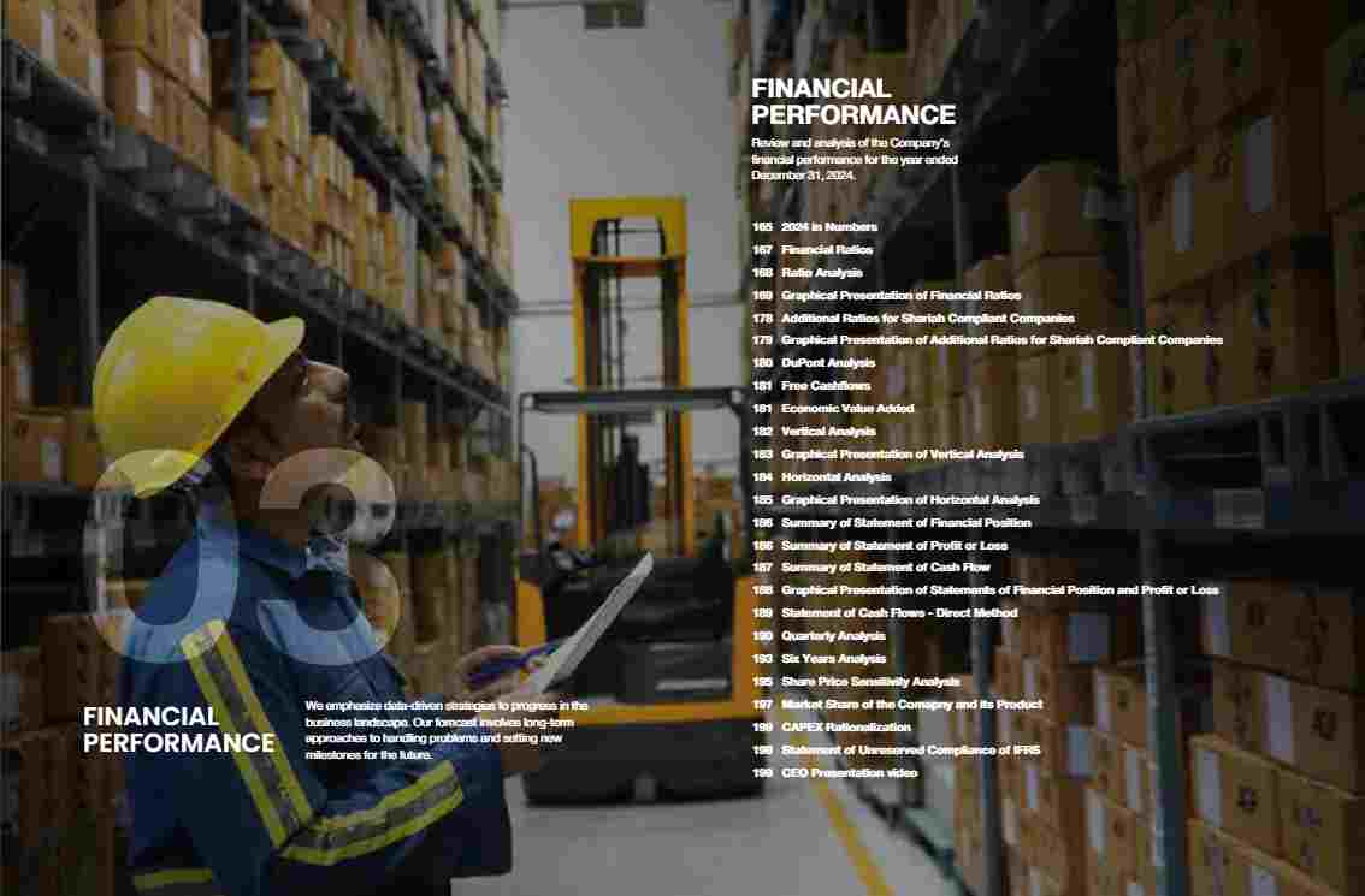
Our business forecasts and projections are crafted through a meticulous process that takes into account past trends, current market conditions, and future expectations. We gather comprehensive information from critical functions within the Company, such as Marketing and Sales, Production and Operations, Quality Management, and Finance, while also incorporating insights from external industry and market analysis. External factors, including macro and microeconomic indicators, market trends, availability of active pharmaceutical ingredients, regulatory data, and competitors' actions, are carefully considered in our planning. These forecasts undergo rigorous scrutiny and approval by the Board of Directors before being adopted as the budget. We conduct periodic reviews to monitor performance against budgeted targets, initiating corrective actions and reallocating resources where necessary. Furthermore, new projects undergo extensive due diligence, including technical, financial, and legal feasibility studies, with involvement from the core management team and external experts if required. This comprehensive approach ensures the accuracy and effectiveness of our plans and investments.

Future Outlook

We are committed to transitioning from spontaneous methods to a sustainable, competitive, and profitable growth strategy by addressing internal deficiencies and leveraging untapped potential in commercial and operational excellence. Our primary objective is to establish a global presence with unique offerings, foster enduring partnerships with international collaborators, and draw insights from successful industry models. We aim to shift from reliance on legacy portfolios to innovative and novel ones, aligning with current market trends and fostering innovation through the integration of business intelligence and AI. Building a strong performance culture and implementing effective talent retention strategies are crucial, alongside immediate focuses such as optimizing portfolios, reducing costs, and restructuring teams. These efforts will pave the way for expansion into existing markets and sectors, consolidation, and entry into the new markets including international regions, ultimately positioning us as a leading regional player.

Response to Future Challenges and Uncertainties

To address potential economic and geopolitical challenges impacting profitability, we will enhance our global presence, strive for operational excellence, and optimize our portfolio. We will seize opportunities in nutraceuticals, chronic diseases, and international markets, supported by increased manufacturing capacities and quality investments. We will remain attentive to market trends indicating rising price sensitivity among consumers. Embracing AI and automation, we anticipate digitalization will drive growth in online pharmacies and telemedicine. Government initiatives are expected to boost industry growth, prompting us to prioritize institutional business and personalized healthcare solutions. Further, de-regularization of pricing of non-essential drugs aided pharma industry to combat significant PKR devaluation and high inflation of the recent past years. Additionally, we will maintain a strong focus on corporate social responsibility to strengthen brand loyalty and our corporate image.



03

FINANCIAL PERFORMANCE

We emphasize data-driven strategies to progress in the business landscape. Our forecast involves long-term approaches to handling problems and setting new milestones for the future.

FINANCIAL PERFORMANCE

Review and analysis of the Company's financial performance for the year ended December 31, 2024.

2024 IN NUMBERS

FINANCIAL KPIs

The Company recorded impressive revenue growth of 34%, driven by strong performances in top products, increased sales in key export markets, and growth in the nutraceuticals business. Gross profit also saw a significant rise of 44%, reflecting improved operational efficiencies and higher sales volumes.

Marketing and selling expenses have also risen due to full year impact of planned increase in staff to support sales growth. Despite these challenges, the Company maintained a strong financial position, with net profit increasing by 75%.

REVENUE
33.8%
Increase
13,858 Million — 2023
18,544 Million — 2024

GROSS PROFIT
44.4%
Increase
6,142 Million — 2023
8,872 Million — 2024

NET PROFIT
75.1%
Increase
1,190 Million — 2023
2,084 Million — 2024

EPS
75.1%
Increase
4.25 PKR — 2023
7.44 PKR — 2024

TOTAL ASSETS
8.4%
Increase
17,086 Million — 2023
18,516 Million — 2024

NON FINANCIAL KPIs

AGP Limited successfully launched five new products in 2024, building upon the three launches from the previous year. The Company's workforce remained stable at 1,574 employees, ensuring continued operational efficiency. With a strong emphasis on manufacturing excellence, production increased by 21% to 87 million packs. Additionally, our flagship brand, Rigix, achieved a significant milestone, recording sales of PKR 3.68 billion, reflecting substantial growth from the prior year. The Company also enhanced diversity within its workforce, with the female-to-male ratio improving to 11.7% from 9.8% in 2023.

NEW PRODUCT LAUNCHES
3 Products — 2023
5 Products — 2024

NUMBER OF EMPLOYEES
1,574 — 2023
1,574 — 2024

SALES OF RIGIX
45.2%
Increase
2,537 Million — 2023
3,684 Million — 2024

UNITS PRODUCED
20.1%
Increase
72 Million — 2023
87 Million — 2024

FEMALE TO MALE RATIO
9.8% — 2023
11.7% — 2024

FINANCIAL RATIOS

	Unit	2024	2023	2022	2021	2020	2019
Profitability Ratios							
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Liquidity Ratios	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
Investment / Market Ratios	PKR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	PKR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
[illegible]	PKR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	PKR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Capital Structure Ratios	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	PKR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
Activity / Turnover Ratios	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Days	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	Days	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
Employee Productivity Ratios	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
Non-Financial Ratios	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Others	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							

RATIO ANALYSIS

PROFITABILITY RATIOS

AGP achieved robust revenue growth of 34%, demonstrating resilience amidst challenging political and economic conditions. Domestic retail sales surged by 27.8%, driven by the strong performance of leading brands. Export sales also delivered exceptional results, exceeding PKR 2.3 billion with a notable growth of 48%. Improved pricing strategies and functional realignments contributed to an enhanced gross margin of 44.4%.

The cost of doing business increased due to strategic investments in human resources aimed at driving sales growth. Marketing and selling expenses rose by 26.2%, while administrative expenses increased by 27.5%. Additionally, the Company secured a syndicated term finance loan during the year. The steep decline in KIBOR rates offset some of the impact of higher working capital requirements and long-term facilities. However, finance costs rose significantly. Resultantly, AGP reported net margins at 11.2%, EBITDA margins at 23.1%, and return on capital employed at 15.0%.

LIQUIDITY RATIOS

The current ratio remains stable, slightly increasing to 1.30 in 2024. This indicates that the company maintains sufficient current assets to cover its short-term liabilities. However, The quick ratio has declined to 0.56, reflecting a lower level of liquid assets available to meet short-term liabilities. Despite challenges with cash levels relative to liabilities, AGP's overall liquidity position remains manageable, supported by robust cash flow improvement and adequate financing facilities to ensure liquidity.

INVESTMENT / MARKET RATIOS

In 2024, the Company's shares traded on the Pakistan Stock Exchange (PSX) with prices ranging between PKR 63.93 and PKR 174.59. AGP's share price closed at PKR 170.1 by year-end, up from PKR 70.31 in 2023. The Company recorded earnings per share (EPS) of PKR 7.44, a 75.1% surge compared to last year reflecting higher profitability in 2024. The Board of Directors approved a dividend of PKR 4.0 per share, consistent with the Company's policy of balancing shareholder returns with retaining equity for growth and expansion.

CAPITAL STRUCTURE RATIOS

The financial leverage ratio decreased from 0.32 to 0.26 in 2024, indicating a reduced reliance on debt relative to equity. This suggests a shift towards a more equity-funded structure, reducing financial risk and improving the company's stability. Further, debt-to-equity ratio decreased from 0.23 to 0.18 in 2024, reflecting a reduction in long-term debt relative to shareholders' equity. Consequently, the interest cover ratio increased to 4.70 from 3.94 in 2023. Net assets per share rose to PKR 43.70, up from PKR 38.76 in 2023.

ACTIVITY / TURNOVER RATIOS

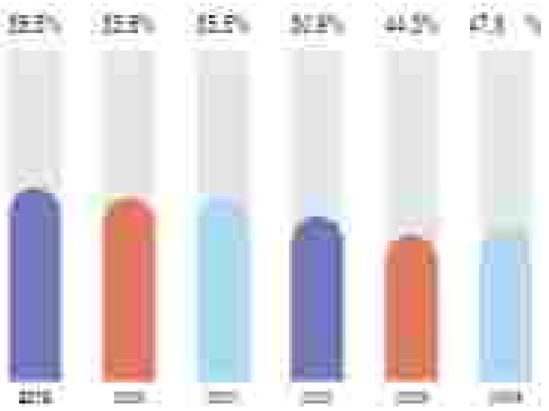
AGP's total assets turnover ratio improved to 1.04 from 0.93 in 2023, reflecting an enhanced ability to generate revenue from assets. Despite challenging economic conditions, the Company's operating cycle increased by 4 days, reaching 45 days in 2024 compared to 41 days in the previous year. Inventory days rose by 8 days to 112 days, receivable days decreased by 2 day to 32 days, while payables days increased by 3 days to 100 days.

METHODS AND ASSUMPTIONS USED IN COMPILING THE FINANCIAL PERFORMANCE INDICATORS

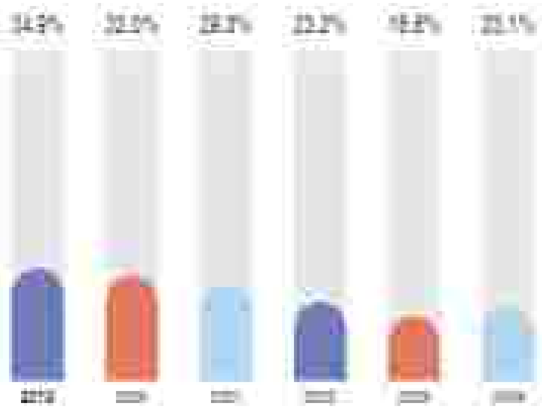
To track progress toward its strategic objectives, the Company has implemented both financial and non-financial indicators. Sales performance is closely monitored, and future actions are planned based on the results. The Company considers various internal and external factors, such as resource availability and quality, economic indicators, geopolitical conditions, competitor positioning, and overall market trends, when developing its key performance indicators (KPIs). These KPIs are created using industry-standard methodologies, historical trends, and the Company's strategic vision. They are regularly reviewed by the management team, with quarterly evaluations by the Board to implement corrective actions as necessary.

GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

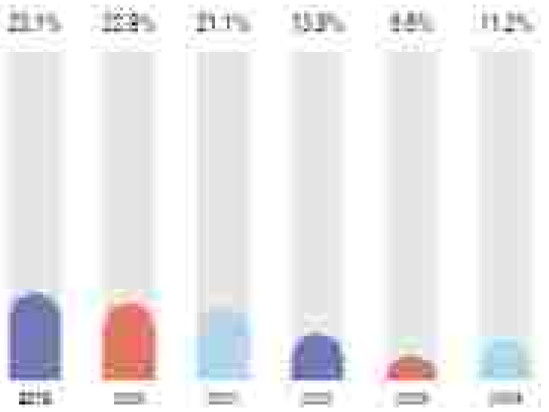
Gross Profit Margin



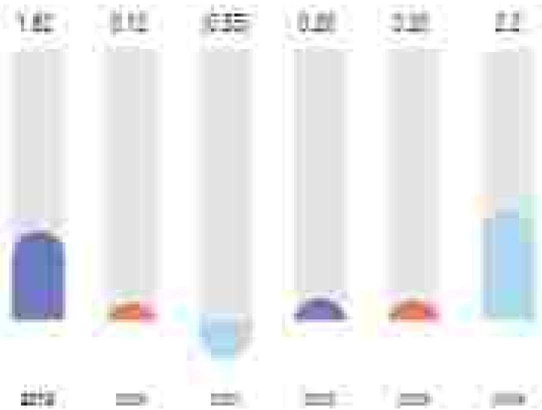
EBITDA Margin



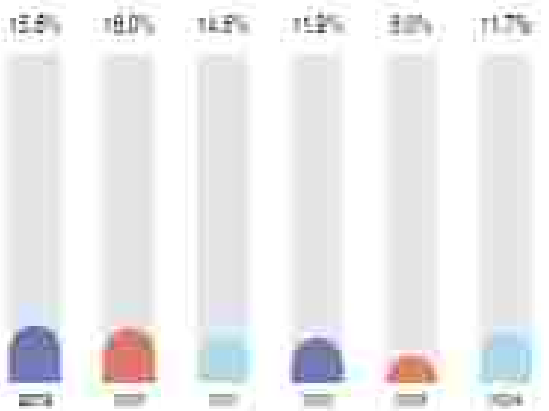
Net Margin



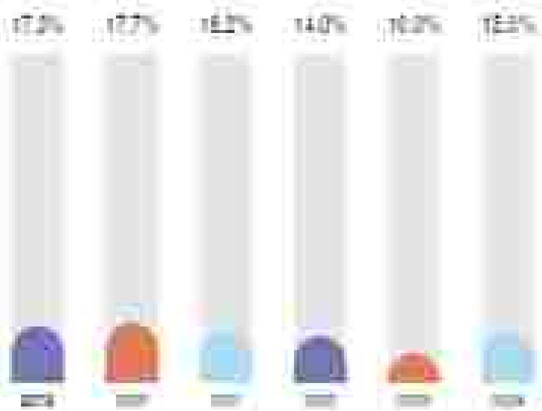
Operating Leverage Ratio



Return on Assets (After tax)

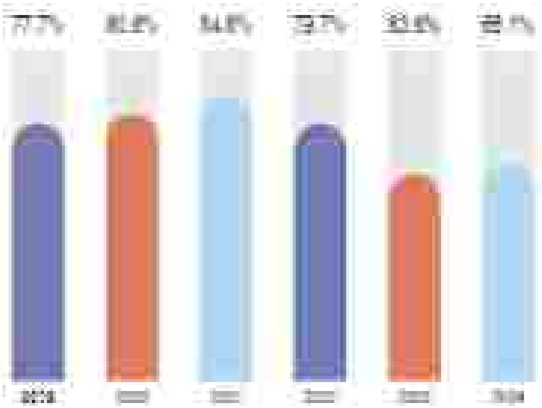


Return on Capital Employed

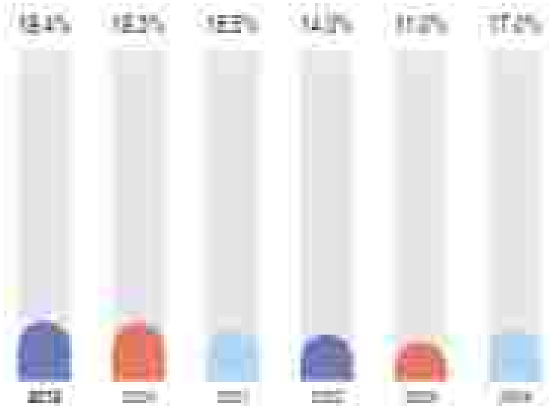


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

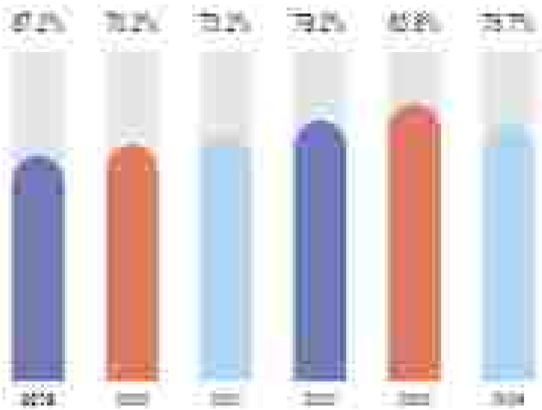
Shareholders' Fund



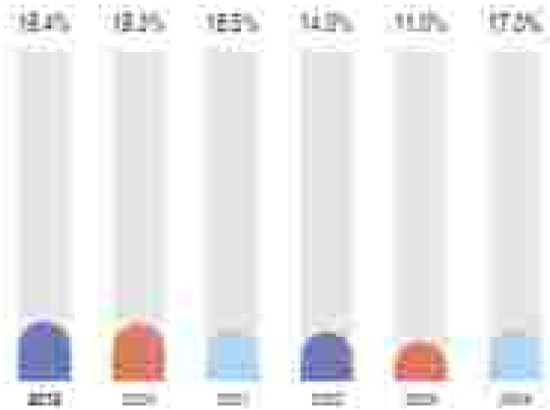
Return On Shareholder's Fund



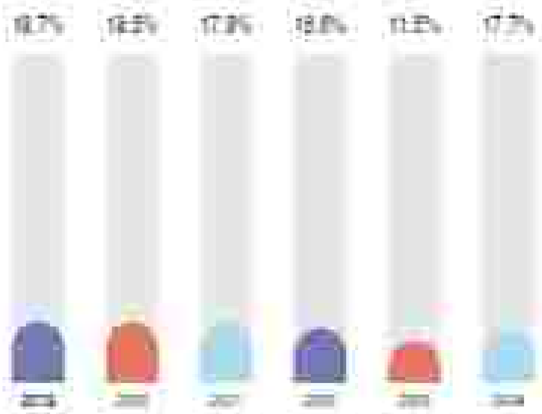
Cost / Income Ratio



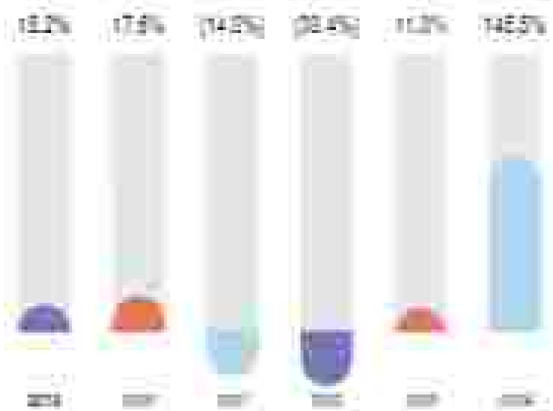
Return on Equity (After Tax)



Return on Assets (Before Tax)

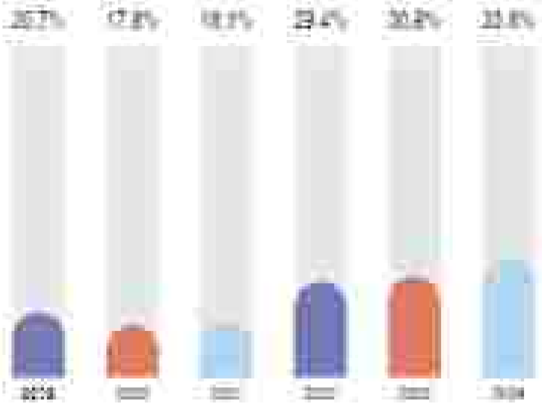


Total Shareholders' Return

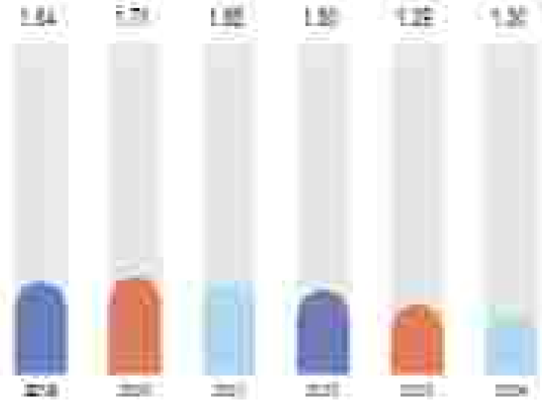


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

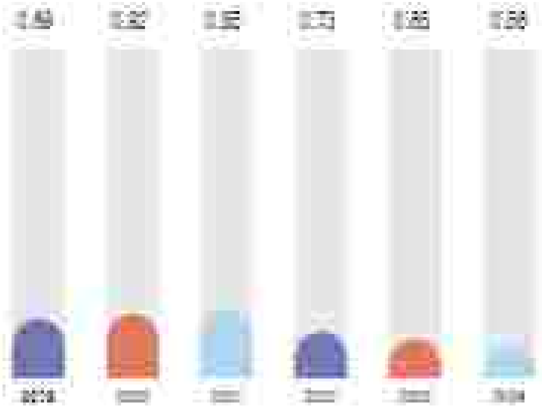
Effective Tax Rate



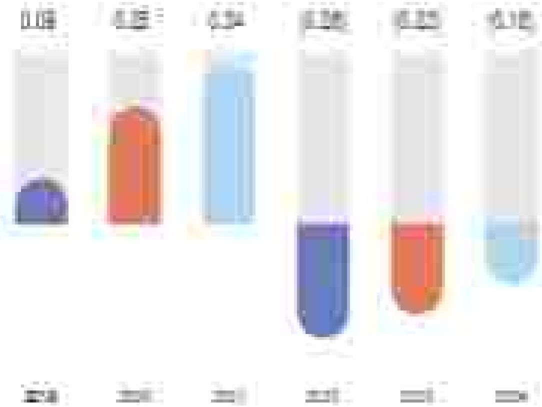
Current Ratio



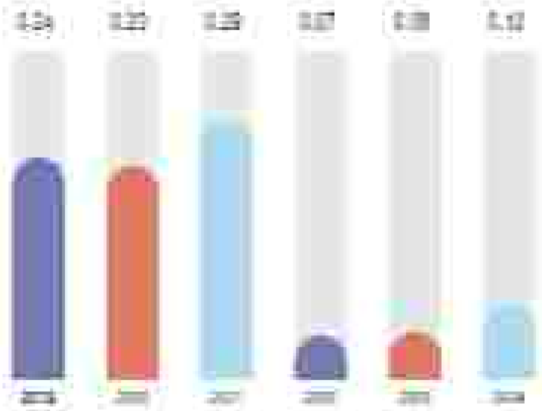
Quick / Acid Test Ratio



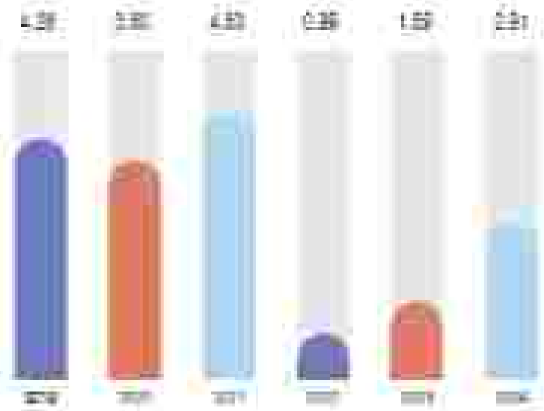
Cash To Current Liabilities



Cash Flow From Operations To Sales

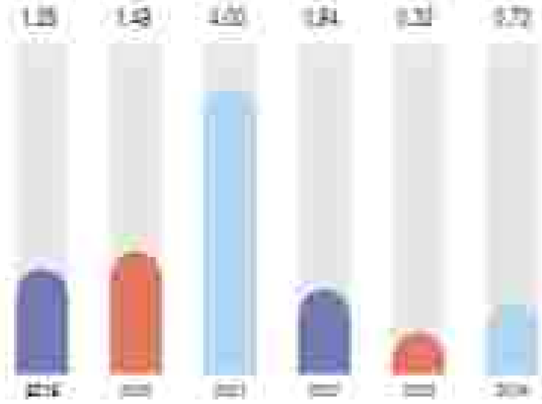


Cash Flow To Capital Expenditures

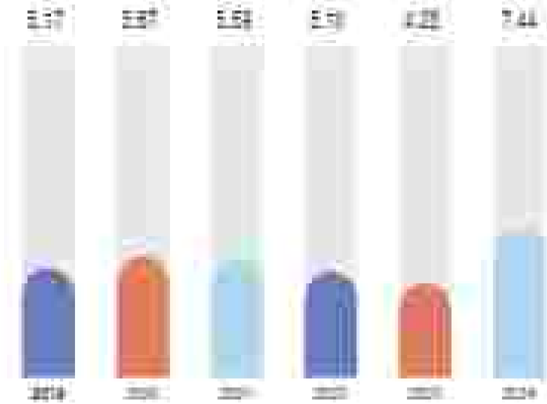


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

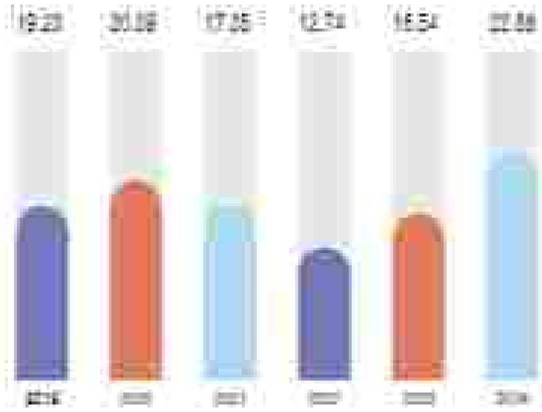
Cash Flow Coverage Ratio



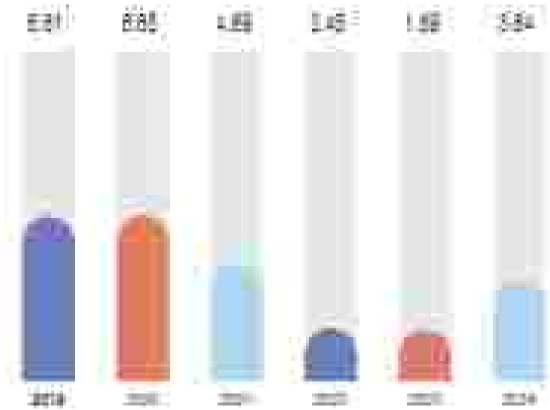
Earnings Per Share (EPS) And Diluted EPS



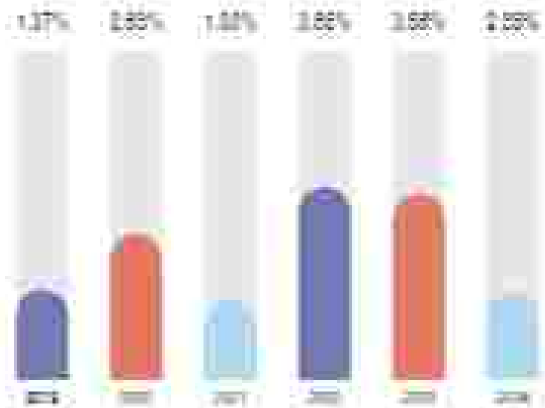
Price Earning Ratio



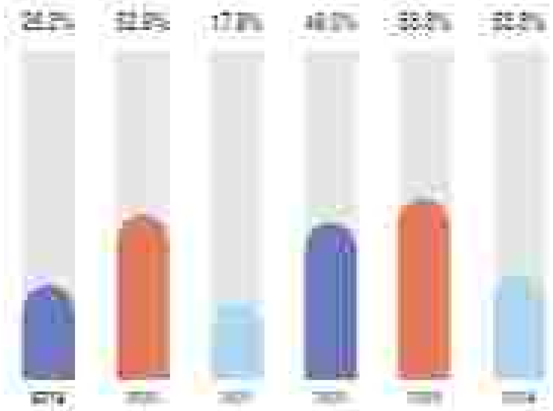
Price To Book Ratio



Dividend Yield Ratio

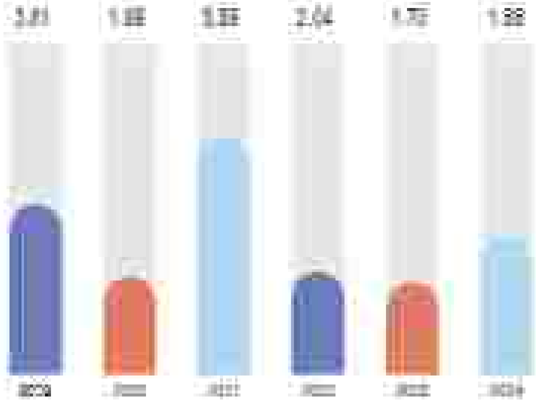


Dividend Pay Out Ratio

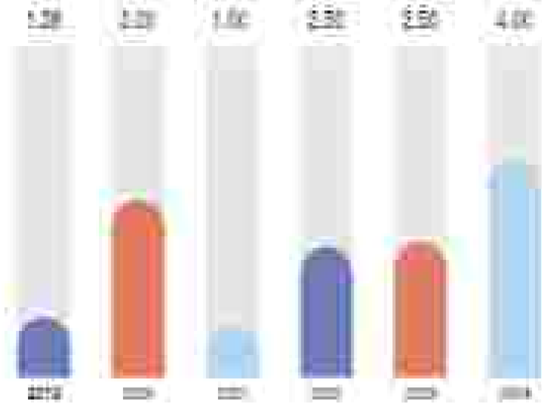


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

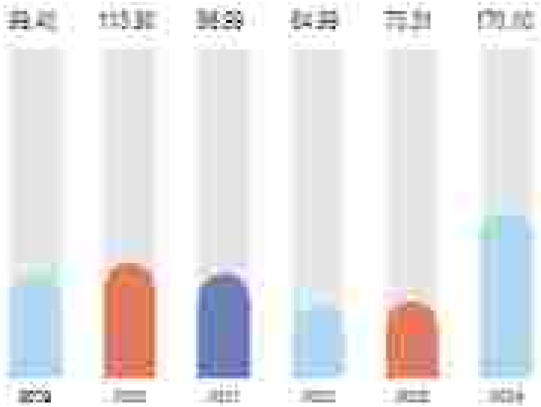
Dividend Cover Ratio



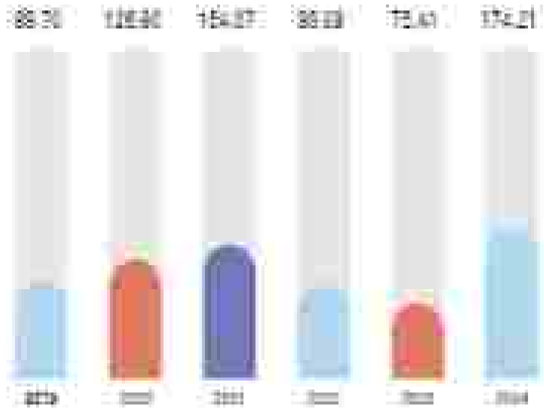
Cash Dividend Per Share



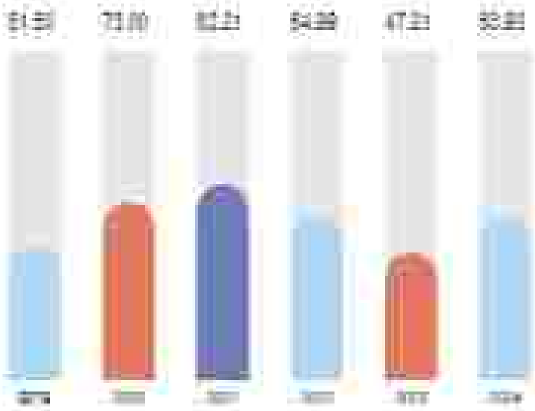
Market Value Per Share - At Year End



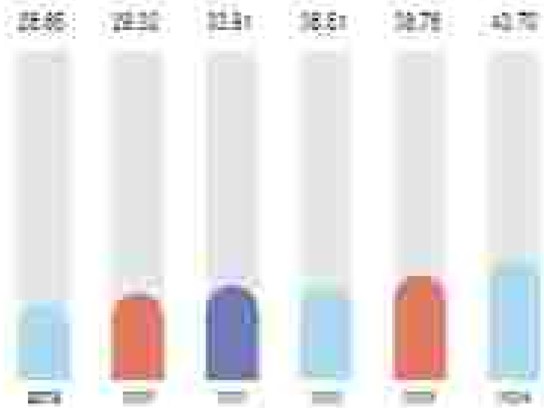
Market Value Per Share - High During Year



Market Value Per Share - Low During Year

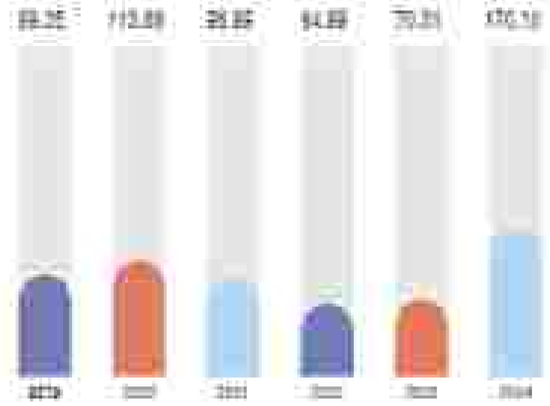


Break-up Value Per Share Without Surplus On Revaluation Of Property, Plant & Equipment

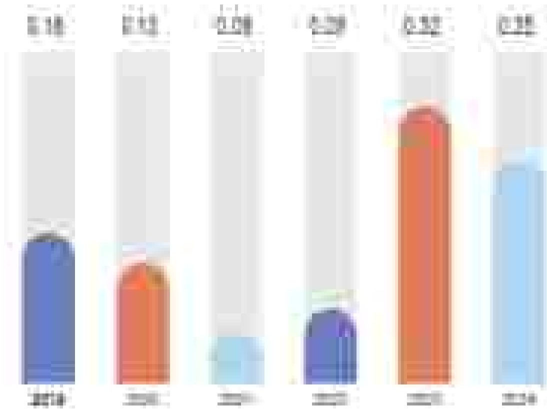


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

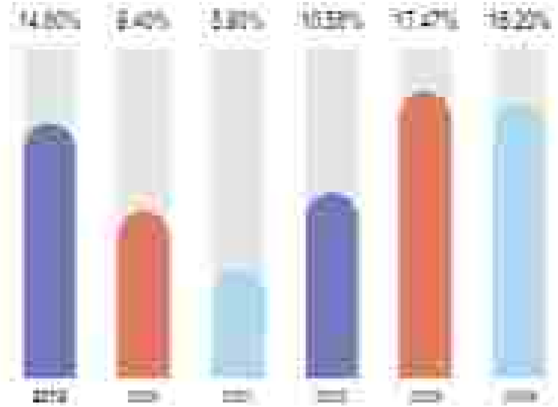
Share Price (Y/E)



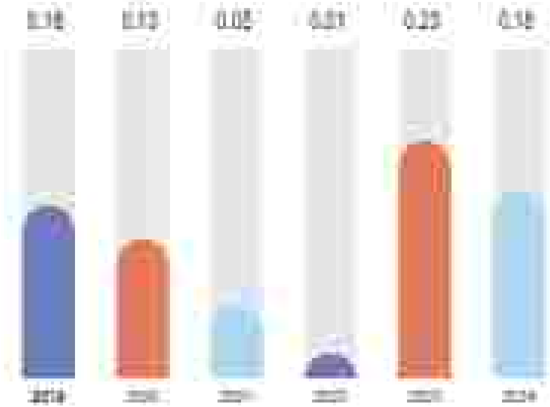
Financial Leverage Ratio



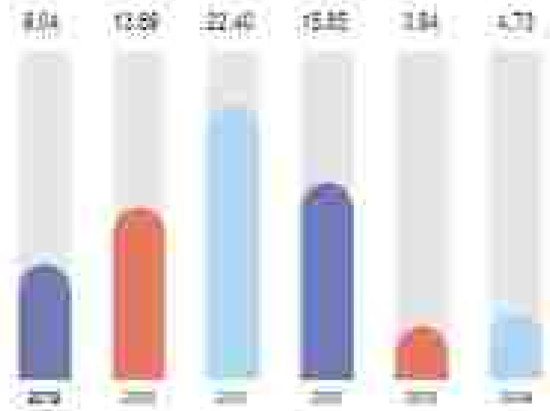
Weighted Average Cost Of Debt



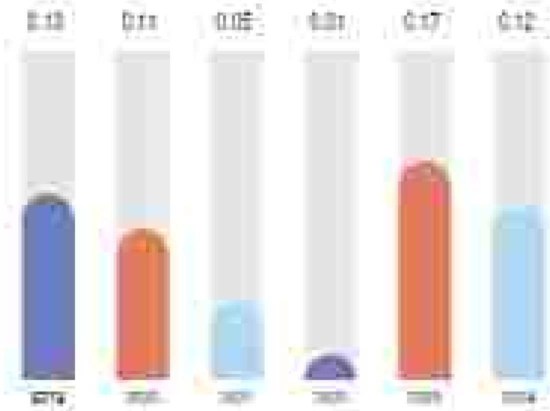
Debt To Equity (As Per Book Value)



Interest Cover Ratio

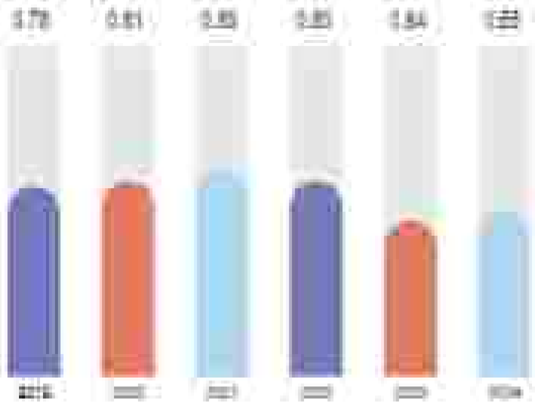


Debt To Asset Ratio

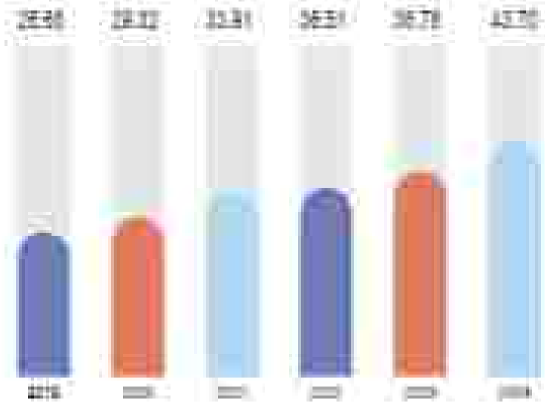


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

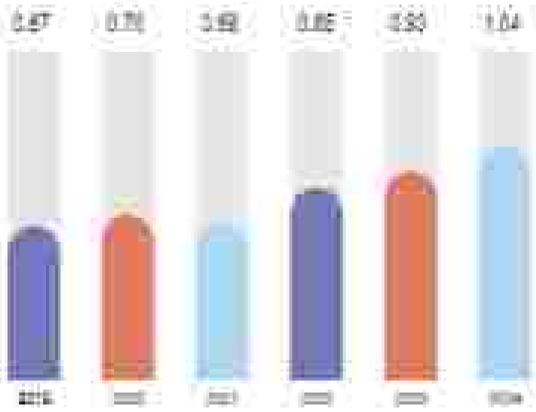
Equity To Asset Ratio



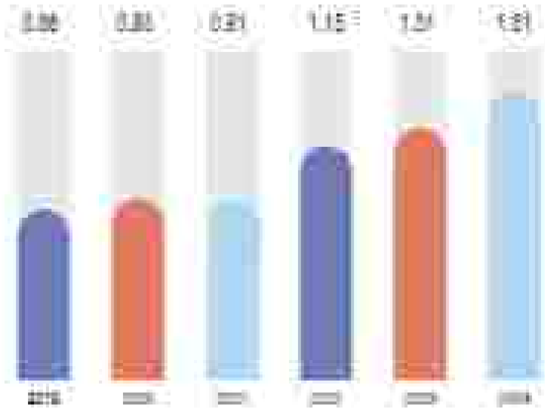
Net Assets Per Share



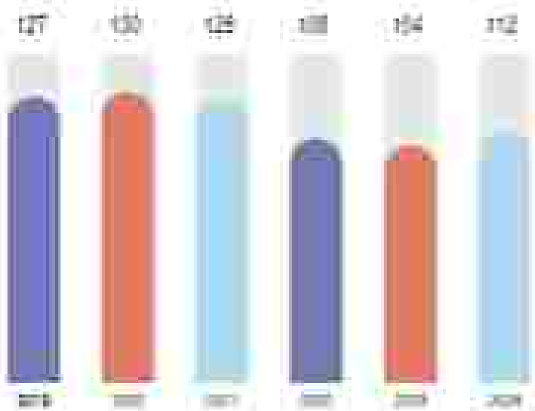
Total Assets Turnover Ratio (Average Assets)



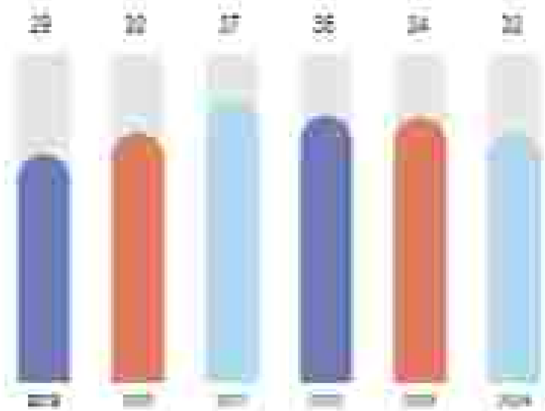
Fixed Assets Turnover Ratio



No. Of Days In Inventory

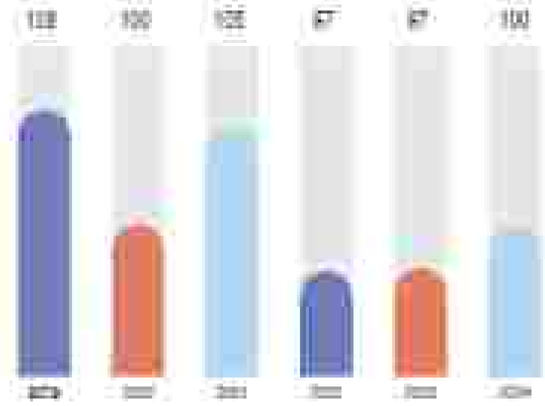


No. Of Days In Receivables

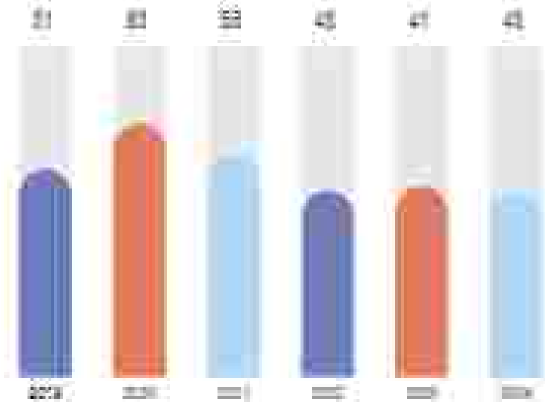


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

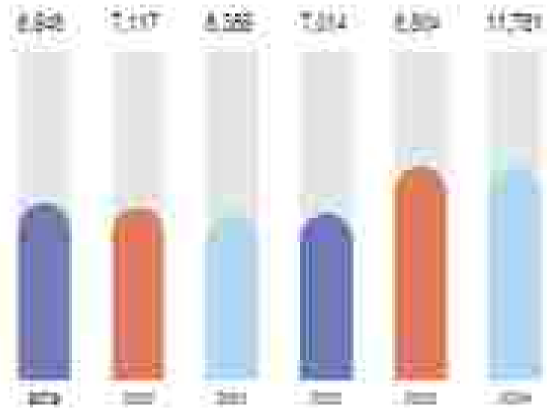
No. of Days In Payables



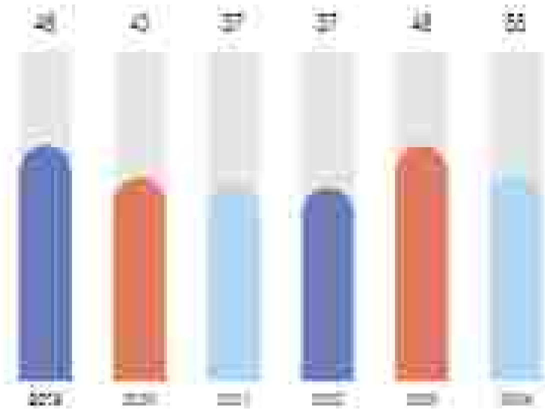
Operating Cycle



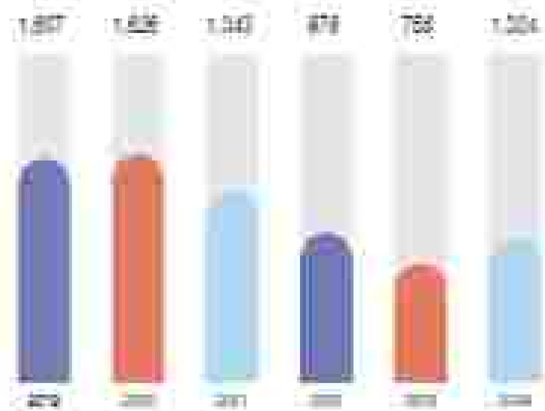
Revenue Per Employee



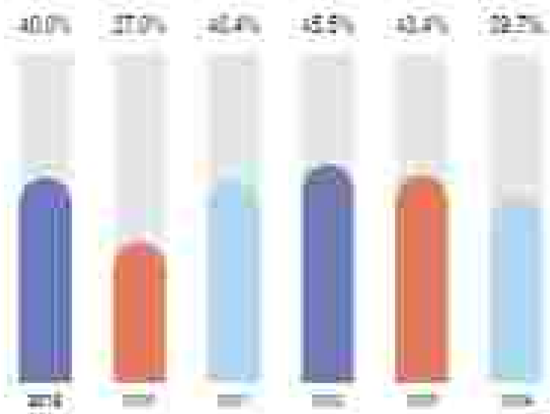
Production Per Employee



Net Profit Per Employee

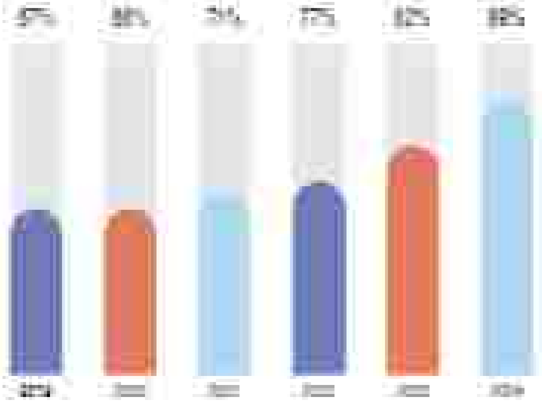


Staff Turnover Ratio

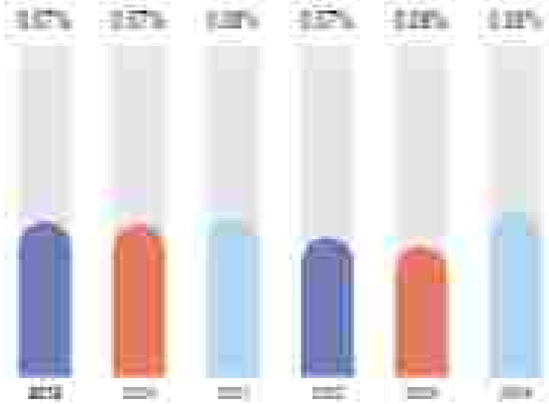


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

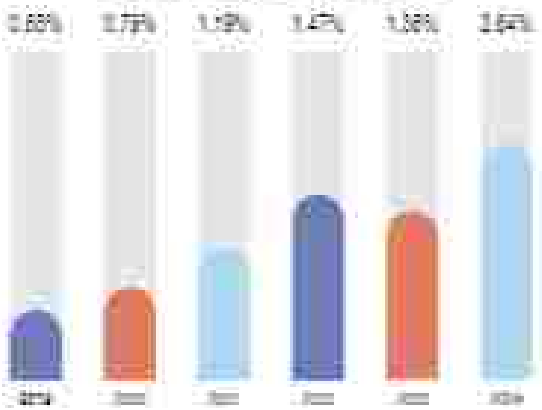
% of Plant Availability



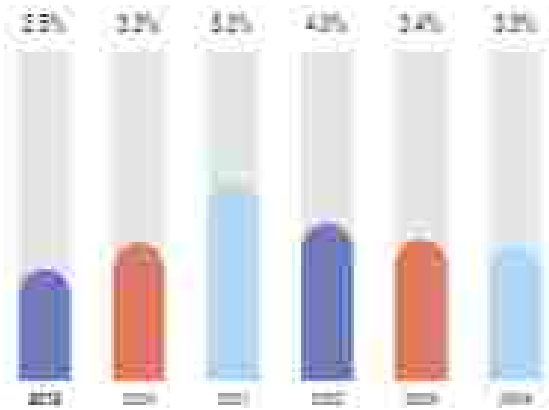
Spares Inventory as % of Assets Cost



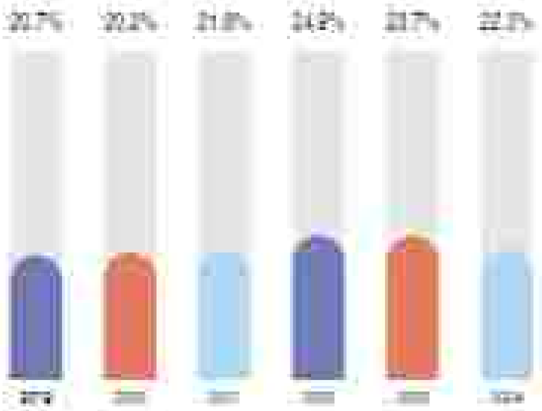
Maintenance Cost as % of Operating Expenses



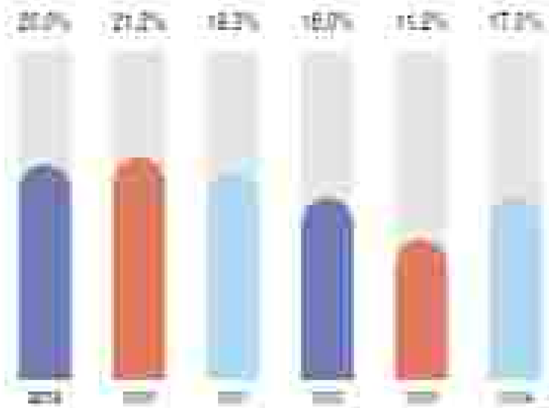
Admin Expense to Sales Ratio



Marketing & Promotional Expense to Sales Ratio



Return on investments (After Tax)

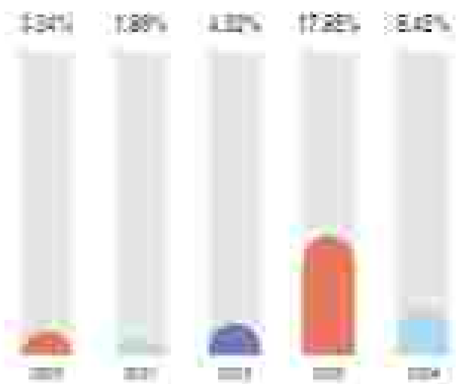


ADDITIONAL RATIOS FOR SHARIAH COMPLIANT COMPANIES

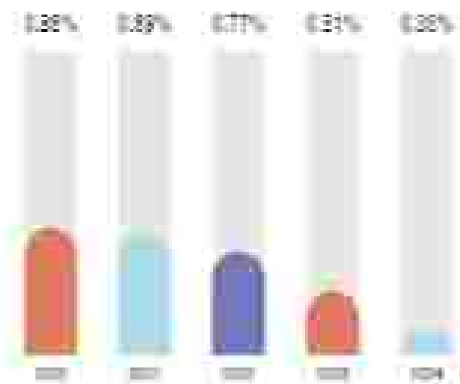
S. No.	Additional Ratios for Shariah Compliant Companies	2024	2023	2022	2021	2020
1	Loan on interest to market capitalization of the Company (%)	6.45	17.85	4.32	1.88	3.34
2	Total interest-taking deposits to market capitalization of total equity (%)	0.20	0.51	0.77	2.89	3.85
3	Income generated from prohibited components to Total income (%)	0.14	0.18	0.08	0.08	0.08
4	Net liquid assets per share to M.V per share (%)	1.56	0.88	4.20	3.17	2.36
5	Interest Bearing Debt to Total Assets (%)	16.58	20.58	6.13	4.80	10.45
6	Non-Shariah Compliant Investments to Total Assets (%)	0.60	0.80	1.14	1.58	0.73
7	Non-Shariah Compliant income to Total revenue (%)	0.14	0.18	0.08	0.08	0.08
8	Liquid Assets to Total Assets (%)	71.04	75.92	78.18	78.43	77.88

GRAPHICAL PRESENTATION ADDITIONAL RATIOS FOR SHARIAH COMPLIANT COMPANIES

Loan on Interest to market capitalization of the Company

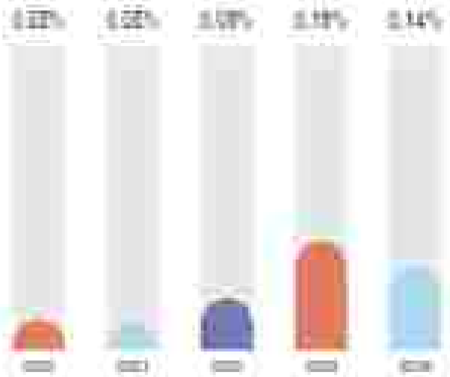


Total Interest-taking Deposits To Market Capitalization Of Total Equity

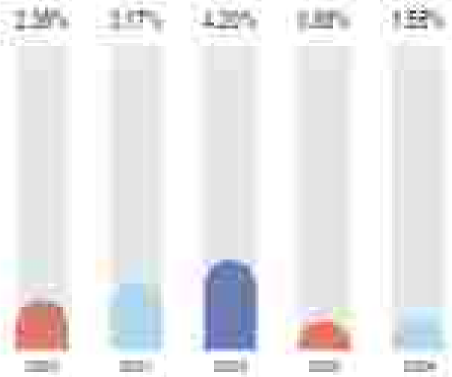


GRAPHICAL PRESENTATION ADDITIONAL RATIOS FOR SHARIAH COMPLIANT COMPANIES

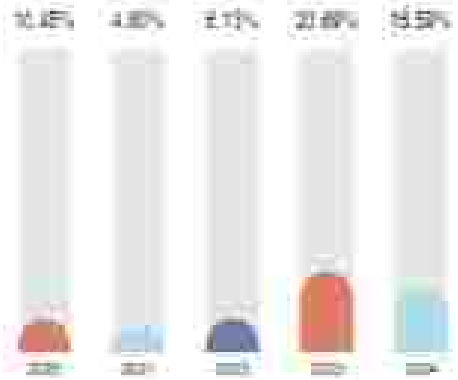
Income Generated From Prohibited Components To Total Income



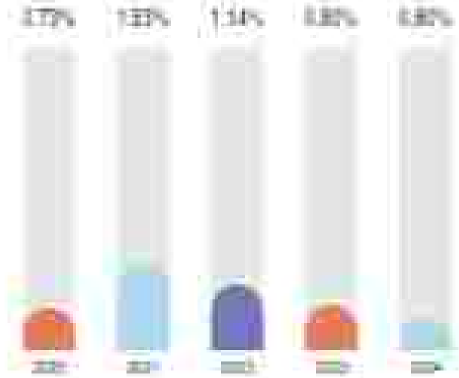
Net Liquid Assets Per Share To M.V Per Share



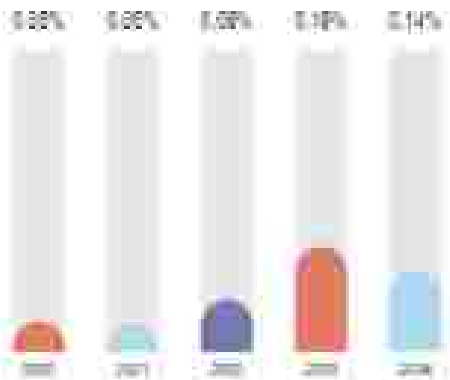
Interest Bearing Debt To Total Assets



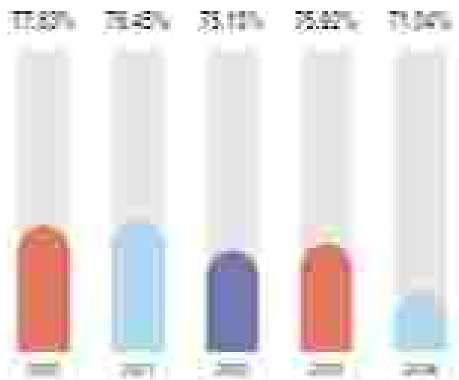
Non-shariah Compliant Investments To Total Assets



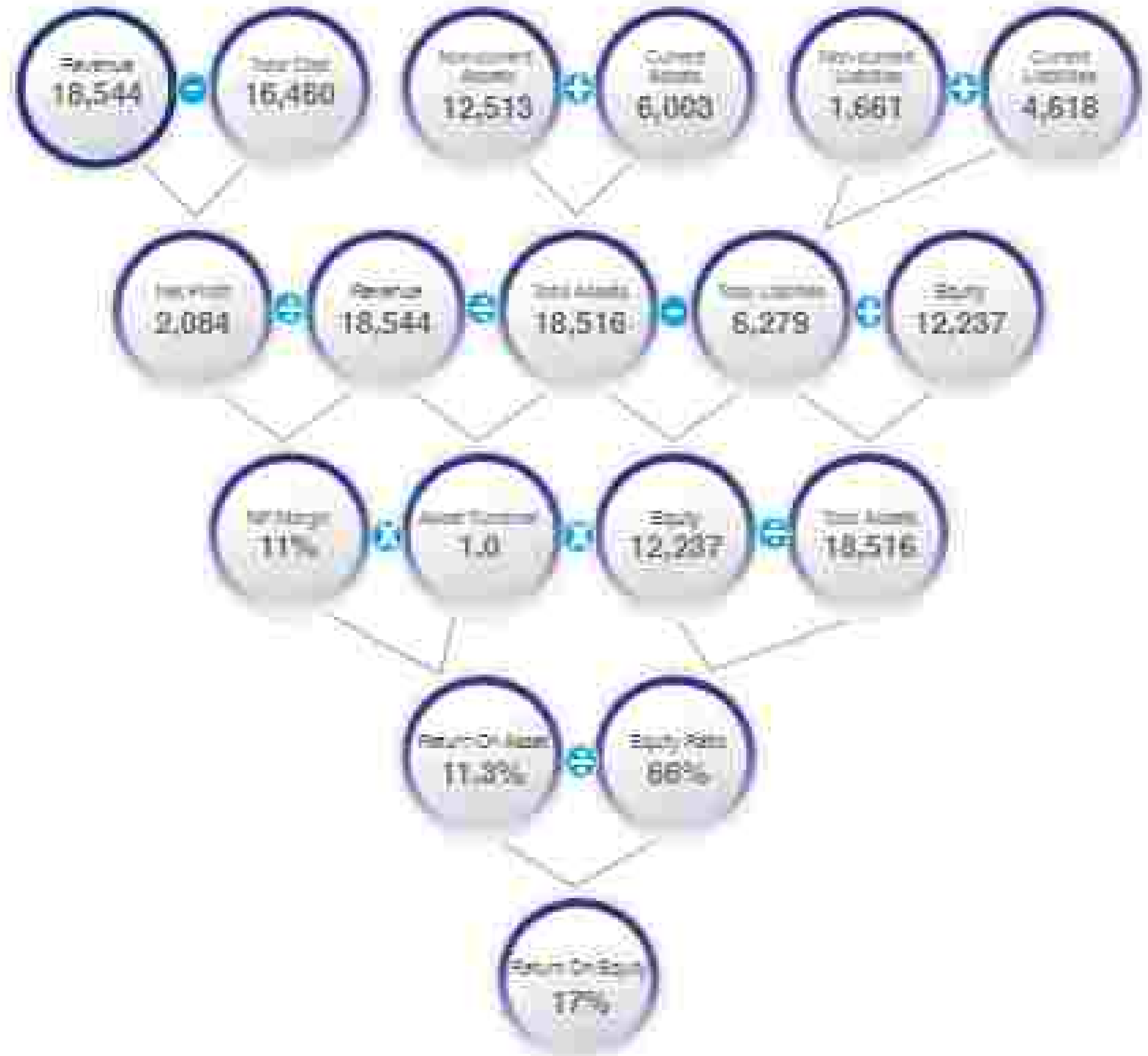
Non Shariah Compliant Income To Total Revenue



Illiquid Assets to Total Assets



DUPONT ANALYSIS



DUPONT ANALYSIS	2024	2023
Tax Burden	66%	69%
Interest Burden	79%	75%
EBIT Margin	22%	17%
Asset Turnover	1.0 x	0.8 x
Leverage	24.7%	28.2%
Return on Equity	17%	11%

During the year, the Company achieved an impressive revenue of PKR 18,544 million, reflecting a significant year-over-year growth of 34%. This performance was driven by the robust growth in domestic retail sales of flagship brands, coupled with a notable expansion in export revenues, particularly to Afghanistan and the nutraceutical segment.

While topline growth was commendable, translating it into profitability posed challenges due to rising operational costs, exacerbated by external socio-political pressures. The devaluation of the local currency impacted input costs and gross margins. Despite these challenges, the Company managed to generate a net profit of PKR 2,084 million, delivering a net profit margin of 11.2%, underscoring the effectiveness of its pricing strategies and operational realignments.

The Company's total asset base grew by 8.4%, reaching PKR 18,516 million. This consisted of PKR 12,513 million in non-current assets and PKR 6,003 million in current assets. The efficient utilization of these assets resulted in an asset turnover ratio of 1.0, reflecting the Company's ability to generate PKR 1 in revenue for every PKR 1 of assets deployed. Combined with the net margin, this contributed to a return on assets of 11.3%.

Total liabilities stood at PKR 6,279 million, comprising PKR 4,618 million in current liabilities and PKR 1,661 million in non-current liabilities. The Company's equity base increased to PKR 12,237 million, representing 66% of the total assets. This prudent financial management led to a healthy return on equity (ROE) of 17%, demonstrating the Company's ability to deliver sustainable returns to its shareholders.

FREE CASH FLOWS

(PKR in Million)

	2024	2023	2022	2021	2020	2019
Profit before taxation	3,147	1,723	2,021	1,911	1,927	1,825
Adjustment of non-cash items	1,300	801	384	372	422	494
Changes in working capital	(1,035)	(235)	(934)	218	(293)	(119)
	3,412	2,289	1,471	2,501	2,057	2,200
Less: Capital expenditure	(715)	(752)	(778)	(474)	(381)	(433)
Free Cash Flows	2,698	1,537	693	2,027	1,676	1,767

ECONOMIC VALUE ADDED

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on cash basis (NOPAT).

	2024	2023	2022	2021	2020	2019
NOPAT	3,845	1,720	1,900	2,194	2,182	2,002
Cost of Capital	(2,505)	(1,966)	(1,380)	(1,020)	(1,052)	(1,262)
Economic Value Added	1,340	(247)	520	1,174	1,130	740

VERTICAL ANALYSIS

(PKR in Million)

	2024		2023		2022		2021		2020		2019	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
STATEMENT OF FINANCIAL POSITION												
Assets												
Non-current Assets												
Property, plant and equipment	3,940	21.3	3,484	20.1	3,013	23.5	2,484	22.2	2,203	21.6	1,977	20.6
Intangible assets	5,427	29.3	5,442	31.4	5,411	42.2	5,403	48.3	5,588	55.1	5,385	56.2
Investment in subsidiary / Long term investments	3,074	16.6	3,005	17.3	730	5.7	730	6.5	-	-	-	-
Long term loans, deposits and receivables	72	0.4	23	0.1	23	0.2	15	0.1	14	0.1	14	0.1
	12,513	67.6	11,954	70.2	9,178	71.6	[illegible]	77.1	7,805	74.7	[illegible]	76.8
Current Assets												
Stores, spares and loose tools	15	0.1	11	0.1	9	0.1	9	0.1	7	0.1	7	0.1
Stock in trade	3,398	18.4	2,527	14.6	1,875	14.6	1,096	9.8	1,194	11.8	1,013	10.5
Trade debts	1,848	10.0	1,430	8.3	1,152	9.1	788	7.0	705	6.9	520	5.4
Loans and advances	352	1.9	400	2.3	217	1.7	54	0.5	30	0.3	36	0.4
Trade deposits, prepayments and other receivables	320	1.7	228	1.3	237	1.8	31	0.3	31	0.3	85	0.9
Taxation – net	-	0.0	309	1.8	-	-	21	0.2	248	2.4	435	4.5
Short term investments	-	0.0	-	-	-	-	200	1.8	-	-	-	-
Cash and bank balances	115	2.8	138	0.8	150	1.2	328	2.9	375	3.5	117	1.2
	6,003	32.4	5,385	30.8	3,651	28.4	[illegible]	22.9	[illegible]	25.3	[illegible]	23.1
Total Assets	18,516	100	17,338	100	12,829	100.0	11,189	100.0	[illegible]	100.0	[illegible]	100.0
Equity & Liabilities												
Equity												
Share Capital	2,800	15.1	2,800	16.4	2,800	21.8	2,800	25.0	2,800	27.5	2,800	29.2
Revenue reserve	9,437	51.0	8,033	47.1	7,429	57.9	6,595	58.9	5,410	53.1	4,655	48.5
	12,237	66	10,833	64	10,229	79.7	9,395	83.9	8,210	80.6	7,455	77.7
Non-Current Liabilities												
Long term financing	1,355	7.3	3,089	18.2	36	0.3	36	0.3	400	3.9	717	7.5
Deferred Grant	-	-	-	-	1	0.0	4	0.0	8	0.1	-	-
Lease Liability	48	-	-	-	-	-	-	-	-	-	-	-
Gas Infrastructure Development Cess	9	0.0	7	0.0	7	0.1	8	0.1	8	0.1	-	-
Deferred Taxation	259	1.4	191	1.1	128	1.0	95	0.8	56	0.5	71	0.7
	1,661	9	3,281	19	172	1.3	143	1.3	472	4.6	788	8.2
Current liabilities												
Trade and other payables	2,794	15.1	2,487	14.6	1,617	12.6	1,054	9.4	887	8.7	846	8.8
Unclaimed dividend	2	0.0	2	0.0	3	0.0	2	0.0	3	0.0	1	0.0
Accrued interest	45	0.2	77	0.4	40	0.3	2	0.0	4	0.0	18	0.2
Short-term borrowings	846	4.6	938	5.5	699	5.4	4	0.0	-	-	-	-
Current maturity of long-term financing	841	4.5	429	2.5	31	0.2	484	4.3	635	6.2	481	5.0
Taxation - net	81	0.4	-	-	24	0.2	-	-	-	-	-	-
	4,618	25	3,942	23	2,432	19	[illegible]	14	1,508	15	1,361	14
Total Equity & Liabilities	18,516	100	17,338	100	12,829	100.0	11,189	100.0	[illegible]	100.0	[illegible]	100.0
STATEMENT OF PROFIT OR LOSS												
Net sales	18,544	100.0	[illegible]	100.0	10,252	100.0	7,420	100.0	[illegible]	100.0	[illegible]	100.0
Cost of sales	8,972	52.2	7,715	55.7	5,038	49.1	3,303	44.5	[illegible]	44.4	2,594	41.5
Gross profit	9,572	48	6,142	44	[illegible]	50.9	4,117	55.5	[illegible]	55.6	[illegible]	58.5
Administration expenses	608	3.3	477	3.4	427	4.2	391	5.3	227	3.8	156	2.5
Marketing & selling expenses	4,157	22.4	3,279	23.7	2,550	24.9	1,615	21.8	1,404	23.9	1,294	20.7
Other expenses	201	1.5	250	1.8	239	2.3	157	2.1	152	2.6	167	2.7
Other income	(155)	(0.8)	(105)	1.3	(104)	1.0	(46)	0.6	(52)	0.9	(11)	0.2
Finance cost	843	4.5	585	4.2	136	1.3	88	1.2	124	2.1	227	3.6
Profit before tax	3,147	17.0	1,723	12.4	2,021	19.7	1,911	25.8	1,927	32.7	1,825	29.2
Taxation	(1,064)	(5.7)	(532)	(3.8)	(555)	(5.4)	345	(4.7)	338	4.3	375	6.1
Profit after tax	2,084	11.2	1,190	8.6	[illegible]	13.3	[illegible]	21.1	[illegible]	22.9	1,445	23.1
Operating Profits	4,126	21.5	2,238	16.7	2,264	22.1	2,110	28.5	[illegible]	[illegible]	2,207	35.3

GRAPHICAL PRESENTATION OF VERTICAL ANALYSIS

Financial Position Analysis - Assets (%)

Financial Position Analysis - Equity & Liabilities (%)

PROFIT OR LOSS ANALYSIS

HORIZONTAL ANALYSIS

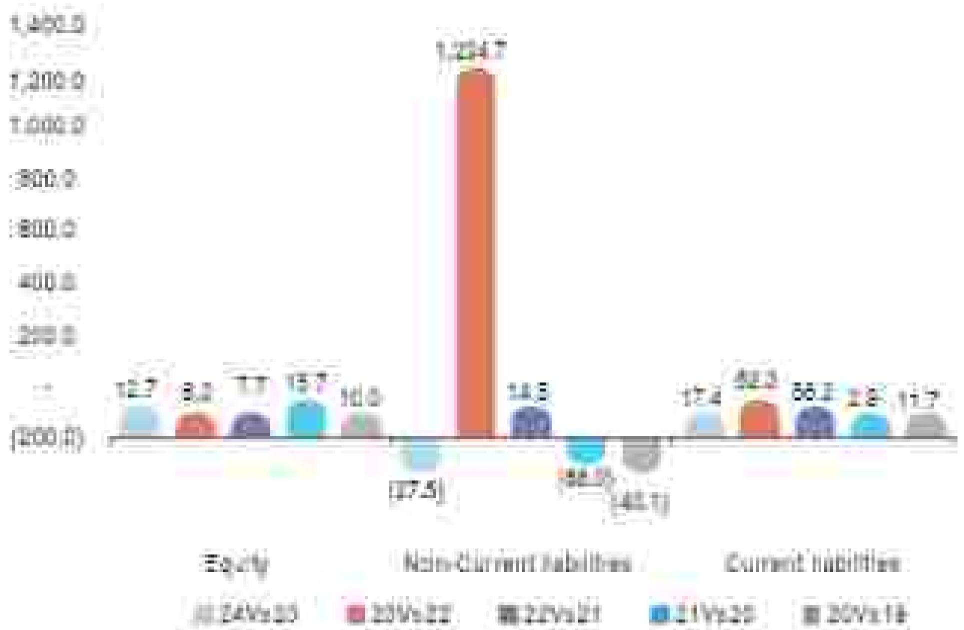
(PKR in Million)

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR
Statement of Financial Position											
Assets											
Non-Current Assets											
Property, plant and equipment	3,893	12.7	3,454	14.6	3,015	21.4	2,484	12.7	2,203	11.0	1,977
Intangible assets	5,427	(0.3)	5,442	0.5	5,411	0.1	5,403	0.1	5,398	0.1	5,393
Investment in subsidiary (Long-term investments)	3,074	0.2	3,068	300.1	766	0.0	766	100.0	-		
Long-term loans, deposits and receivables	72	213.8	23	1.4	23	54.2	15	2.2	14	6.1	14
	12,503	4.3	11,984	30.7	9,170	8.8	8,431	13.5	7,432	5.1	7,396
Current Assets											
Stores, spares and loose tools	15	36.7	11	20.0	9	8.4	9	18.8	7	5.5	7
Stock-in-trade	3,988	54.5	2,527	34.7	1,878	71.2	1,096	(7.5)	1,184	15.8	1,022
Trade debts	1,848	27.5	1,450	24.7	1,162	47.4	788	11.9	702	33.0	528
Loans and advances	302	(24.6)	400	84.5	217	241.8	64	111.8	30	(17.4)	36
Trade deposits, prepayments and other receivables	320	25.2	255	13.1	225	271.3	61	97.2	31	(84.5)	52
Taxation - net	-	(100.0)	339	-	-	(100.0)	21	(91.7)	248	(43.1)	435
Short term investments	-	-	-	-	-	(100.0)	200	100.0	-		
Cash and bank balances	115	(15.4)	136	(7.8)	150	(54.3)	328	(11.1)	370	215.6	117
	6,608	17.8	5,609	53.5	3,661	41.9	2,597	(2.5)	2,579	16.3	2,218
Total Assets	18,848	8.4	17,386	30.3	13,338	14.5	11,183	8.8	10,181	5.1	9,692
Equity & Liabilities											
Equity											
Share Capital	2,800	-	2,800	-	2,800	-	2,800	-	2,800	-	2,800
Revenue reserve	9,497	17.2	8,053	8.5	7,422	10.9	6,693	22.7	5,410	18.0	4,583
	12,297	13.7	10,853	6.2	10,222	7.7	9,493	15.7	8,210	12.0	7,483
Non-Current liabilities											
Long-term financing	1,557	(33.4)	2,339	6,781.5	35	(22.8)	50	(85.7)	420	(44.8)	717
Deferred grant	-	-	-	(100.0)	1	(84.5)	4	(52.1)	8	100.0	-
Lease Liability	48	-	-	-	-	-	-	-	-	-	-
Gas infrastructure development cess	8	12.2	7	(5.5)	7	(10.5)	8	(1.5)	8	100.0	-
Deferred Taxation	266	22.6	181	47.7	123	50.3	88	52.3	58	(20.3)	71
	1,880	(27.5)	2,281	1,224.7	173	14.5	116	(80.1)	474	(42.1)	788
Current liabilities											
Trade and other payables	3,794	12.3	2,497	34.7	1,817	51.2	1,264	27.1	887	(1.0)	848
Unclaimed dividend	2	8.8	2	0.2	2	6.5	2	(0.6)	2	72.3	1
Accrued interest	81	16.3	77	80.7	43	1,578.2	3	(47.8)	4	(72.8)	13
Short-term borrowings	45	(95.2)	933	35.1	688	17,174.4	4	100.0	-	-	-
Current maturity of long-term financing	845	97.4	428	692.7	51	(87.2)	464	(47.7)	885	80.5	491
Taxation - net	441	-	-	(100.0)	24	100.0	-	-	-	-	-
	4,818	17.4	3,942	62.3	2,433	89.2	1,299	4.8	1,258	11.7	1,351
Total Equity & Liabilities	18,848	8.4	17,386	30.3	13,338	14.5	11,183	8.8	10,181	5.1	9,692
Statement of profit or loss											
Net sales	18,544	25.8	15,233	35.0	10,252	38.3	7,420	5.8	6,846	(1.1)	6,222
Cost of sales	9,672	25.4	7,713	53.1	5,039	22.5	3,303	7.3	3,285	16.0	2,264
Gross profit	8,872	22.4	6,142	17.8	5,222	28.2	4,117	6.6	3,561	5.5	3,958
Administrative expenses	608	27.5	477	17.4	407	4.1	391	72.4	227	45.6	156
Marketing & selling expenses	4,187	28.2	3,275	29.5	2,532	56.2	1,615	15.0	1,404	3.5	1,254
Other expenses	301	14.9	262	10.8	236	51.2	157	(14.2)	183	9.7	167
Other income	(165)	(11.2)	(186)	42.5	(131)	183.3	(46)	46.0	(32)	180.4	(11)
Finance cost	845	42.8	598	350.1	126	52.2	83	(41.2)	142	(38.1)	227
Profit before tax	3,147	22.7	1,723	(14.8)	2,021	5.5	1,911	(0.8)	1,927	5.6	1,825
Taxation	1,064	88.7	563	557.2	583	71.2	346	2.1	338	(10.0)	376
Profit after tax	2,084	79.5	1,160	(19.7)	1,438	(8.1)	1,565	(1.4)	1,587	9.6	1,449

GRAPHICAL PRESENTATION OF HORIZONTAL ANALYSIS

Financial Position Analysis - Assets (%)

Financial Position Analysis - Equity & Liabilities (%)



SUMMARY OF STATEMENT OF FINANCIAL POSITION

(PKR in Million)	2024	2023	2022	2021	2020	2019
Property, plant and equipment	3,940	3,454	3,015	2,484	2,203	1,977
Intangible assets	5,427	5,442	5,411	5,403	5,398	5,395
Long-term investments	3,074	3,065	730	730	-	-
Long-term deposits and receivables	72	23	23	15	14	14
	12,513	11,984	9,178	8,631	7,615	7,386
Current Assets	6,003	5,093	3,651	2,567	2,575	2,216
TOTAL ASSETS	18,516	17,086	12,829	11,198	10,191	9,602
Share capital	2,800	2,800	2,800	2,800	2,800	2,800
Revenue reserve - unappropriated profits	9,437	8,053	7,423	6,695	5,410	4,663
TOTAL EQUITY	12,237	10,853	10,223	9,495	8,210	7,463
Total Non current liabilities	1,661	2,291	173	148	472	788
Current Liabilities	4,618	3,942	2,433	1,556	1,508	1,351
TOTAL LIABILITIES	6,279	6,233	2,606	1,704	1,980	2,139
TOTAL EQUITY AND LIABILITIES	18,516	17,086	12,829	11,198	10,191	9,602

SUMMARY OF STATEMENT OF PROFIT OR LOSS

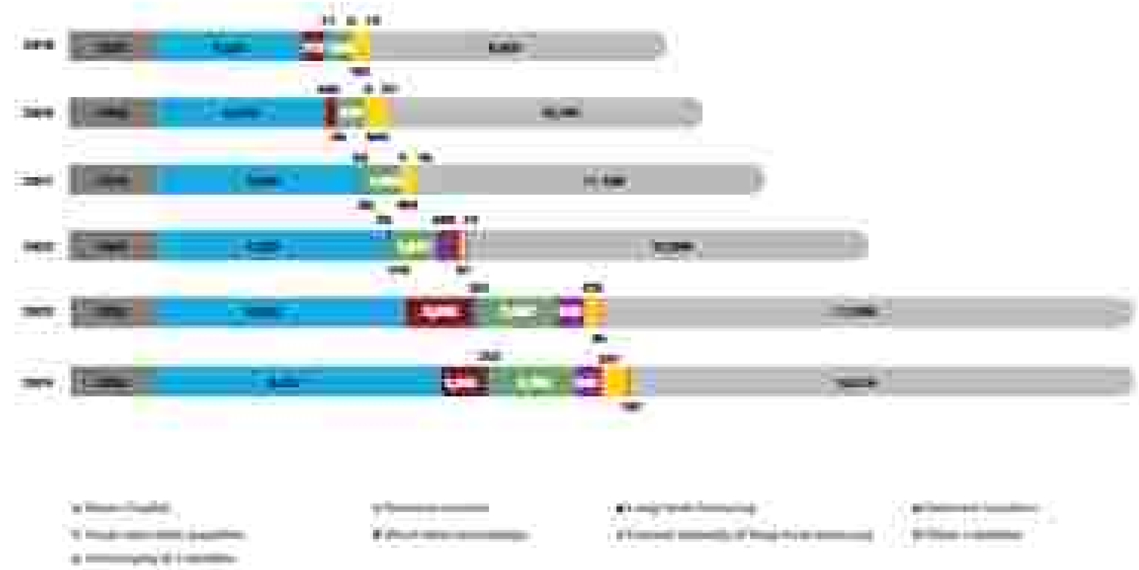
(PKR in Million)	2024	2023	2022	2021	2020	2019
Net Sales	18,544	13,858	10,282	7,420	6,846	6,253
Gross profit	8,872	6,142	5,223	4,117	3,861	3,659
Operating Profit	4,128	2,386	2,284	2,112	2,330	2,207
Profit before taxation	3,147	1,723	2,021	1,911	1,927	1,825
Taxation	1,064	533	593	346	329	379
Profit after tax	2,084	1,190	1,428	1,565	1,597	1,446

SUMMARY OF STATEMENT OF CASH FLOW

(PKR in Million)	2024	2023	2022	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Profit before taxation	3,147	1,723	2,021	1,911	1,927	1,825
Adjustments for non cash and other items	1,300	801	384	372	422	494
Changes in working capital	(1,035)	(235)	(934)	164	(292)	(119)
Cash generated from operations	3,412	2,289	1,471	2,447	2,057	2,200
Finance costs paid	(380)	(222)	(63)	(63)	(141)	(232)
Income tax paid	(602)	(804)	(505)	(90)	(167)	(318)
Statutory charges paid	(247)	(151)	(146)	(147)	(150)	(144)
Net cash flows generated from operating activities	2,183	1,112	737	2,147	1,599	1,506
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(715)	(752)	(778)	(474)	(381)	(433)
Investment in subsidiary	-	(2,324)	-	(715)	-	-
Deposits and receivables - paid / given back	-	(5)	(8)	(5)	-	-
received back	-	-	-	-	-	-
Proceeds from disposal of operating fixed assets	35	15	38	17	6	12
Dividend received	96	130	65	-	-	-
Others	26	26	22	17	13	5
Net cash flows used in investing activities	(558)	(2,905)	(661)	(1,158)	(362)	(416)
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividend paid	(700)	(560)	(700)	(280)	(839)	(380)
Short term borrowings	-	-	-	4	-	-
Lease liability - net	(21)	-	-	-	-	-
Lien on bank balance	-	32	(131)	-	-	-
Long-term financing - net	(838)	2,092	(440)	(558)	(137)	(474)
Net cash flows used in financing activities	(1,558)	1,585	(1,271)	(834)	(976)	(854)
Net increase / (decrease) in cash and cash equivalents	69	(208)	(1,195)	157	263	236
Cash and cash equivalents at the beginning of the year	(879)	(670)	525	220	117	-121
Cash and cash equivalents at the end of the year	(810)	(878)	(670)	527	380	115

GRAPHICAL PRESENTATION OF STATEMENT OF FINANCIAL POSITION AND PROFIT OR LOSS

Summary of Financial Position - Equity & Liabilities

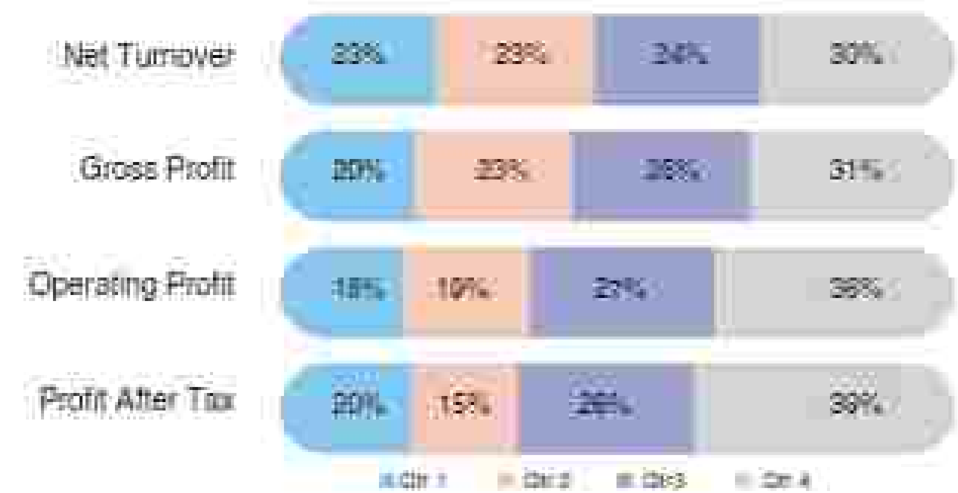


STATEMENT OF CASH FLOW - DIRECT METHOD

(PKR in 000's)	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customer - net	18,165,794	13,582,957
Cash paid to supplier / employees / service providers	(14,753,621)	(11,294,198)
Finance costs	(376,994)	(221,887)
Income tax	(802,313)	(833,583)
Workers' Profit Participation Fund	(160,000)	(104,867)
Workers' Welfare Fund	(19,105)	(24,617)
Central Research Fund	(18,503)	(21,754)
Long term loans and deposits	(49,243)	(309)
Net cash flows generated from operating activities	**2,183,015**	**1,111,932**
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(714,948)	(752,143)
Investment made in the subsidiary company	-	(2,324,046)
Short term loan lent to subsidiary company	-	2,810,000
Repayment of short term loan from subsidiary company	-	(2,810,000)
Dividend received from subsidiary company	97,500	130,000
Proceeds from disposal of operating fixed assets	34,782	15,390
Interest income received	26,391	25,586
Net cash flows used in investing activities	**(556,878)**	**(2,906,116)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(899,835)	(539,942)
Long-term financings - obtained	-	2,363,976
Long-term financings - repaid	(837,815)	(271,587)
Lease rental paid	(20,512)	-
Lien on bank balance - released / (given)	-	52,416
Net cash flows generated from / (used in) financing activities	**(1,558,162)**	**1,584,863**
Net decrease in cash and cash equivalents	93,978	(208,320)
Cash and cash equivalents at the beginning of the year	(878,794)	(670,474)
Cash and cash equivalents at the end of the year	**(939,818)**	**(878,794)**

QUARTERLY ANALYSIS

PKR in Million	Net Turnover	Gross Profit	Operating Profit	Profit After Tax
Quarter 1	4,275	1,783	748	413
Quarter 2	4,269	2,040	770	317
Quarter 3	4,489	2,269	1,116	550
Quarter 4	5,510	2,779	1,492	804
Total	**18,544**	**8,871**	**4,126**	**2,084**



The Company reported net revenue of PKR 18.5 billion, reflecting remarkable growth of 34%. This performance was primarily driven by a 27.8% increase in domestic retail sales, fueled by the strong performance of top brands. Export sales also performed reasonably well, surpassing PKR 2.3 billion with an impressive growth rate of 48%. Notably, revenue in Q4 exceeded PKR 5.5 billion, while the annual monthly run rate increased to PKR 1,545 million compared to PKR 1,155 million in 2023.

Pakistan's economy showed signs of recovery, with GDP growth rebounding, inflation easing, and interest rates declining. As a result, gross margins improved to 48%. However, inflationary pressures contributed to a 28% rise in administrative expenses, while investments in human capital led to higher marketing and sales costs. Finance costs increased significantly due to short-term borrowings driven by additional working capital needs and syndicate term financing for capital expansion initiatives. The introduction of revised super tax slab rates further impacted profitability. Despite these challenges, the Company achieved a profit after tax of PKR 2,084 million, translating into earnings per share of PKR 7.44. A detailed analysis of the Company's quarterly financial performance is provided below.

QUARTER 1

Revenue
The Company achieved net revenue of PKR 4,275 million in Q1, reflecting a significant 36% growth compared to the same period last year. This increase was primarily driven by higher domestic sales and a twofold rise in supplies to OBS AGP.

Gross Profit
The gross profit amounted to PKR 1,793 million, reflecting a 21% increase from the previous year. Despite the increase in volume, the gross margin declined from 45% to 42%, mainly due to rising cost of doing business and lower GP margins for supplies to OBS AGP.

Operating Profit
Operating profit for the quarter was PKR 748 million, indicating an 31.8% increase from the same period last year. However, OP margins decreased from 18% in 2023 to 17.5% in 2024 due to PKR devaluation.

Profit After Tax
The company recorded a profit after tax of PKR 412 million for the first quarter of the year, compared to PKR 325 million in the same period last year, representing an increase of 27%. The earnings per share (EPS) for the quarter stood at PKR 1.47.

QUARTER 2

Revenue
Revenue for Q2 reached PKR 4,269 million, marking an impressive 48% growth year-over-year (YoY). This growth was largely attributed to a surge in domestic retail sales, supported by the deregulation of Non-NEML price controls.

Gross Profit
Gross profit amounted to PKR 2,040 million, with a margin of 48%. This represents a 71% increase in gross profit compared to the previous year, mainly attributable to increase revenue due to Non-NEML deregulation.

Operating Profit
Operating profit for the quarter was PKR 770 million. Operating margins were impacted by the increasing cost of doing business in the country.

Profit After Tax
Net profit for the quarter was PKR 317 million, which is 168% higher than SPLY. Profitability increased due to robust sales growth and focus on plant level efficiencies resulting in an EPS of PKR 1.13 for the quarter.

QUARTER 3

Revenue
The Company achieved a revenue of PKR 4,485 million for the quarter, showing a 21% increase from the previous quarter. This growth in sales was driven by the strong performance of the Company's top brands and increase in export sales.

Gross Profit
Gross profit reached PKR 2,289 million, marking a 31% increase over the same quarter last year, with margins recorded at 51%.

Operating Profit
Operating profit amounted to PKR 1,118 million, increasing by 37% from SPLY. Margins were recorded at 25%.

Profit After Tax
Profit after tax stood at PKR 550 million, a 35% increase from the same quarter last year. Despite significant cost pressures and the additional levy of super tax, net margins slightly increased to 12%, with EPS of PKR 1.96.

QUARTER 4

Revenue
The Company surpassed PKR 5,510 million in sales for the first time, marking a 34% growth. This was driven by consistent sales performance supported by the positive impact of the CPI-based annual price increase and de-regulation of NEML product prices.

Gross Profit
Gross profit reached PKR 2,779 million, a 58% increase from the same period last year. Gross margins for the quarter increased to 50%.

Operating Profit
Operating profits for the quarter stood at PKR 1,492 million, a 109% increase from the same period last year. Despite this growth, high costs of doing business resulted in operating margins reaching a high of 27%.

Profit After Tax
Net profit for the quarter was PKR 804 million, which is 138% higher than SPLY. Profitability was adversely affected by rising interest rates and the imposition of super tax, resulting in an EPS of PKR 2.87 for the quarter.

SIX YEAR ANALYSIS

STATEMENT OF FINANCIAL POSITION ANALYSIS

Assets

Over the past six years, the Company's asset base has demonstrated steady growth. Property, Plant & Equipment (PPE) has grown substantially, reaching PKR 3,940 million in 2024 from PKR 1,977 million in 2019, reflecting a compound annual growth rate (CAGR) of approximately 15%. This growth is attributable to ongoing capital expenditures aimed at enhancing manufacturing capacities and expanding facilities to meet increasing demand, with adjustments made annually for depreciation and disposals. Intangible assets have remained stable at around PKR 5,427 million during the period, reflecting the enduring value of the Company's intellectual property and brand portfolio.

Similarly, current assets have experienced substantial growth, nearly tripling to PKR 6 billion over the past six years. This expansion has been primarily driven by the Company's focus on growth and the corresponding investments in working capital. Stock-in-trade, a critical component of current assets, reached PKR 3.4 billion, reflecting a threefold increase during the same period. As a key supplier of essential medicines, the Company prioritizes maintaining optimal inventory levels to ensure seamless operations and an uninterrupted supply of products to the market. Inventory turnover stands at approximately 112 days, while receivables are collected within an average of 32 days, and payables are typically settled within 100 days.

Equity & Liabilities

The Company's equity comprises share capital and revenue reserves. Over the past six years, equity has grown by 64%, rising from PKR 7.46 billion in 2019 to PKR 12.24 billion in 2024. This growth was largely driven by the consistent increase in revenue reserves, which surged from PKR 4.66 billion in 2019 to PKR 9.44 billion in 2024, reflecting the Company's robust profitability and prudent retention of earnings. The share capital has remained unchanged at PKR 2.8 billion throughout the period, underscoring the stability of the Company's capital structure.

Non-current liabilities have increased significantly over the six-year period, increasing by 111% from PKR 788 million in 2019 to PKR 1.66 billion in 2024. However, non-current liabilities decreased between 2023 and 2024which reflects the Company's focus on reducing long-term debt obligations, supported by the settlement of financing facilities, including the Refinance Scheme for Payment of Wages & Salaries introduced by the State Bank of Pakistan.

Current liabilities, on the other hand, have tripled over the past six years, increasing from PKR 1.35 billion in 2019 to PKR 4.62 billion in 2024. This substantial rise is attributed to the Company's growing scale of operations, leading to higher trade and other payables. Additionally, the current maturity of long-term financing has contributed to this increase as part of the Company's strategic financial management.

STATEMENT OF PROFIT AND LOSS ANALYSIS

Net Revenue

The Company has achieved consistent revenue growth, with a compound annual growth rate (CAGR) of 24% over the last six years, reaching PKR 18.5 billion in 2024. This performance reflects robust contributions from flagship brands such as Rigix, Osnate, and Ceclor, complemented by the expansion into the nutraceuticals segment and increased exports to Afghanistan. The successful launch of 39 new products, including line extensions, over the last six years has further strengthened AGP's portfolio and market share.

Cost of Sales

Due to increased business volume and substantial local currency devaluation, the Company's cost of sales has grown at a CAGR of 30.1% over the last six years, rising from PKR 2.6 billion in 2019 to PKR 9.7 billion in 2024. Despite these challenges, the Company has maintained a gross margin of 48% in 2024 through effective inventory management and cost control measures.

Expenditures

To drive sales growth and enhance business operations, the Company strategically invested in human capital. However, rising inflation, fuel prices, and currency devaluation have significantly increased the cost of doing business. Consequently, administrative, marketing, and selling expenses have risen proportionately. Finance costs escalated significantly, growing from PKR 227 million in 2019 to PKR 843 million in 2024, a 3.7x increase. This sharp rise is attributed to higher debt obligations, increased short-term borrowing, and rising interest rates. In 2024 alone, finance costs surged by 43.9%, underscoring the challenges posed by economic conditions and the Company's need for financing to support its growth initiatives. Tax expenses saw the most significant increase, escalating from PKR 378 million in 2019 to PKR 1,084 million in 2024, a 2.8x rise. The imposition of additional levies, including the super tax, coupled with higher profitability, contributed to the surge in taxation.

Profit After Tax

During 2024 the economy showed early signs of recovery, with GDP growth rebounding during the period. Further, the pharmaceutical sector experienced progressive changes, as the government has deregularized the prices of drugs that are not included in the National Essential Medicines List (NEML). Resultantly, company posted net profit margin of 11.2% in 2024.

CASH FLOW ANALYSIS

Operating Activities

The Company's liquidity has been impacted by several factors, including acquisitions, super tax levies, increased investments in working capital, and higher inventory levels. Despite these pressures, cash flows generated from operating activities have improved by PKR 677 million over the past six years.

Investing Activities

The Company utilized internally generated funds to invest approximately PKR 6.05 billion over the last six years. This includes PKR 3.5 billion allocated to capital expenditures aimed at upgrading, maintaining, and expanding manufacturing capacity, as well as enhancing office space. Additionally, PKR 3.0 billion was invested in subsidiaries, which involved acquiring a 65% equity stake in OBS AGP (Private) Limited in 2021 and a 91.8% stake in OBS Pakistan (Private) Limited in 2023.

Financing Activities

Over the past six years, the Company has focused on reducing its long-term liabilities, with cumulative net repayments amounting to approximately PKR 2.45 billion. Significant repayments were made in 2020 (PKR 137 million), 2021 (PKR 568 million), 2022 (PKR 440 million), 2024 (PKR 838 million), and 2019 (PKR 474 million). While 2023 saw a net inflow of PKR 2.1 billion due to additional financing, the overall trend reflects the Company's commitment to strengthening its financial position through consistent debt reduction. In 2023, it secured syndicate term financing of PKR 2.36 billion to fund its investment in OBS Pakistan. During the same period, dividends totaling PKR 3.5 billion were distributed to shareholders. The annual dividend per share is summarized below:

Year	Dividend Per Share (in PKR)
2024	4.00
2023	2.50
2022	2.00
2021	2.50
2020	2.00
2019	3.25

SHARE PRICE SENSITIVITY ANALYSIS

SHARE PRICE INFORMATION

Traded on the Pakistan Stock Exchange (PSX), the Company's share price navigated both internal and external forces. While economic headwinds, government policies, and stakeholder sentiment affect the stock price, the Company's solid financial performance kept it alluring to investors. Soaring to a high of PKR 174.59 in Sep 2024, AGP shares closed the year at PKR 170.1 , rising above the external challenges.

MARKET CAPITALIZATION SENSITIVITY

The PSX gained momentum in 2024, returning back to life and ballooning by 59.9% to reach a staggering PKR 14.5 trillion. The KSE-100 index also mirrored this boom, soaring 78.0% during the year to close at 115,127 points. Riding this wave, AGP's share price jumped 133.7%, propelling its market capitalization to PKR 47.63 billion. There has been no change in the number of shares outstanding of the Company throughout the year.

INTEREST RATE SENSITIVITY

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long-term financing and short-term borrowings at a floating rate to meet its business operations requirements.

Management of the Company estimates that 10% increase / decrease in the market interest rate, with all other factors remaining constant, would decrease / increase the Company's profit before tax for the next year by PKR 53.28 million, as also mentioned in the note 35.5.1 to the financial statements for the year ended December 31, 2024.

FOREIGN CURRENCY SENSITIVITY

Fluctuations in foreign currency increase currency risk, that is, changes in foreign exchange will directly impact the fair value or future cash flows of a financial instrument. AGP is sensitive to this risk with respect to bank balances, receivables from customers and payables to suppliers.

All other variables held constant, every 10% change in exchange rate will impact Profit Before Tax for the next year by PKR 17.45 million, as also mentioned in the note 35.5.2 to the financial statements for the year ended December 31, 2024.

SELLING PRICE SENSITIVITY

The Company's revenue is directly linked to government policies, specifically to the price revisions set by the Drug Regulatory Authority of Pakistan (DRAP). DRAP allows essential medicine prices to rise by 70% of the Consumer Price Index (CPI) increase, capped at 14%. For non-essential medicines, the increase is linked to the rise in CPI, capped at 20%. Therefore, AGP's pricing directly reflects the annual CPI fluctuations announced by the Government of Pakistan.

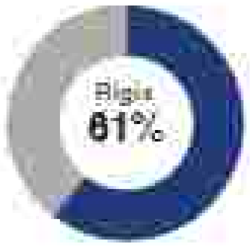
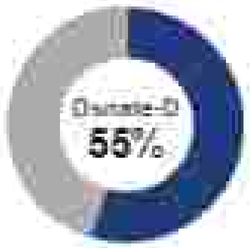
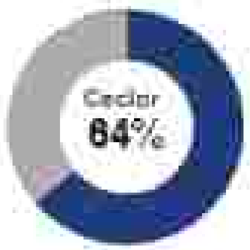
RAW MATERIAL SENSITIVITY

AGP relies heavily on imported raw materials, making it susceptible to price increases caused by both adverse foreign exchange movements and broader market shifts. Significant raw material price hikes could potentially erode profit margins and impact overall profitability, leading to potential downward pressure on the share price.

MARKET SHARE OF THE COMPANY AND ITS PRODUCTS

During the year, AGP enhanced its market share by more than 7% over the last year, holding 5.83% market share in its served pharma market comprising of the same competing molecules, among products sold in 2024. AGP's flagship brands hold major market share among their same molecular categories.

Some of the leading brands of the Company along with market share in their respective molecular categories is shown below.

Molecule: Cetirizine - 5.7 Billion AGP: Rigix - 3.4 Billion	
Molecule: Colecalciferol + Col. Hyd. - 3.7 Billion AGP: Osnate-D - 2.0 Billion	
Molecule: Cefaclor - 2.5 Billion AGP: Ceclor - 1.6 Billion	
Molecule : Phloroglucinol+Trim. - 2.8 Billion AGP: Anafortan Plus - 0.8 Billion	

*Note: All numbers are based on data provided by IQVIA for the year 2024 (January to December).

Molecule: Scopolamine Butyl Hyd. - 0.7 Billion AGP: Spasler-P - 0.7 Billion	
Molecule: Ursodeoxycholic Acid - 0.5 Billion AGP: Urso - 0.5 Billion	
Molecule: Chymotrypsin+Trypsin - 0.3 Billion AGP: Chymoral - 0.3 Billion	
Molecule: Calcium Dobesilate - 0.2 Billion AGP: Doxium - 0.2 Billion	

*Note: All numbers are based on data provided by IQVIA for the year 2024 (January to December).

Research and Development

Our Research and Development department is at the heart of AGP's mission to deliver innovative, high-quality, and affordable healthcare solutions. As a critical function of our operations, the R&D team ensures that each product is meticulously developed and tested to meet both local and international regulatory standards. In 2024, R&D demonstrated exceptional performance by successfully developing 44 pharmaceutical SKUs and 5 nutraceutical SKUs, which were subsequently submitted to DRAP for approval. These products span a variety of therapeutic areas, addressing critical healthcare needs and enriching AGP's diverse product portfolio.

The R&D department's commitment to excellence is driven by a strong focus on formulation development, stability testing, and ensuring compliance with stringent quality benchmarks. This dedication not only supports AGP strategic goals of portfolio expansion but also reinforces AGP's reputation as a trusted generic pharmaceutical manufacturer in Pakistan.

CAPEX RATIONALIZATION

In 2024, the Company strategically invested approximately PKR 715 million in capital projects, funded entirely through internally generated cash flows. In response to the challenging economic climate, management prudently prioritized capital expenditures that directly supported business operations and revenue generation. Key investments included significant upgrades to plant & machinery, bringing it in line with international standards. This involved the development of new granulation and encapsulation areas, improvements to HVAC systems, and the establishment of a state-of-the-art oral liquid facility. Quality enhancements were another focal point, featuring the introduction of self-adhesive shipper labels, metal detectors, and advanced sterile filtration systems. A major portion of the CAPEX was allocated to the construction of a new office building, designed to accommodate the growing workforce.

Looking ahead to 2025, the Company plans to continue its commitment to modernization and growth by further enhancing the liquid line suite, expanding compression suites, and revamping the sterile manufacturing area. Additional plant and machinery acquisitions will support these initiatives, while significant resources will also be directed towards furnishing new office spaces to accommodate the anticipated increase in staff. Motor vehicles will also be procured to support both new hires and recently promoted employees.

STATEMENT OF UNRESERVED COMPLIANCE OF IFRS

The Company's Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, which comprise of:

- International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB);
- Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the 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. Note.5.23 of the standalone and consolidated financial statements specifies the standards and interpretations which are yet to be effective in Pakistan. The Company believes that the impact of these standards and interpretations does not have any material impact on the financial statements.

CEO PRESENTATION VIDEO

Chief Executive's presentation video regarding Company's business overview, performance, strategy and outlook of the Company, is available on AGP's Website and can be accessed through the following weblink:
https://agp.com.pk/documentary/

FINANCIAL STATEMENTS

Financial Statements of the Company along with the reports by the Independent External Auditors

04

FINANCIAL STATEMENTS

Through meticulous efforts to achieve optimal financial and operational results, we are experiencing both organic and inorganic growth, concurrently improving efficiency and surpassing expectations.

Unconsolidated Audit Report & Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the members of AGP Limited

Report on the Audit of Unconsolidated Financial statements

Opinion

We have audited the annexed unconsolidated financial statements of AGP Limited (the Company), which comprise the unconsolidated statement of financial position as at 31 December 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the 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 December 2024 and of the profit, total 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 Unconsolidated financial statements 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.

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In preparing the unconsolidated 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.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the unconsolidated financial statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated 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 unconsolidated 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 the 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 exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated 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 the unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
First year audit	
We have been engaged to perform the audit of the Company for the first time i.e., for the year ended 31 December 2024. Initial audit engagements involve a number of considerations not associated with recurring audits. Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include gaining an initial understanding of the Company and its business, obtaining sufficient audit evidence regarding the opening balances including the selection and application of accounting principles and communicating with the previous auditors.	We performed various procedures to obtain sufficient appropriate audit evidence regarding opening balances including the following: - We reviewed the predecessor auditor's work paper files and made additional inquiries of the predecessor auditors about matters that may affect our audit in the current year. - We evaluated the key accounting position and matters from prior years. - We evaluated whether accounting policies reflected in the opening balances have been consistently applied in the current year's financial statements and adequately presented and disclosed in accordance with the financial reporting standards.
Impairment testing of intangible assets	
As disclosed in note 7 to the unconsolidated financial statements, intangible assets include goodwill and trademarks having indefinite useful lives amounting Rs. 5,384 million as of 31 December 2024. In accordance with the Company's accounting policy, these assets were tested for impairment as of the reporting date. The impairment assessment of the relevant cash-generating unit involves significant judgments and estimates about future business performance. Key assumptions including cash flows, overall long-term growth rate and discount rate used. Changes in these assumptions might lead to a significant change in the carrying values of the related assets. Given the significance of intangible assets to the Company's total assets and the level of judgement / estimates involved, we have identified valuation of intangible assets as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of the Company's process over impairment assessment of intangible assets with indefinite lives. - obtained management's value in use calculation and assessed the methodology used. - involved our specialist to assess the key assumptions and methodology used in the impairment analysis, in particular growth rate and discount rate applied. - assessed the adequacy of disclosures in the unconsolidated financial statements in accordance with the financial reporting standards.

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Key audit matter	How the matter was addressed in our audit
Revenue recognition	
As disclosed in note 23 to the unconsolidated financial statements, the Company recognized revenue of Rs. 18,542 million which is approximately 34% higher as compared to previous year. When identifying and assessing the risk relating to revenue recognition, our focus was whether the sales recorded by the management actually occurred during the year and were properly recorded in the correct accounting period. Considering the aforementioned reason together with growth in revenue during the year, we have identified this area as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of the Company's process with respect to revenue recognition and evaluated design and operating effectiveness of controls relevant to such process; - obtained an understanding of pricing mechanism of Drug Regulatory Authority of Pakistan (DRAP) and tested, on sample basis, selling prices of regulated pharmaceutical products to ensure compliance with the pricing policies of DRAP; - performed substantive audit procedures over revenue transactions along with inspection of related supporting documents, on test basis; - performed cut-off procedures to ensure that the revenue is recognized in the correct accounting period; - assessed the adequacy of disclosures made in the unconsolidated financial statements in accordance with the financial reporting standards.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 unconsolidated financial statements

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

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We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest of such communication.

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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The unconsolidated financial statements of the Company for the year ended 31 December 2023 were audited by EY Ford Rhodes who expressed an unmodified opinion on those statements dated 27 February 2024.

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

Chartered Accountants
Place: Karachi
Date: 14 March 2025
UDIN: AR202410093Xhg8Guan0

AGP LIMITED

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	3,940,081	3,464,465
Intangible assets	7	5,426,706	5,433,364
Long-term investments	8	3,074,211	3,064,629
Long-term loans and deposits		72,084	22,841
		12,513,091	11,985,299
CURRENT ASSETS			
Stores, spares and loose tools		16,442	11,050
Stock-in-trade	9	3,398,338	2,526,624
Trade debts	10	1,949,406	1,449,939
Advances	11	302,043	400,498
Trade deposits, prepayments and other receivables	12	323,042	257,973
Taxation – net		-	308,724
Cash and bank balances	13	116,100	137,783
		6,003,398	5,092,591
TOTAL ASSETS		18,516,489	17,077,890
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	2,800,000	2,800,000
Revenue reserve - unappropriated profit		9,437,062	8,053,471
		12,237,062	10,853,471
NON CURRENT LIABILITIES			
Long-term financing	15	1,361,494	2,092,988
Lease liabilities	16	46,658	-
Gas infrastructure development cess		7,853	6,996
Deferred taxation	17	245,050	191,075
		1,661,055	2,291,059
CURRENT LIABILITIES			
Trade and other payables	18	2,793,812	2,488,181
Taxation - net		90,869	-
Accrued interest		44,891	76,540
Short-term borrowings	19	845,323	937,954
Unclaimed dividends		2,018	1,853
Current maturity of non-current liabilities	20	841,259	428,822
		4,618,372	3,933,350
TOTAL EQUITY AND LIABILITIES		18,516,489	17,077,890
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		(Rupees in '000)	
Revenue from contracts with customers	22	18,543,608	13,857,770
Cost of sales	23	(9,671,688)	(7,715,389)
Gross profit		8,871,920	6,142,381
Administrative expenses	24	(608,535)	(477,276)
Marketing and selling expenses	25	(4,137,488)	(3,279,231)
Other expenses	26	(301,014)	(263,352)
Other income	27	185,432	186,263
Finance costs	28	(843,172)	(586,045)
		(5,724,757)	(4,419,641)
Profit before income tax and levies		3,147,163	1,722,740
Levies		-	-
Profit before income tax		3,147,163	1,722,740
Taxation	29	(1,063,582)	(532,554)
Net profit for the year		2,083,581	1,190,186
Earnings per share	14.2	Rs. 7.44	Rs. 4.25

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	(Rupees in '000)	
Net profit for the year	**2,083,581**	1,190,186
Other comprehensive income	-	-
Total comprehensive income for the year	**2,083,581**	1,190,186

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Revenue reserve - Unappropriated profit	Totsl
		(Rupees in '000)	
Balance as at 31 December 2022	2,800,000	7,423,285	10,223,285
Net profit for the year	-	1,190,186	1,190,186
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,190,186	1,190,186
Final dividend for the year ended 31 December 2022	-	(560,000)	(560,000)
Balance as at 31 December 2023	**2,800,000**	**8,053,471**	**10,853,471**
Net profit for the year	-	2,083,581	2,083,581
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,083,581	2,083,581
Final dividend for the year ended 31 December 2023	-	(700,000)	(700,000)
Balance as at 31 December 2024	**2,800,000**	**9,437,052**	**12,237,052**

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	3,412,173	2,288,759
Payments for:			
Finance costs		(379,994)	(221,687)
Income tax		(602,313)	(803,593)
Workers' Profit Participation Fund	18.4	(160,000)	(104,867)
Workers' Welfare Fund	18.5	(19,105)	(24,617)
Central Research Fund	18.6	(18,503)	(21,754)
Long term loans and deposits		(49,243)	(309)
Net cash generated from operating activities		2,183,015	1,111,932
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	6.2 & 7.6	(714,548)	(752,143)
Investments made		-	(2,324,048)
Dividend received		97,500	130,000
Proceeds from disposal of operating fixed assets		34,782	15,390
Interest income received		28,391	25,686
Net cash used in investing activities		(553,875)	(2,905,115)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(899,835)	(559,942)
Long-term financing - net		(637,815)	2,092,389
Lease rentals paid		(20,512)	-
Lien on bank balance - released		-	52,416
Net cash (used in) / generated from financing activities		(1,558,162)	1,584,863
Net increase / (decrease) in cash and cash equivalents		68,978	(206,320)
Cash and cash equivalents at the beginning of the year		(878,794)	(670,474)
Cash and cash equivalents at the end of the year	33	(809,816)	(878,794)

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

AGP LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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 March 2018. The principal activities of the Company includes import, marketing, export, dealership, distribution, wholesale and manufacturing of all kinds of pharmaceutical products. As of reporting date, Aitkenstuart Pakistan (Private) Limited (parent company) holds 55.8% of the share capital of the Company and West End 16 Pte Limited, Singapore is the ultimate parent company.

1.2 These financial statements are separate financial statements of the Company in which investment in subsidiary companies have been accounted for at cost less accumulated impairment losses, if any. The consolidated financial statements are separately prepared and presented by the Company.

1.3 Geographical location and addresses of major business units / immovable assets of the Company are as under:

Location	Purpose	Total Area (Acres)
B-23C, S.I.T.E. Karachi	Registered office and Production Plant	2.809
D-109, S.I.T.E. Karachi	Production Plant	1.26
F/46, S.I.T.E Superhighway Phase II, Karachi	Production plant	0.50
E/134, S.I.T.E Superhighway Phase II, Karachi	Future expansion	0.50

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated 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.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3 NEW ACCOUNTING STANDARDS

3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 January 2024, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 January 2025. However, the Company expects that these standards will not have any material impact on the future unconsolidated financial statements of the Company.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's unconsolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the unconsolidated financial statements.

Impairment of intangible assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The estimates involved in assessing the recoverable amount of intangible assets are most relevant to goodwill and intangibles having indefinite useful lives recognized by the Company. The key assumptions used to determine the recoverable amount for the CGUs, including a sensitivity analysis, are disclosed and further explained in note 7.3 to these unconsolidated financial statements.

Allowances for expected credit losses (ECL) of trade debts

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Any change in set estimates might affect the carrying values and amount of expected credit loss charge to profit or loss.

AGP LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation and useful life used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

5 MATERIAL ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, which is stated at cost.

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal instalments over the lease period and charged to statement of profit or loss. Depreciation on additions is charged from the month in which the asset is available for use and no depreciation is charged in the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably and assets so replaced, if any, are derecognized or retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposal of assets are taken to the statement of profit or loss.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any and consist of costs incurred and advance made in respect of operating fixed assets and intangible assets in the course of their construction, installation and acquisition. Transfers are made to relevant asset category as and when assets are available for intended use.

Right-of-use assets

These are recognized at the commencement date of the lease (i.e. the date the underlying asset is available for use) and are subsequently 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 recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. These are depreciated on a straight-line basis over the lease term.

5.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired separately (other than goodwill and intangible assets having indefinite useful lives) following initial recognition, are stated at cost less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

The useful life of intangible assets are assessed as either finite or indefinite. Amortization of finite intangible assets is based on the cost of an asset less its residual value. Amortization is recognized in statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Full month's amortization is charged in the month of addition when asset is available for use, whereas amortization on disposals is charged up to the month in which the disposal takes place. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Intangible assets with indefinite useful lives are tested for impairment annually at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount of an intangible asset or cash-generating unit is the higher of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the intangible asset. In determining the fair value less cost to sell, recent market transaction are taken into account. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

AGP LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5.3 Investments

Investment in subsidiary is stated at cost less accumulated impairment losses, if any, except for corporate guarantee contract (CGC) which is recognized initially at fair value. After initial recognition, CGC is measured at the higher of the amount of the loss allowance and the amount initially recognized less cumulative amount of income recognized in accordance with revenue from contract with customers, where appropriate.

In respect of investment in subsidiary, the Company reviews their carrying values at each reporting date to assess whether there is an indication of impairment. The amount of impairment loss would be determined based on the higher of value in use and fair value less cost to sell. Impairment loss is recognized in the profit and loss.

5.4 Stock-in-trade

These are valued at the lower of NRV and cost determined as follows:

- Raw and packing material - weighted average cost.
- Work-in-process and semi-finished goods - cost of direct materials and labour plus attributable overheads.
- Finished goods (manufactured and trading products) - weighted average cost.
- Stock in transit - invoice price plus other charges paid thereon.

Cost of raw material and finished trading goods comprises purchases cost and other incidental charges incurred in bringing the inventories to their present location and condition. Manufactured finished goods and work-in-progress include prime cost and appropriate portion of production overheads based on the normal operating capacity but excluding borrowings costs.

Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and the estimated costs necessary to make the sale and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

5.5 Financial Instruments

5.5.1 Financial assets

i) Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost, if any (except for financial assets at fair value through profit or loss, in which case, transaction cost is charged to profit or loss). Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of debt financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii) **Subsequent measurement**

Financial assets are subsequently classified into following categories:

- at amortized cost (debt instruments)
- at FVOCI
- at FVTPL

The Company only has financial assets carried at amortized cost. The Company measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified or impaired.

iii) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

AGP LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) **Impairment**

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Company applies a simplified approach in calculating ECLs for its trade debts. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For trade debts, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the third parties and the economic environment.

The Company considers a financial asset in default when contractual payments are past due over 180 days. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECLs for a corporate guarantee contract are the cash shortfalls adjusted by the risks that are specific to the cash flows. Cash shortfalls are the difference between:

- the expected payments to reimburse the holder for a credit loss that it incurs, and
- any amount that an entity expects to receive from the holder, the debtor or any other party.

5.5.2 Financial liabilities

i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) **Subsequent measurement**

Financial liabilities are subsequently measured as follows:

- Financial liabilities at FVTPL: The Company has not designated any financial liability at FVPL.

- Financial liabilities at amortized cost: These are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included as finance costs in the unconsolidated statement of profit or loss.

iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

5.5.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.6 Advances, deposits and prepayments

These are initially recognized at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying value.

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5.7 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments represent 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 wherever applicable. Wherever applicable, the lease payments may also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

5.8 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001 (ITO).

Pursuant to the release of circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Company has elected to change the method of accounting for minimum taxes and final taxes.

Minimum Tax

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

Final tax

As computation of final taxes under provisions of ITO is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the statement of profit or loss.

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. 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 that have been enacted or substantially enacted by the statement of financial position date.

5.9 Provisions

A provision is recognized in the statement of financial position when the Company has a present (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. They are reviewed at each reporting date and adjusted prospectively to reflect current best estimate.

5.10 Revenue recognition

5.10.1 Revenue from contracts with customers

a) Sale of goods

The Company is engaged in the manufacturing and selling of pharmaceutical products and related products. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, i.e. either on delivery of the goods to the customer or goods collected by customers. The normal credit term is 30 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discounts). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

b) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provides certain customers with a right to return within a specified period.

i) Right of return

The contracts for sale of goods provide certain customers with a right to return the products within a specified time. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will not be entitled. The Company applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue.

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ii) Discounts

The Company offers discounts to certain distributors, who shall pass the same onwards and is accordingly accounted for as a reduction from the transaction price. A refund liability is recognized for the expected future discounts (i.e. the amount not included in the transaction price).

c) Contract balances

i) Trade debts

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets as disclosed in note 5.5.1 'financial assets' to these unconsolidated financial statements.

ii) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

5.10.2 Other income

Revenue from other sources is recognized on the following basis:

i) Dividend income is recognized when the right to receive dividend is established.

ii) Interest income is accounted for using the effective interest rate (EIR) method.

iii) Other income is recorded on accrual basis.

5.11 Segment reporting

For management purposes, the Company as a whole is considered to be a single cash generating unit i.e. pharmaceutical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

6 PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
		(Rupees in '000)	
Operating fixed assets	6.1	3,334,682	2,975,399
Capital work-in-progress	6.2	538,134	489,066
Right of use asset	6.3	67,245	-
		3,940,061	3,464,465

6.1 Operating fixed assets

	Land		Buildings		Plant and machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Gas and electrical fittings	Refrigerator s and air conditioner	Laboratory equipments	Computers and related accessories	Total
	Freehold	Leasehold	Factory	Office									
	(Rupees in '000)												
Net carrying value basis Year ended 31 December 2024													
Opening net book value	569,000	211,765	545,399	357,131	547,201	58,172	449,985	45,513	48,555	155,087	208,718	45,534	3,075,599
Transfers (note 6.2)	-	-	56,518	121,793	308,512	16,288	110	19,748	26,547	134,034	1,977	38,441	834,610
Disposals (at NBV)													
Cost	-	-	-	-	(61,503)	-	(42,209)	(188)	-	(913)	-	(4,646)	(109,039)
Depreciation	-	-	-	-	22,500	-	26,254	161	-	913	-	4,299	69,432
	-	-	-	-	(8,208)	-	(15,244)	(38)	-	-	-	(347)	(19,778)
Depreciation charge	-	(4,309)	(33,619)	(19,079)	(58,655)	(6,719)	(76,659)	(7,747)	(6,653)	(6,612)	(32,830)	(30,804)	(275,797)
Closing net book value	569,000	207,524	575,288	369,825	773,753	65,705	348,218	54,876	67,576	282,509	178,864	45,724	3,534,082
Gross carrying value basis As at 31 December 2024													
Cost	569,000	345,284	736,323	455,655	950,648	104,853	547,979	97,966	94,348	382,855	353,857	159,429	4,516,298
Accumulated depreciation	-	(37,760)	(163,035)	(85,612)	(177,053)	(41,160)	(201,754)	(41,103)	(26,778)	(100,549)	(174,013)	(113,705)	(1,179,006)
Accumulated impairment	-	-	-	-	(3,010)	-	-	-	-	-	-	-	(3,010)
Net book value	569,000	207,524	575,288	369,825	773,753	65,705	348,218	54,876	67,576	282,509	178,864	45,724	3,534,082
Annual rate of depreciation (%)	-	60 / 91 years	3.33	5	5	10	16.67	10	10	10	10	25 / 33	

	Land		Buildings		Plant and machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Gas and electrical fittings	Refrigerator s and air conditioner	Laboratory equipments	Computers and related accessories	Total
	Freehold	Leasehold	Factory	Office									
	(Rupees in '000)												
Net carrying value basis Year ended 31 December 2023													
Opening net book value	569,000	215,045	436,245	291,599	502,373	61,412	501,441	45,855	44,888	105,831	158,438	45,733	2,834,540
Transfers (note 6.2)	-	-	128,339	15,833	78,650	2,909	133,569	8,184	13,012	73,885	97,333	26,438	537,540
Disposals (at NBV)													
Cost	-	-	-	-	(72)	(60)	(58,424)	(2,270)	-	(1,538)	(334)	(5,347)	(78,062)
Depreciation	-	-	-	-	56	64	21,697	1,981	-	1,538	334	4,952	31,120
	-	-	-	-	(16)	-	(36,727)	(289)	-	-	-	(395)	(37,427)
Depreciation charge	-	(4,280)	(22,470)	(17,101)	(26,906)	(5,109)	(73,276)	(7,817)	(9,511)	(23,213)	(28,039)	(26,475)	(251,717)
Closing net book value	569,000	211,765	545,399	357,131	547,201	58,172	449,985	45,513	48,555	155,087	208,718	45,534	3,075,599
Gross carrying value basis As at 31 December 2023													
Cost	569,000	245,284	701,805	343,862	725,851	89,853	589,966	78,629	67,751	248,734	350,848	126,374	4,144,000
Accumulated depreciation	-	(33,519)	(156,406)	(66,731)	(178,650)	(32,472)	(131,978)	(33,116)	(19,196)	(93,647)	(142,131)	(81,840)	(967,897)
Accumulated impairment	-	-	-	-	(3,010)	-	-	-	-	-	-	-	(3,010)
Net book value	569,000	211,765	545,399	357,131	547,201	58,172	449,985	45,513	48,555	155,087	208,718	45,534	3,075,599
Annual rate of depreciation (%)	-	60 / 93 years	3.33	5	5	10	16.67	10	10	10	10	25 / 33	

* Represents assets transferred from capital work-in-progress (note 6.2)

6.1.1 Depreciation for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	23	154,767	140,913
Administrative expenses	24	41,577	36,959
Marketing and selling expenses	25	79,413	73,875
		275,757	251,747

6.1.2 The cost of fully depreciated assets of the Company amounted to Rs. 333.30 million (2023: Rs. 307.25 million). In addition, land includes leasehold land having cost of Rs. 35.17 million remains idle as of 31 December 2024 and 2023.

6.1.3 The operating fixed assets of the Company is under hypothecation / mortgage charge, in respect of financing facility as disclosed in note 14.2 and 14.3 to these unconsolidated financial statements.

6.1.4 Details of operating fixed assets disposed off during the year are as follows:

Description	Mode of disposal	Cost	Accumulated Depreciation	Net book value	Sales proceeds	Gain / (loss)	Relationship of purchaser with the Company	Particulars of buyers
		(Rupees in '000)						
Aggregate amount of assets disposed off having NBV exceeding Rs. 500,000								
Pressure Sensitive Labeler	Bid	3,336	2,367	969	184	(785)	3rd Party Customer	
Water Cool Chiller	Bid	9,375	7,823	1,552	897	(655)	3rd Party Customer	
Water Flu Flu 150ltrs	Bid	1,000	242	758	81	(677)	3rd Party Customer	
Corolla Altis 1.6 X? Reg# BUF-433	Company policy	3,254	1,426	1,828	1,079	(749)	Employee	Mr. Zubair Sattar
BMW X1 sDrive18i M-Sport 2024	Company policy	12,434	4,255	8,187	11,000	2,816	Employee	Ms. Nusrat Munshi
		29,212	17,853	13,359	13,655	296		
Aggregate amount of assets disposed off having NBV not exceeding Rs. 500,000		55,989	51,659	4,447	21,127	16,710	Various	Various
	2024	85,208	69,432	15,776	34,782	18,006		
	2023	38,050	31,722	6,948	15,388	8,440		

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		Note	2024	2023
			(Rupees in '000)	
6.2	**Capital work-in-progress (CWIP)**			
	Opening balance		489,066	378,770
	Additions during the year		703,883	707,836
	Transferred to operating fixed assets	6.1	(854,815)	(597,540)
	Closing balance		338,134	489,066
6.2.1	Capital work-in-progress comprise of:			
	Buildings - factory / office sites		424,325	363,443
	Plant and machinery		108,748	25,553
	Furniture and fixtures		1,386	-
	Refrigerators and air conditioners		2,457	100,070
	Laboratory equipments		1,033	-
	Computer and related accessories		165	-
			338,134	489,066
6.3	**Right of use asset - motor vehicles**			
	Additions during the year		81,580	-
	Disposal during the year		(7,831)	-
	Depreciation for the year	6.3.1	(6,504)	-
	Closing balance		67,245	-
6.3.1	Depreciation for the year has been allocated as follows:			
	Cost of sales	23	818	-
	Administrative expenses	24	351	-
	Marketing and selling expenses	25	5,335	-
			6,504	-
7	**INTANGIBLE ASSETS**			
	Goodwill	7.2 & 7.3	743,226	743,226
	Trademarks - (indefinite lives)	7.2 & 7.3	4,641,087	4,641,087
	Computer software		42,422	49,051
			5,426,735	5,433,364

7.1 Intangible assets

	Goodwill	Trademarks - indefinite	Trademarks - finite	Computer softwares	Total
	(Rupees in '000)				
Net carrying value basis					
Year ended 31 December 2024					
Opening net book value	743,226	4,641,087	-	49,051	5,433,364
(Transfer note 5.6)	-	-	-	7,672	7,672
Amortisation charge	-	-	-	(14,556)	(14,556)
Closing net book value	743,226	4,641,087	-	42,167	5,426,480
Gross carrying value basis					
As at 31 December 2024					
Cost	743,226	4,641,087	365,930	127,851	5,878,094
Accumulated amortisation	-	-	(365,930)	(85,684)	(451,614)
Net book value	743,226	4,641,087	-	42,167	5,426,480
Annual rate of amortisation (%)	-	-	10-20	10-33	
Net carrying value basis					
Year ended 31 December 2023					
Opening net book value	743,226	4,641,087	-	26,313	5,410,626
(Transfer note 5.6)	-	-	-	35,832	35,832
Amortisation charge	-	-	-	(13,094)	(13,094)
Closing net book value	743,226	4,641,087	-	49,051	5,433,364
Gross carrying value basis					
As at 31 December 2023					
Cost	743,226	4,641,087	365,930	120,179	5,870,422
Accumulated amortisation	-	-	(365,930)	(71,128)	(437,058)
Net book value	743,226	4,641,087	-	49,051	5,433,364
Annual rate of amortisation (%)	-	-	10-20	10-33	

7.2 Goodwill and trademarks

Goodwill of Rs. 743.23 million and trademarks having indefinite useful lives of Rs. 4,641.09 million arose due to business acquisition of AGP (Private) Limited in the year 2014 by the Holding Company (the then Apollo Pharma Limited, the parent company at that time, which were later amalgamated into the parent company (surviving entity i.e. the Holding Company) under the approved scheme of arrangement. Later, Apollo Pharma Limited changed its name to AGP Limited.

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7.3 Impairment testing of goodwill and intangible assets (i.e. trademarks) having indefinite lives

Goodwill and trademarks having indefinite useful lives as disclosed in note 5.2 to these unconsolidated financial statements are allocated to the cash-generating unit (CGU) of the Company's pharmaceutical segment.

In accordance with the requirement of IAS 36 'Impairment of asset' the Company has performed its annual impairment test as at 31 December 2024. The recoverable amount i.e. Rs. 51,752 million (2023: Rs. 13,744.68 million) of CGU, to which the goodwill and intangible assets having indefinite useful lives was allocated, is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 19.4 percent (2023: 21.65 percent) and the growth rate used to extrapolate the cash flows beyond the five-year period is upto 5 percent. As a result of this assessment, the Company did not identify any impairment for the cash-generating unit to which assets aggregating to Rs. 5,384.32 million are allocated.

The calculation of discounted cashflows is most sensitive to the following assumptions:

a) Discount rates
b) Growth rates used to extrapolate cash flows beyond the forecast period

a) Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. The discount rate reflects the weighted average cost of capital of the Company and the specific risk of the underlying assets.

b) Growth rates

Growth rates used to extrapolate cashflows beyond the five-year forecast period are based on published industry research and historical trends.

Sensitivity to changes in assumptions

a) Discount rates

A rise in the pre-tax discount rate by 1% will result in decrease of the recoverable amount by Rs. 4,229 million (2023: Rs. 842.65 million).

b) Growth rates

The management recognises that the modernisation of manufacturing plant and the possibility of new entrants including change in demand can have a significant impact on the growth rate assumptions. The effect of new entrants and change in market demand is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs. 2,699 million (2023: Rs. 464.55 million).

The Company's market capitalisation as at year end, using the Level 1 input of the fair value hierarchy amounts to Rs. 47,628 million (2023: Rs. 19,886.8 million).

7.4 Amortisation for the year has been allocated as follows:

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	23	7,107	8,750
Administrative expenses	24	7,449	4,344
		14,556	13,094

7.5 The cost of fully amortized assets of the Company amounted to Rs. 433.88 million (2023: Rs. 409.56 million).

8 LONG-TERM INVESTMENTS - Subsidiaries

	Note	2024	2023
		(Rupees in '000)	
OBS AGP (Private) Limited			
Investment - at cost		715,000	715,000
Corporate guarantee - at fair value		14,531	14,531
		729,531	729,531
Percentage of shareholding: 65%			
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
Percentage of shareholding: 91.82%			
		3,074,211	3,064,629

9 STOCK-IN-TRADE

	Note	2024	2023
Raw and packing materials:			
- In hand	9.1	2,587,597	1,765,496
- In transit		15,223	14,252
		2,602,820	1,779,748
Work-in-process		220,445	200,205
Finished goods			
- Manufacturing		327,625	552,693
- Trading		86,906	24,452
		614,531	577,145
Provision for obsolescence and slow moving stock	9.2	(38,461)	(30,474)
	9.3	3,398,335	2,526,624

9.1 Included herein items having value of Rs. 375.52 million (2023: Rs. 480.79 million), representing stock held by third parties.

9.2 Movement in provision for obsolescence and slow moving stock is as follows:

	Note	2024	2023
		(Rupees in '000)	
Opening balance		30,474	39,738
Provision made during the year	23	38,170	40,756
Written off during the year		(21,183)	(50,020)
		38,461	30,474

9.3 Stock-in-trade includes items having cost of Rs. 32.67 million (2023: Rs. 30.66 million) written down to net realizable value of Rs. 25.58 million (2023: Rs. 25.69 million) resulting in a write down of Rs. 7.09 million (2023: Rs. 4.97 million).

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10 TRADE DEBTS

	Note	2024	2023
		(Rupees in '000)	
Considered good			
Related parties:			
- OBS AGP (Private) Limited		306,839	341,067
- OBS Pharma (Private) Limited		10,383	-
- Aspin Pharma (Private) Limited		3,335	2,642
- Muller & Phipps Pakistan (Private) Limited		1,311,916	1,019,209
	10.1	1,629,158	1,362,918
Others		220,238	87,021
		1,849,406	1,449,939
Considered doubtful		2,628	4,047
Allowance for ECL	10.3	(2,628)	(4,047)
		-	-
		1,849,406	1,449,939

10.1 The ageing analysis of unimpaired trade debts due from related parties is as follows:

	Total	Current	Days past due: 1 - 30 days	Days past due: 30 - 90 days	Days past due: 90 and above days
	(Rupees in '000)				
2024					
OBS AGP (Private) Limited	306,839	-	288,402	92,626	2,478
OBS Pharma (Private) Limited	10,383	-	-	2,722	7,661
Muller & Phipps Pakistan (Private) Limited	1,311,916	-	1,304,862	-	7,054
Aspin Pharma (Private) Limited	3,335	-	358	1,726	1,061
Total	1,629,158	-	1,373,862	97,262	18,254
2023					
OBS AGP (Private) Limited	341,067	9,420	233,818	79,217	18,612
Muller & Phipps Pakistan (Private) Limited	1,019,209	990,486	28,723	-	-
Aspin Pharma (Private) Limited	2,642	-	2,642	-	-
Total	1,362,918	999,906	265,183	79,217	18,612

10.2 The maximum amount outstanding from related parties at any time during the year calculated by reference to month-end balances are as follows:

Related parties - associated companies	Note	2024	2023
		(Rupees in '000)	
OBS AGP (Private) Limited		391,734	577,400
OBS Pharma (Private) Limited		124,221	-
Aspin Pharma (Private) Limited		13,771	16,140
Muller and Phipps Pakistan (Private) Limited		1,644,374	1,261,228

10.3 The movement in allowance for ECL is as follows:

	Note	2024	2023
Opening balance		4,047	1,205
(Reversal) / charge	35	(1,419)	2,842
Closing balance	10.3.1	2,628	4,047

10.3.1 Included herein Rs. 0.24 million (2023: Rs 0.14 million) related to Muller and Phipps Pakistan (Private) Limited, a related party.

11	ADVANCES - considered good	Note	2024	2023
			(Rupees in '000)	
	Suppliers	11.1	294,782	393,469
	Employees		7,261	7,029
			302,043	400,498

11.1 These are interest free and adjustable within the period of 6 months from the date of issuance.

12	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2024	2023
			(Rupees in '000)	
	Trade deposits			
	Security deposits		12,695	31,921
	Margin on letters of credit		217,997	172,577
			230,692	204,498
	Prepayments - insurance		2,336	1,027
	Other receivables			
	Related parties			
	OBS AGP (Private) Limited		10,289	-
	OBS Pakistan (Private) Limited		40,924	4,845
	OBS Pharma (Private) Limited		10,401	32,621
	Aitkenstuart Pakistan (Private) Limited		25	-
	Aspin Pharma (Private) Limited		7,940	24
		12.1	69,669	37,490
	Others		20,665	14,958
			90,114	52,448
			323,042	257,973

12.1 Represents shared services charged by the Company and expenditure incurred on behalf of related parties. These balances are interest free and repayable on demand.

13	CASH AND BANK BALANCES	Note	2024	2023
			(Rupees in '000)	
	Cash in hand		2,367	3,959
	Balances held with banks :			
	Current accounts			
	- local currency		16,196	32,690
	- foreign currency		677	820
			16,873	33,510
	Deposit accounts	13.1	96,890	100,314
		13.2 & 15.5	115,130	137,783

13.1 These carry mark-up at the rates ranging from 6.0% to 20.60% (2023: 11.01% to 20.50%) per annum.

13.2 Includes Rs. 76.62 million (2023: Rs. 76.62 million) marked as lien against the bank guarantee given.

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14 SHARE CAPITAL

Authorised share capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
350,000,000	350,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	3,500,000	3,500,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
280,000,000	280,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	2,800,000	2,800,000

14.1 Voting rights, board selection and similar rights of shareholders are in proportion to the shareholding of the Company.

14.2	Earnings per share - basic and diluted	2024	2023
		(Rupees in '000)	
	Net profit for the year	2,083,531	1,190,795
	Weighted average number of ordinary shares outstanding during the year	280,000,000	280,000,000
	Earnings per share (Rupees)	7.44	4.25

15	LONG-TERM FINANCING - secured	Note	2024	2023
			(Rupees in '000)	
	SBP financing scheme for renewable energy	15.1	22,534	28,077
	Syndicate term finance	15.2	2,137,775	2,474,909
	Corporate guarantee contract	15.3	20,340	17,269
			2,180,648	2,520,255
	Less: current maturity	20	(829,194)	(427,257)
			1,351,454	2,092,998

15.1 The Company had obtained financing facility under SBP financing scheme for Renewable Energy of Rs. 75 million for a period of 7 years including 3 months grace period. The repayment will be made in 81 equal monthly instalments after grace period. It carries mark-up at the SBP rate (i.e. 2%) + 4% per annum. The facility is secured against first pari passu hypothecation charge of Rs. 100 million over present and future plant and machinery of the Company. As of reporting date, Rs. 25.7 million (2023: Rs. 25.7 million) of the facility remained unutilised.

15.2 The Company has obtained long-term finance of Rs. 3,264 million through the syndicate term finance agreement, repayable in quarterly instalments commencing from 26 July, 2024 including grace period of 12 months over the term of 5 years. These carry profit rate of 3 months KIBOR + 1.45% per annum and are secured against the present and future property, plant and equipment of the Company to the extent of Rs. 4,000 million.

15.3 The Company has provided corporate guarantee to JS Bank Limited being the investment agent of its subsidiaries. This is in relation to secure all payment obligations and liabilities i.e. principal repayment and principal along with profit repayments for OBS AGP and OBS PK respectively, in respect of sukuk issued by the subsidiaries to the investment agent for the benefit of certificate holders of the subsidiaries (also see note 3 to these unconsolidated financial statements).

15.4 The movement in long-term financing is as follows:

	Note	2024	2023
		(Rupees in '000)	
Balance at beginning of the year		2,520,288	95,655
Proceeds received during the year		-	2,360,878
Related transaction cost		-	(23,448)
Corporate guarantee recognised		4,584	11,050
Corporate guarantee amortised	27	(8,501)	(4,135)
Mark-up charge during the year		468,127	321,403
Mark-up paid during the year		(627,614)	(271,587)
Balance at end of the year		2,180,848	2,520,288

15.5 The following information is disclosed by the Company being a Shariah compliant entity and listed on Islamic index:

	Financing facility obtained	Financing facility utilized	Current / deposit accounts	Profit / mark-up earned	Profit / mark-up paid
2024	(Rupees in '000)				
Shariah compliant financing					
Long-term financing	2,363,878	2,137,775	-	-	533,404
Short-term borrowings	1,450,000	496,287	-	2,838	144,259
	3,813,878	2,634,062	-	2,838	677,663
Conventional financing					
Long-term financing	75,000	22,524	-	-	7,389
Short-term borrowings	2,650,000	350,016	(11,783)	23,756	191,776
	6,538,878	3,006,602	(11,783)	26,444	821,551

	Financing facility obtained	Financing facility utilized	Current / deposit accounts	Profit / mark-up earned	Profit / mark-up paid
2023	(Rupees in '000)				
Shariah compliant financing					
Long-term financing	2,360,878	2,360,878	-	-	213,448
Short-term borrowings	1,450,000	722,685	451	2,540	35,553
	3,810,878	3,083,563	451	2,540	258,951
Conventional financing					
Long-term financing	75,000	99,077	-	-	2,027
Short-term borrowings	2,650,000	212,000	127,071	23,146	85,771
	6,535,878	3,329,748	127,522	25,686	356,749

16 LEASE LIABILITIES

	2024	2023
	(Rupees in '000)	
Lease liabilities	58,690	-
Less: current portion	(13,032)	-
	45,658	-

16.1 Future period lease payments and interest expense:

	2024			2023		
	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	(Rupees)			(Rupees)		
Not more than 1 year	19,881	8,549	10,332	-	-	-
Later than 1 year but not more than 5 years	62,221	14,925	48,236	-	-	-
	82,102	23,474	58,568	-	-	-

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17 DEFERRED TAXATION

	Note	2024	2023
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax depreciation / amortisation		296,928	203,033
Deductible temporary differences			
Provisions		(42,866)	(11,958)
		253,062	191,075

18 TRADE AND OTHER PAYABLES

	Note	2024	2023
Creditors	18.1	1,243,353	1,139,529
Accrued liabilities		1,024,896	573,925
Due to related parties		-	34,996
Compensated absences		67,788	65,606
Contract liabilities	18.2	203,704	581,288
Retention money		8,990	972
Provident fund	18.3	12,858	10,840
Workers' Profit Participation Fund	18.4	8,973	-
Workers' Welfare Fund	18.5	62,883	17,512
Central Research Fund	18.6	24,027	18,445
Infrastructure Cess		13,801	13,301
Withholding tax		16,762	18,139
Sales tax		26,912	23,259
Others		4,072	3,571
		2,793,612	2,486,181

18.1 Include Rs. 16.48 million (2023: Rs. 13.32 million) payable to Aspin Pharma (Private) Limited, a related party.

18.2 Include advance received from OBS AGP (Private) Limited, a related party amounting to Rs. 247.13 million (2023: Rs 574.97 million). Revenue recognized during the year from amount included in contract liabilities at beginning of the year amounted to Rs. 577.49 million (2023: Rs. 73.74 million).

18.3 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the regulations formulated for this purpose.

18.4 Workers' Profits Participation Fund

	Note	2024	2023
		(Rupees in '000)	
Balance at the beginning of the year		(2,750)	10,807
Allocation charged for the year	26	108,723	91,310
		105,973	102,117
Payments made during the year		(100,000)	(104,867)
Balance at the end of the year		5,973	(2,750)

18.5 Workers' Welfare Fund

	Note	2024	2023
Balance at the beginning of the year		17,512	24,483
Charge for the year	26	64,476	17,646
		81,988	42,129
Payments made during the year		(19,105)	(24,617)
Balance at the end of the year		62,883	17,512

18.6 Central Research Fund

	Note	2024	2023
		(Rupees in '000)	
Balance at the beginning of the year		18,445	21,753
Charge for the year	25	34,085	18,446
		52,530	40,199
Payments made during the year		(18,503)	(21,754)
Balance at the end of the year		34,027	18,445

19 SHORT-TERM BORROWINGS - secured

	Note	2024	2023
Running finance from commercial banks	19.1	350,036	212,000
Running musharakah from islamic banks	19.2	496,287	725,954
		846,323	937,954

19.1 The Company obtained running finance facilities from commercial banks upto Rs.2,050 million. The mark-up rate on this facility is 1 - 3 months KIBOR plus 0.30% to 1.25% per annum payable quarterly. The facility is secured by way of hypothecation charge over current assets of the Company. As of reporting date, Rs. 1,700 million (2023: Rs. 1,838 million) of the facility limits remained unutilised and utilised portion is Rs. 350 million (2023: Rs 212 million).

19.2 The Company obtained running musharakah facilities from islamic banks upto Rs. 1,450 million. The profit rate on this facility is 1 - 3 months KIBOR plus 0.50% to 1% per annum payable quarterly. The facility is secured by way of hypothecation charge over current assets of the Company. As of reporting date, Rs. 953.45 million (2023: Rs. 724.31 million) of the facility limits remained unutilised and utilised portion is Rs. 496.29 million (2023: Rs. 725.895 million).

20 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Long-term financing	15	822,653	424,273
Lease liabilities	16	10,933	-
Gas Infrastructure Development Cess		2,082	1,585
Corporate guarantee	15	5,621	2,964
		841,289	428,822

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 In the year 2018, the Company received a demand for tax year 2017 from the taxation authorities concerning the payment of Rs. 12.5 million made by the Company to the Sindh Revenue Board (SRB) in respect of the Workers Welfare Fund (WWF). The Company filed an appeal before Commissioner Inland Revenue [CIRA(A)], whereby the appeal was decided against the Company. In the year 2019, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) to allow expense in respect of WWF which is pending adjudication. The Company, in view of a tax advice, expects a favorable outcome, accordingly, no provision has been made in these financial statements.

21.1.2 During the year ended 2023, Federal Board of Revenue (FBR) issued show cause notices in respect of tax periods from July 2021 to March 2023 claiming sales tax aggregating to Rs. 43 million along with default surcharge. The Company confronted against the above notice before the CIRA who nullified the notice and remanded the case to Deputy Commissioner which is still pending. The Company, in view of a tax advice, expects a favorable outcome, accordingly, no provision has been made in these financial statements.

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21.2 Commitments

	2024	2023
	(Rupees in '000)	
Corporate guarantee issued on behalf of subsidiary companies		
- OBS AGP (Private) Limited	1,137,500	1,787,500
- OBS Pakistan (Private) Limited	6,500,000	6,500,000
Bank guarantees	135,536	130,855
Letters of credit	803,198	1,047,635
Capital expenditure	518,210	442,450

Ijarah Aggrement

The 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 Company. Future rentals payable are as follows:

	2024	2023
	(Rupees in '000)	
Not later than one year	25,844	-
Later than one year but not later than five years	98,514	-
	124,358	-

22 REVENUE FROM CONTRACT WITH CUSTOMERS - net

	2024	2023
Local		
- Manufacturing	17,575,332	12,753,823
- Trading	313,014	1,047,770
	17,888,346	13,801,593
Export	2,759,408	1,875,217
	20,647,754	15,676,810
Less: Trade discounts	(1,734,096)	(1,575,478)
Sales returns	(89,582)	(53,814)
Sales tax	(280,268)	(189,748)
	(2,103,946)	(1,819,040)
	18,543,808	13,857,770

22.1 Revenue earned during the year is in accordance with shariah compliant principles.

23 COST OF SALES

	Note	2024	2023
		(Rupees in '000)	
Cost of sales – manufacturing			
Raw and packing materials consumed			
Opening stock		1,765,496	1,123,154
Purchases		7,804,775	6,335,112
		9,570,271	7,458,266
Closing stock	9	(2,667,397)	(1,765,496)
		6,902,874	5,692,770
Manufacturing cost			
Salaries, wages and other benefits	23.1	1,264,471	968,027
Stores and spares consumed		91,292	47,934
Provision for obsolescence and slow moving stock - net	9.3	38,179	49,758
Processing charges		112,819	84,753
Freight		22,862	10,851
Fuel, gas and electricity		448,322	300,643
Repairs and maintenance		282,048	146,141
Travelling and conveyance		21,444	19,759
Insurance		21,408	18,181
Laboratory expenses		61,726	52,187
Rates and taxes		12,248	3,149
Depreciation on operating fixed assets	6.1.1	164,767	140,913
Depreciation on right of use assets	6.3.1	818	-
Amortisation	7.4	7,107	6,750
Communication		6,047	4,349
Printing and stationery		12,549	9,894
		2,648,076	1,854,287
		9,630,768	7,547,057
Work-in-process			
Opening stock		200,205	185,087
Closing stock	9	(220,445)	(200,205)
		(20,240)	(15,118)
		9,610,510	7,531,939
Finished goods - manufacturing			
Opening stock		552,593	444,008
Closing stock	9	(527,525)	(552,593)
		25,068	(108,585)
		9,635,578	7,423,354
Cost of samples for marketing and sales promotion	25	(66,497)	(56,106)
Finished goods - trading			
Opening stock		24,452	69,583
Purchases		266,261	303,010
Closing stock	9	(86,906)	(24,452)
		202,807	348,141
		9,771,888	7,715,389

23.1 Included herein Rs. 18.40 million (2023: Rs. 14.21 million) in respect of staff retirement benefits.

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24 ADMINISTRATIVE EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries and other benefits	24.1	272,924	265,385
Traveling and conveyance		2,213	371
Printing and stationery		2,709	7,387
Directors' remuneration		8,876	15,000
Meeting and conferences		8,221	2,792
Communication		787	1,710
Legal and professional		68,990	40,291
Research cost		46,681	17,388
Repairs and maintenance		40,382	25,124
Software license renewals and maintenance fee		84,002	25,502
Subscription and fee		869	1,456
Advertisement		430	3,014
Auditors' remuneration	24.2	6,624	5,554
Donations	24.3	12,861	13,297
Insurance		1,879	1,649
Depreciation on operating fixed assets	6.1.2	41,677	36,958
Depreciation on right of use assets	6.3.1	361	-
Amortisation	7.4	7,449	4,344
Shared cost		2,274	-
Corporate social responsibility		11,241	9,550
Vehicle running expenses		998	505
		606,638	477,275

24.1 Included herein Rs. 7.52 million (2023: Rs. 7.34 million) in respect of staff retirement benefits.

24.2 Auditors' remuneration

	2024	2023
	(Rupees in '000)	
Statutory audit fee - standalone	2,155	2,155
Statutory audit fee - consolidation	949	949
Half yearly review and other certifications	2,627	1,699
Out of pocket expenses	440	342
Sindh sales tax	453	409
	6,624	5,554

24.3 Donation to a single party exceeding higher of Rs. 1 million or 10% of total donations are as follows:

	Note	2024	2023
		(Rupees in '000)	
The Citizens Foundation		5,200	4,200
The Patients' Behbud Society for AKUH	24.3.1	1,000	1,000
Institute of Business Administration		1,000	-
The Kidney Foundation		-	1,075
Shameem Khan Memorial Foundation		-	2,600
		7,200	8,875

24.3.1 Mr. Zafar Iqbal Sobani, a director of the Company is also a director in The Patients' Behbud Society for AKUH.

25 MARKETING AND SELLING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries and other benefits	25.1	1,829,813	1,525,939
Traveling and conveyance		600,989	539,688
Repairs and maintenance		17,811	13,201
Insurance		15,206	13,583
Depreciation on operating fixed assets	6.1.1	79,413	73,875
Depreciation on right of use assets	6.3.1	3,336	-
Printing and stationery		3,921	8,139
Samples	23	98,457	56,006
Sales promotion		879,687	658,015
Meeting and conferences		300,640	216,066
Communication		28,536	24,545
Subscription		26,347	28,212
Ijara rentals		4,367	-
Product registration fee		81,789	22,797
Freight, handling and transportation		191,200	99,044
		4,137,469	3,279,231

25.1 Included herein Rs. 41.25 million (2023: Rs. 34.29 million) in respect of staff retirement benefits.

26 OTHER EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Workers' Profit Participation Fund	18.4	168,722	91,310
Workers' Welfare Fund	18.5	64,476	17,646
Central Research Fund	18.6	34,086	18,446
Exchange loss		38,149	133,108
Allowance for ECL	10.3	(1,419)	2,842
		301,014	263,352

27 OTHER INCOME

	Note	2024	2023
Income from financial assets			
Markup on deposit accounts		28,391	25,686
Dividend income from OBS AGP (Private) Limited		97,600	130,000
Amortisation of corporate guarantee	15.4	6,601	4,195
		128,292	159,881
Income from non-financial assets			
Gain on sale of operating fixed assets - net	6.1.4	18,006	8,448
Amortisation of government grant		-	2,334
Scrap sales		20,034	15,600
		38,040	26,382
		166,422	186,263

28 FINANCE COSTS

	2024	2023
Mark-up on:		
long-term financing	496,127	351,405
short-term borrowings	291,742	206,852
Lease liabilities	8,190	558,257
	796,059	558,257
Bank charges	48,113	27,788
	843,172	586,045

29 TAXATION

	2024	2023
	(Rupees in '000)	
Current	1,026,028	386,103
Prior	(24,432)	84,747
Deferred	61,986	61,704
	1,063,582	532,554

Relationship between income tax expense and accounting profit is as follows:

	2024	2023
Profit before income tax and levies	3,147,163	1,722,740
Tax at the applicable tax rate of 29%	912,677	499,595
Tax effects of:		
Prior year charge	(24,432)	84,747
Lower tax rate	(13,650)	(175,129)
Tax credits	(3,730)	(3,943)
Super tax	260,209	103,966
Deductible / non-deductible items	(67,492)	23,318
	1,063,582	532,554

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Managerial remuneration	48,000	53,012	-	-	605,507	481,113
Bonus	8,212	4,548	-	-	50,164	38,305
Performance incentive	34,000	17,532	-	-	32,546	5,526
Reimbursement of expenses	364	718	-	-	43,502	111,274
Provident fund	3,166	2,273	-	-	30,833	28,254
Others	3,166	7,645	-	-	166,798	38,263
	91,888	85,728	-	-	928,842	702,735
Number of persons	1	1	2	5	138	104

30.1 In addition, certain executives are provided with free use of Company maintained car in accordance with their entitlements.

30.2 During the year, fee paid to two (2023: two) independent directors and five (2023: four) non-executive directors for attending board and other meetings aggregating to Rs. 8.9 million (2023: Rs. 15 million). Travelling and boarding expenses of executive and non-executive directors borne by the Company amounted to Rs. 0.3 million (2023: Rs. 1.45 million). Number of non-executive directors at year end were four (2023: four).

			2024	2023
31	**PRODUCTION CAPACITY**		Number of packs in millions	
	Available capacity		**110**	86
	Actual Production		**87**	72

31.1 Actual production during the year is in line with market demand.

		Note	2024	2023
32	**CASH GENERATED FROM OPERATIONS**		(Rupees in '000)	
	Profit before income tax and levies		**3,147,163**	1,722,740
	Adjustments for non-cash items:			
	Depreciation of property, plant and equipments	6.1.1	**276,767**	251,747
	Depreciation of right of use assets	6.3.1	**6,504**	-
	Amortisation	7	**14,660**	13,094
	Allowance for ECL	26	**(1,419)**	2,842
	Gain on disposal of operating fixed assets	27	**(16,008)**	(8,449)
	Provision for obsolescence and slow moving stock	9	**36,170**	40,756
	Mark-up on deposit accounts	27	**(28,381)**	(25,686)
	Charge / (reversal) of GIDC		**1,374**	(648)
	Interest on lease liability	28	**6,190**	-
	Amortisation of government grant		**-**	(2,334)
	Amortisation of corporate guarantee	27	**(8,501)**	(4,195)
	Finance costs	28	**843,172**	586,045
	Dividend income		**(97,660)**	(130,000)
	Workers' Profit Participation Fund	26	**168,723**	91,310
	Workers' Welfare Fund	26	**64,476**	17,649
	Central Research Fund	26	**34,066**	18,446
			1,300,190	850,375
	Working capital changes:			
	Stores, spares and loose tools		**(4,392)**	(1,843)
	Stock-in-trade		**(901,661)**	(691,547)
	Trade debts		**(398,949)**	(290,413)
	Advances		**58,486**	(183,425)
	Trade deposits, prepayments and other receivables		**(67,819)**	(27,225)
	Trade and other payables		**238,506**	909,397
			(1,035,180)	(284,556)
			3,412,173	2,288,759

		Note	2024	2023
33	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	15	**116,130**	137,783
	Lien on bank balances	13.2	**(78,623)**	(78,623)
	Short-term borrowings	19	**(846,323)**	(937,954)
			(808,816)	(878,794)

35.6.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company is mainly exposed to such risk in respect of foreign currency receivables from customers, bank balances and payable to suppliers. The Company manages currency risk by carefully selecting countries for purchasing which pose minimum risk for foreign currency fluctuations. Moreover, the Company's exports in foreign currency are pursued to offset the adverse currency fluctuations.

	2024 USD	2024 EURO	2024 CNY	2024 CHF	2023 USD	2023 EURO	2023 CNY	2023 CHF
Financial assets								
Trade debts	158,543	-	-	14,386	133,791	-	-	-
Bank balances	-	1,992	-	-	-	1,862	-	-
	158,543	1,992	-	14,386	133,791	1,862	-	-
Financial liabilities								
Trade payables	(1,644,228)	(183,945)	(1,005,929)	(287,140)	(857,447)	(736,333)		
Financial assets								
Trade debts	48,348	-	-	-	42,405	-	-	-
Bank balances	-	679	-	-	-	621	-	-
	48,348	679	-	-	42,405	621	-	-
Trade payables	(230,887)	(69,274)	(83,897)	(78,216)	(151,850)	-	(33,374)	-

The exchange rates applied during the year and at year end were as follows:

	Average rate for the year 2024	Average rate for the year 2023	Spot rate as at 31 December 2024	Spot rate as at 31 December 2023
	Rupees		Rupees	
US Dollar	**278.48**	279.98	**278.55**	281.75
Chinese Yuan	**38.71**	39.55	**38.16**	39.71
Euro	**355.74**	302.74	**290.08**	311.71
Swiss Franc	**316.30**	311.75	**308.44**	334.19
GBP	**355.74**	348.23	**349.71**	358.92

Sensitivity analysis

Every 10% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the next year by Rs 17.45 million.

35.6.3 Equity price risk

Equity price risk is the risk of loss arising from uncertainties about future values of investments securities movements in prices of equity investments. The Company is not exposed to any equity price risk as the Company does not have any investment in equity securities measured at fair value.

35.6 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair values.

The following table shows assets recognized at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorization in Level 1, Level 2 and Level 3.

36 INFORMATION ABOUT OPERATING SEGMENTS

36.1 For management purposes, the activities of the Company are organised 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 unconsolidated financial statements are related to the Company's only reportable segment in Pakistan.

36.2 Export sales is made to Afghanistan Rs 2,290.05 million, Cambodia Rs 5.23 million, Kenya Rs 4.58 million and Sri Lanka Rs. 2.19 million, represents the geographical breakup of the Company's gross turnover.

36.3 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:

	2024	2023
	(Rupees in '000)	
Pakistan		
- Muller & Phipps Pakistan (Private) Limited (a related party)	12,428,920	9,932,890
- OBS AGP (Private) Limited (a subsidiary company)	2,928,201	1,844,950
Afghanistan		
- Al Haj Malem Khan Mangal	2,234,613	1,469,278

36.3 Non-current assets of the Company are confined within Pakistan.

37 DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Company.

38 SUBSEQUENT EVENT

38.1 The Board of Directors in its meeting held on February 27, 2025 has proposed a final cash dividend for the year 2024 of Rs. 4 per share (2023: Rs. 2.50 per share), aggregating to Rs. 1,120 million (2023: Rs. 700 million) subject to approval of shareholders in the Annual General Meeting of the Company to be held on April 10, 2025.

39 GENERAL

39.1 The number of persons employed as at year end were 1,574 (2023: 1,574) and the average number of persons employed during the year were 1,570 (2023: 1,572).

39.2 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. However, there are no material transactions to report.

39.3 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

Chief Financial Officer	Chief Executive Officer	Director

Consolidated Audit Report & Financial Statements

Grant Thornton

Grant Thornton Anjum Rahman
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan

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INDEPENDENT AUDITOR'S REPORT

To the members of AGP Limited

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of AGP Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated financial statements* section of our report. We are independent of the Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following are the key audit matters:

Chartered Accountants

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Key audit matter	How the matter was addressed in our audit
First year audit	
We have been engaged to perform the audit of the Group for the first time i.e., for the year ended 31 December 2024. Initial audit engagements involve a number of considerations not associated with recurring audits. Additional planning activities and considerations necessary to establish an appropriate audit strategy and audit plan include gaining an initial understanding of the Group and its business, obtaining sufficient audit evidence regarding the opening balances including the selection and application of accounting principles and communicating with the previous auditors.	We performed various procedures to obtain sufficient appropriate audit evidence regarding opening balances including the following: - We reviewed the predecessor auditor's work paper files and made additional inquiries of the predecessor auditors about matters that may affect our audit in the current year. - We evaluated the key accounting position and matters from prior years. - We evaluated whether accounting policies reflected in the opening balances have been consistently applied in the current year's financial statements and adequately presented and disclosed in accordance with the financial reporting standards.
Impairment testing of intangible assets	
As disclosed in note 7 to the consolidated financial statements, intangible assets include goodwill and trademarks having indefinite useful lives amounting Rs. 17,409 million as of 31 December 2024. In accordance with the Group's accounting policy, these assets were tested for impairment as of the reporting date. The impairment assessment of the relevant cash-generating unit involves significant judgments and estimates about future business performance, key assumptions including cash flows, overall long-term growth rate and discount rate used. Changes in these assumptions might lead to a significant change in the carrying values of the related assets. Given the significance of intangible assets to the Group's total assets and the level of judgement / estimates involved, we have identified valuation of intangible assets as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of the Group's process over impairment assessment of intangible assets with indefinite lives. - obtained management's value in use calculation and assessed the methodology used. - involved our specialist to assess the key assumptions and methodology used in the impairment analysis, in particular growth rate and discount rate applied. - assessed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.
Revenue recognition	
As disclosed in note 31 to the consolidated financial statements, the Group recognized revenue of Rs. 35,033 million which is approximately 34% higher as compared to previous year. When identifying and assessing the risk relating to revenue recognition, our focus was whether the sales recorded by the management actually occurred	Our key procedures amongst others included the following: - obtained an understanding of the Group's process with respect to revenue recognition and evaluated design and operating effectiveness of controls relevant to such process.

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Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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We also provide to the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by EY Ford Rhodes who expressed an unmodified opinion on those statements dated 27 February 2024.

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

Chartered Accountants
Place: Karachi
Date: 14 March 2025
UDIN: AR202410355hWhRGamyB

AGP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,286,798	3,655,592
Intangible assets	7	17,514,330	17,531,770
Long-term loans and deposits		86,983	37,605
		21,888,111	21,224,967
CURRENT ASSETS			
Stores, spares and loose tools		15,442	11,050
Stock-in-trade	8	4,114,397	3,074,862
Trade debts	9	1,950,706	1,909,953
Advances	10	383,768	434,079
Trade deposits, prepayments and other receivables	11	294,954	297,263
Taxation – net		-	156,446
Short-term investments		51,009	652,518
Cash and bank balances	12	650,768	202,305
		7,461,039	6,738,476
TOTAL ASSETS		29,349,150	27,963,443
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	13	2,800,000	2,800,000
Group reorganisation reserve		(128,766)	(128,766)
Revenue reserve - unappropriated profit		10,739,546	8,769,782
		13,410,780	11,441,017
Non-controlling interest		1,157,532	919,165
		14,568,312	12,360,182
NON-CURRENT LIABILITIES			
Long-term financing	14	7,540,962	9,593,747
Lease liability	15	48,666	-
Gas infrastructure development cess		7,864	6,996
Deferred taxation	16	268,352	199,101
		7,865,844	9,799,844
CURRENT LIABILITIES			
Trade and other payables	17	3,276,125	2,840,310
Taxation - net		300,843	-
Accrued interest		55,364	103,160
Short-term borrowings	18	846,323	1,535,868
Unclaimed dividends		2,018	1,853
Current maturity of non-current liabilities	19	2,443,320	1,322,226
		6,914,994	5,803,417
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		29,349,150	27,963,443

The annexed notes from 1 to 38 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		(Rupees in '000)	(Restated)
Revenue from contracts with customers	21	25,033,643	18,743,076
Cost of sales	22	(10,482,268)	(8,703,082)
Gross profit		14,551,375	10,039,994
Administrative expenses	23	(942,368)	(713,981)
Marketing and selling expenses	24	(6,303,059)	(4,910,622)
Other expenses	25	(301,758)	(273,942)
Other income	26	135,841	122,165
Finance costs	27	(2,693,053)	(1,629,098)
		(10,104,397)	(7,405,478)
Profit before income tax and levies		4,446,978	2,634,516
Levies		(37,122)	(16,736)
Profit before income tax		4,409,856	2,617,780
Taxation	28	(1,449,226)	(794,678)
Net profit for the year		2,960,630	1,823,102
Net profit for the year attributable to:			
Equity holders of the Holding Company		2,669,763	1,565,109
Non-controlling interest		290,867	257,993
		2,960,630	1,823,102
Earnings per share	13.2	Rs. 9.53	Rs. 5.59

The annexed notes from 1 to 38 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	(Rupees in '000)	
Net profit for the year	**2,960,630**	1,823,102
Other comprehensive income	-	-
Total comprehensive income for the year	**2,960,630**	1,823,102
Total comprehensive income for the year attributable to:		
Equity holders of the Holding Company	2,669,763	1,565,109
Non-controlling interest	290,867	257,993
	2,960,630	1,823,102

The annexed notes from 1 to 38 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Holding Company					
		Capital reserve				
	Share capital	Group reorganization reserve	Revenue reserve - unappropriated profit	Total	Non-controlling interest	Total equity
	Rupees in '000					
Balance as at 31 December 2022	2,800,000	-	7,747,448	10,547,448	583,823	11,131,271
Acquisition of a subsidiary company	-	-	-	-	145,574	145,574
Proportionate change in percentage of non-controlling interest	-	-	17,225	17,225	775	18,000
Net profit for the year	-	-	1,565,109	1,565,109	257,993	1,823,102
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,565,109	1,565,109	257,993	1,823,102
Recognised during the year (Note 2.4)	-	(128,765)	-	(128,765)	-	(128,765)
Final dividend for the year ended 31 December 2022	-	-	(560,000)	(560,000)	(70,000)	(630,000)
Balance as at 31 December 2023	2,800,000	(128,765)	8,769,782	11,441,017	918,165	12,359,182
Net profit for the year	-	-	2,669,763	2,669,763	290,867	2,960,630
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,669,763	2,669,763	290,867	2,960,630
Final dividend for the year ended 31 December 2023	-	-	(700,000)	(700,000)	(92,000)	(792,000)
Balance as at 31 December 2024	2,800,000	(128,765)	10,739,545	13,410,780	1,117,032	14,527,812

The annexed notes from 1 to 38 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	7,082,044	4,057,119
Payments for:			
Finance costs		(521,668)	(384,720)
Income tax		(969,620)	(976,506)
Workers' Profit Participation Fund	17.3	(180,000)	(104,867)
Workers' Welfare Fund	17.4	(19,105)	(24,617)
Central Research Fund	17.5	(18,503)	(21,754)
Net cash generated from operating activities		5,392,949	2,572,655
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(939,262)	(760,928)
Expenditure incurred for intangible assets		(7,926)	(8,657,401)
Proceeds from disposal of operating fixed assets		39,694	15,876
Acquisition of subsidiary		-	18,000
Deposits and receivables - paid		(49,378)	(10,447)
Investments - net		601,509	(546,518)
Interest income received		36,603	81,826
Net cash used in investing activities		(318,780)	(9,879,592)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(752,335)	(629,942)
Dividend received		-	10,552
Proceeds from issue of ordinary shares to minority shareholders		-	18,000
Lease rentals paid		(20,512)	-
Long-term financing - net		(3,163,537)	7,047,516
Lien on bank balance released		-	52,416
Net cash (used in) / generated from financing activities		(3,936,385)	6,488,542
Net increase / (decrease) in cash and cash equivalents		1,137,804	(808,395)
Cash and cash equivalents at the beginning of the year		(1,411,984)	(603,589)
Cash and cash equivalents at the end of the year	32	(274,180)	(1,411,984)

The annexed notes from 1 to 38 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

AGP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 THE GROUP AND ITS OPERATIONS

1.1 The Group consists 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 have been consolidated in these 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 2023 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 (Holding Company) holds 55.80% (2022: 55.80%) of the share capital of the Holding Company and West End 16 Pte Limited, Singapore is the ultimate Holding Company.

1.6 Geographical location and addresses of major business units of the Group are as under:

Location	Purpose	Total Area (Acres)
a) Holding Company		
B-23C, S.I.T.E. Karachi	Registered office and Production Plant	2.809
D-109, S.I.T.E. Karachi	Production Plant	1.25
F/46, S.I.T.E Superhighway Phase II, Karachi	Production plant	0.50
E/134, S.I.T.E Superhighway Phase II, Karachi	Future expansion	0.50

Location	Purpose	Total Area (Acres)
b) OBS AGP		
2nd floor, B-23C, S.I.T.E. Karachi	Registered office	
c) OBS PK		
2nd floor, B-23C, S.I.T.E. Karachi	Registered office	

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

2.4 Basis of consolidation

Subsidiary

Subsidiary is the entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Holding Company meets all the above conditions and hence has power over the subsidiary.

AGP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary's shareholder equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full. The Subsidiary has same reporting period as that of the Holding Company. The accounting policies of the Subsidiary are consistent with the accounting policies of the Group.

During last year, the Parent Company (Aitkenstuart Pakistan (Private) Limited) renounced its right to subscribe shares of OBS Pakistan (Private) Limited (previously a wholly owned subsidiary of the Holding Company, Aitkenstuart Pakistan (Private) Limited) in favor of the Holding Company. As a result, the Holding Company acquired 67.57% stake in OBS Pakistan (Private) Limited from Aitkenstuart Pakistan (Private) Limited on 05 April 2023. As this reorganisation involves entities under common control, therefore, the difference between the carrying amounts of net assets of OBS Pakistan (Private) Limited as of 05 April 2023 and consideration paid have been incorporated in these consolidated financial statements within equity (Reserve arising on reorganisation of group). Effect of reorganisation is summarized as follows:

	05 April 2023 OBS Pakistan (Private) Limited Rs in '000
Non- Current Assets	8,601,888
Current Assets	452,558
	9,054,445
Non-Current Liabilities	-
Current Liabilities	8,601,888
	8,601,888
Carrying amount of net assets as of 05 April 2023	452,558
Proportionate share in net assets %	67.57%
Proportionate share in net assets	305,794
Consideration paid	434,558
Reserve arising on reorganisation of group	(128,765)

3 NEW ACCOUNTING STANDARDS

3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Group's accounting period beginning on 01 January 2024, but are considered either to be not relevant or to not have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated financial statements.

3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Group's accounting periods beginning on / after 01 January 2025. However, the Group expects that these standards will not have any material impact on the future consolidated financial statements of the Group.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

Impairment of intangible assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The estimates involved in assessing the recoverable amount of intangible assets are most relevant to goodwill and intangibles having indefinite useful lives recognized by the Group. The key assumptions used to determine the recoverable amount for the CGUs, including a sensitivity analysis, are disclosed and further explained in note 7.3 to these consolidated financial statements.

Allowances for expected credit losses (ECL) of trade debts

the Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Any change in set estimates might affect the carrying values and amount of expected credit loss charge to profit or loss.

Taxation

In making the estimate for income tax payable by the Group, the Group takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Property, plant and equipment

the Group reviews appropriateness of the rate of depreciation and useful life used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

5 MATERIAL ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, which is stated at cost.

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal instalments over the lease period and charged to statement of profit or loss. Depreciation on additions is charged from the month in which the asset is available for use and no depreciation is charged in the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably and assets so replaced, if any, are derecognized or retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposal of assets are taken to the statement of profit or loss.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any and consist of costs incurred and advance made in respect of operating fixed assets and intangible assets in the course of their construction, installation and acquisition. Transfers are made to relevant asset category as and when assets are available for intended use.

Right-of-use assets

These are recognized at the commencement date of the lease (i.e. the date the underlying asset is available for use) and are subsequently 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 recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. These are depreciated on a straight-line basis over the lease term.

5.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired separately (other than goodwill and intangible assets having indefinite useful lives) following initial recognition, are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

The useful life of intangible assets are assessed as either finite or indefinite. Amortisation of finite intangible assets are based on the cost of an asset less its residual value. Amortisation is recognised in consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Full month's amortisation is charged in the month of addition when asset is available for use, whereas amortisation on disposals is charged up to the month in which the disposal takes place. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Intangible assets with indefinite useful lives are tested for impairment annually at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount of an intangible asset or cash-generating unit is the higher of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the intangible asset. In determining the fair value less cost to sell, recent market transaction are taken into account. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

5.3 Stock-in-trade

These are valued at the lower of NRV and cost determined as follows:

- Raw and packing material - weighted average cost.
- Work-in-process and semi-finished goods - cost of direct materials and labour plus attributable overheads.
- Finished goods (manufactured and trading products) - weighted average cost.
- Stock in transit - invoice price plus other charges paid thereon.

Cost of raw material and finished trading goods comprises purchase costs and other incidental charges incurred in bringing the inventories to their present location and condition. Manufactured finished goods and work-in-progress include prime cost and appropriate portion of production overheads based on the normal operating capacity but excluding borrowing costs.

Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and the estimated costs necessary to make the sale and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

5.4 Financial Instruments

5.4.1 Financial assets

i) Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost, if any (except for financial assets at fair value through profit or loss, in which case, transaction cost is charged to profit or loss). Financial assets are classified, at initial recognition; and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVTPL).

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The classification of debt financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

ii) Subsequent measurement

Financial assets are subsequently classified into following categories:

- at amortized cost (debt instruments)
- at FVOCI
- at FVTPL

the Group only has financial assets carried at amortized cost and financial asset at FVTPL.

a) Financial assets at amortised cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in consolidated statement of profit or loss when the asset is derecognized, modified or impaired.

b) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss. This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the statement of profit or loss when the right of payment has been established.

iii) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

iv) **Impairment**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group applies a simplified approach in calculating ECLs for its trade debts. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. For trade debts, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the third parties and the economic environment.

The Group considers a financial asset in default when contractual payments are past due over 180 days. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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ECLs for a corporate guarantee contract are the cash shortfalls adjusted by the risks that are specific to the cash flows. Cash shortfalls are the difference between:

- the expected payments to reimburse the holder for a credit loss that it incurs, and
- any amount that an entity expects to receive from the holder, the debtor or any other party.

5.4.2 Financial liabilities

i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) **Subsequent measurement**

Financial liabilities are subsequently measured as follows:

- Financial liabilities at FVTPL: the Group has not designated any financial liability at FVTPL.
- Financial liabilities at amortized cost: These are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included as finance costs in the consolidated statement of profit or loss.

iii) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

5.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.5 Advances, deposits and prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each consolidated statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

5.6 Lease liabilities

At the commencement date of the lease, the Holding Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments represent 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 wherever applicable. Wherever applicable, the lease payments may also include the exercise price of a purchase option 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 recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Holding Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

5.7 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001 (ITO).

Pursuant to the release of circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Group has elected to change the method of accounting for minimum taxes and final taxes.

Minimum Tax

the Group has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as Income tax, will then be recognized as a levy falling under the scope of IFRIC 21 / IAS 37.

Final tax

As computation of final taxes under provisions of ITO is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the statement of profit or loss.

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. 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 that have been enacted or substantially enacted by the statement of financial position date.

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5.8 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present (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 recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively to reflect current best estimate.

5.9 Revenue recognition

5.9.1 Revenue from contracts with customers

a) Sale of goods

The Group is engaged in the manufacturing and selling of pharmaceutical products and related products. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, i.e. either on delivery of the goods to the customer or goods collected by customers. The normal credit term is 30 days upon delivery. the Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discounts). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

b) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provides certain customers with a right to return within a specified period.

i) Right of return

The contracts for sales of goods provides certain customers with a right to return the products within a specified time. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will not be entitled. The Group applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

ii) Discounts

The Group offers discounts to certain distributors, who shall pass the same onwards and accordingly accounted for as a reduction from the transaction price. A refund liability is recognized for the expected future discounts (i.e. the amount not included in the transaction price).

c) **Contract balances**

i) **Trade debts**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets as disclosed in note 5.4.1 'financial assets' to these consolidated financial statements.

ii) **Contract liabilities**

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

5.9.2 Other income

Revenue from other sources is recognized on the following basis:

i) Dividend income is recognized when the right to receive dividend is established.

ii) Interest income is accounted for using the effective interest rate (EIR) method.

iii) Other income is recorded on accrual basis.

5.10 Segment reporting

For management purposes, the Group is considered to have three cash generating units i.e pharmaceutical segment of AGP Limited, OBS AGP (Private) Limited and OBS Pakistan (Private) Limited. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

6 PROPERTY, PLANT AND EQUIPMENT	Note	2024	2023
		(Rupees in '000)	
Operating fixed assets	6.1	3,661,420	3,156,249
Capital work-in-progress	6.2	538,133	499,343
Right of use asset	6.3	87,245	-
		4,286,798	3,655,592

6.1 Operating fixed assets

	Land		Building		Plant and machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Gas and electrical fittings	Refrigerators and air-conditioners	Laboratory equipments	Computers and related accessories	Total
	Freehold	Leasehold	Factory	Office									
	(Rupees in '000)												
Net carrying value basis Year ended 31 December 2024													
Opening net book value	569,000	211,763	542,259	337,121	547,281	56,552	571,050	43,915	46,506	115,097	209,710	92,059	3,156,249
Transfers from 6.2	-	-	36,518	133,761	386,312	16,248	229,770	16,746	30,047	134,034	1,976	43,701	697,337
Disposals at NBV													
Cost	-	-	-	-	(61,560)	-	(65,533)	(199)	-	(910)	-	(5,668)	(134,258)
Depreciation	-	-	-	-	57,266	56	37,024	181	-	910	-	5,005	30,302
[illegible]	-	-	-	-	(4,303)	(56)	(18,759)	(18)	-	-	-	(663)	(25,586)
Depreciation charge	-	(4,259)	(23,518)	(18,079)	(156,613)	(8,715)	(122,066)	(7,747)	(7,388)	(35,611)	(32,886)	(56,504)	(548,371)
Closing net book value	569,000	207,504	575,259	336,803	772,733	64,045	659,096	54,536	67,567	202,316	178,800	78,545	3,661,420
Gross carrying value basis As at 31 December 2024													
Cost	569,000	245,264	758,223	415,586	952,645	105,359	985,541	97,668	96,348	352,060	255,658	255,713	4,985,568
Accumulated depreciation	-	(37,760)	(183,664)	(78,813)	(177,905)	(41,344)	(326,447)	(43,132)	(28,783)	(130,546)	(116,854)	(177,368)	(1,318,137)
Accumulated impairment	-	-	-	-	(2,010)	-	-	-	-	-	-	-	(3,000)
Net book value	569,000	207,504	575,259	336,803	772,732	64,045	659,094	54,536	67,565	202,316	138,804	78,345	3,661,420
Annual rate of depreciation (%)	-	60/31 years	3.33	5	5	10	16.67	15	10	15	15	25/33	

	Land: Freehold	Land: Leasehold	Building: Factory	Building: Office	Plant and machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Ground electrical fittings	Refrigerators and air-conditioners	Laboratory equipments	Computers and related accessories	Total
	(Rupees in '000)												
Net carrying value basis Year ended 31 December 2023													
Opening net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transfers (note 6.2)	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Disposals (at NBV)													
Cost	-	-	-	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]
Depreciation	-	-	-	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]
	-	-	-	-	[illegible]	-	[illegible]	[illegible]	-	-	-	[illegible]	[illegible]
Reclassification (at NBV) Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Closing net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gross carrying value basis As at 31 December 2023													
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated impairment	-	-	-	-	[illegible]	-	-	-	-	-	-	-	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Depreciation rate (%)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

[illegible]

	Note	2024	2023
		(Rupees in '000)	
6.1.1 Depreciation for the year has been allocated as follows:			
Cost of sales	22	154,766	140,912
Administrative expenses	23	42,873	38,604
Marketing and selling expenses	24	150,932	116,092
		348,571	295,608

6.1.2 The cost of fully depreciated assets of the Group amounted to Rs. 333.30 million (2023: Rs. 307.25 million). In addition, land includes leasehold land having cost of Rs. 35.17 million remains idle as of 31 December 2024 and 2023.

6.1.3 The operating fixed assets of the Group is under hypothecation / mortgage charge, in respect of financing facility as disclosed in note 14 to these financial statements.

6.1.4 Details of operating fixed assets disposed off during the year are as follows:

Description	Mode of disposal	Cost	Accumulated Depreciation	Net book value	Sales proceeds	Gain / (loss)	Relationship of purchaser with the Group	Particulars of buyers
		(Rupees in '000)						
Aggregate amount of assets disposed off having NBV exceeding Rs. 500,000								
[illegible]	Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3rd Party Customer	
[illegible]	Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3rd Party Customer	
[illegible]	Bid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3rd Party Customer	
[illegible]	Company Policy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Employee	[illegible]
[illegible]	Company Policy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Employee	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
Aggregate amount of assets disposed off having NBV not exceeding Rs. 500,000		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Various	Various
	2024	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
	2023	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		

		Note	2024	2023
6.2	**Capital work-in-progress (CWIP)**	**Note**	(Rupees in '000)	
	Opening balance		499,343	378,770
	Additions during the year		936,527	780,928
	Transferred during the year to operating fixed assets	6.1	(897,737)	(660,355)
	Closing balance		538,133	499,343

6.2.1 Capital work-in-progress comprise of:

	2024	2023
Buildings - factory / office sites	424,325	363,443
Plant and machinery	108,748	25,553
Furniture and fixtures	1,388	-
Motor vehicles	-	10,277
Refrigerators and air conditioners	2,457	100,070
Laboratory equipments	1,032	-
Computer and related accessories	183	-
	538,133	499,343

6.3 Right of use asset - motor vehicles

	2024	2023
Additions during the year	81,580	-
Disposal during the year	(7,831)	-
Depreciation for the year	(6,504)	-
Closing balance	67,245	-

6.3.1 Depreciation for the year has been allocated as follows:

	Note	2024	2023
Cost of sales	22	818	-
Administrative expenses	23	351	-
Marketing and selling expenses	24	5,335	-
		6,504	-

7 INTANGIBLE ASSETS

	Note	2024	2023
Goodwill	7.2 & 7.3	743,226	743,226
Trademarks - (indefinite lives)	7.2 & 7.3	16,865,957	16,865,957
Trademarks - (finite lives)	7.1	50,739	58,456
Computer software	7.1	54,408	64,131
		17,514,330	17,531,770

7.1 Intangible assets

	Goodwill	Trademarks - indefinite	Trademarks - finite	Computer softwares	Total
	(Rupees in '000)				
Net carrying value basis Year ended 31 December 2024					
Opening net book value	743,226	16,865,957	58,456	64,131	17,531,770
Additions	-	-	-	7,927	7,927
Amortisation charge	-	-	(7,717)	(17,650)	(25,367)
Closing net book value	743,226	16,865,957	50,739	54,408	17,514,330
Gross carrying value basis As at 31 December 2024					
Cost	743,226	16,865,957	443,097	149,781	18,002,061
Accumulated amortisation	-	-	(392,358)	(95,373)	(487,731)
Net book value	743,226	16,865,957	50,739	54,408	17,514,330
Annual rate of amortisation (%)	-	-	10-20	10-33	
Net carrying value basis Year ended 31 December 2023					
Opening net book value	743,226	8,064,071	66,173	33,583	8,907,053
Additions	-	8,801,886	-	47,040	8,848,926
Amortisation charge	-	-	(7,717)	(16,492)	(24,209)
Closing net book value	743,226	16,865,957	58,456	64,131	17,531,770
Gross carrying value basis As at 31 December 2023					
Cost	743,226	16,865,957	443,097	141,854	17,994,134
Accumulated amortisation	-	-	(384,641)	(77,723)	(462,364)
Net book value	743,226	16,865,957	58,456	64,131	17,531,770
Annual rate of amortisation (%)	-	-	10-20	10-33	

7.2 Goodwill and trademarks

Goodwill of Rs. 743.23 million and trademarks having indefinite useful lives of Rs. 4,641.09 million arose due to business acquisition of AGP (Private) Limited in the year 2014 by the Holding Company [the then Apollo Pharma Limited, the Holding Company at that time, which were later amalgamated into the Holding Company (surviving entity i.e. the Holding Company) under the approved scheme of arrangement. Later, Apollo Pharma Limited changed its name to AGP Limited.

7.2 Impairment testing of goodwill and intangible assets (i.e. trademarks) having indefinite lives

Goodwill and trademarks having indefinite useful lives as disclosed in note 7.2 to these consolidated financial statements are allocated to the cash-generating unit (CGU) of the Holding Company pharmaceutical segment.

In accordance with the requirement of IAS 36 'Impairment of asset' the Holding Company has performed its annual impairment test as at 31 December 2024. The recoverable amount i.e. Rs. 51,752 million (2023: Rs. 13,744.66 million) of CGU, to which the goodwill and intangible assets having indefinite useful lives was allocated, is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 19.4 percent (2023: 21.65 percent) and the growth rate used to extrapolate the cash flows beyond the five-year period is upto 5 percent. As a result of this assessment, the Holding Company did not identify any impairment for the cash-generating unit to which assets aggregating to Rs. 5,384.31 million are allocated.

The calculation of discounted cashflows is most sensitive to the following assumptions:

a) Discount rates
b) Growth rates used to extrapolate cash flows beyond the forecast period

a) Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. The discount rate reflects the weighted average cost of capital of the Holding Company' and the specific risk of the underlying assets.

b) Growth rates

Growth rates used to extrapolate cashflows beyond the five-year forecast period are based on published industry research and historical trends.

Sensitivity to changes in assumptions

a) Discount rates

A rise in the pre-tax discount rate by 1% will result in decrease of the recoverable amount by Rs. 4,229 million (2023: Rs. 842.55 million).

b) Growth rates

The management recognises that the modernisation of manufacturing plant and the possibility of new entrants including change in demand can have a significant impact on the growth rate assumptions. The effect of new entrants and change in market demand is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs. 2,599 million (2023: Rs. 464.56 million).

The Holding Company market capitalisation as at year end, using the Level 1 input of the fair value hierarchy amounts to Rs. 47,628 million (2023: Rs. 19,686.9 million).

Trademarks having indefinite useful lives are allocated to the cash-generating unit of the OBS AGP's pharmaceutical segment. OBS AGP has performed its annual impairment test as at 31 December 2024. The recoverable amount i.e. Rs. 4,449.56 million (2023: Rs. 3,791.15 million) of the intangible assets having indefinite useful lives is determined based on value-in-use calculation (royalty relief method) using future cash flow forecast covering a five-year period. The post-tax discount rate applied to cash flow projections is 18.20 percent (2023: 21.37 percent) and the growth rate used to extrapolate the cash flows beyond the five-year period is 5 percent (2023: 4 percent). As a result of this assessment, the management of OBS AGP's did not identify any impairment for the cash-generating unit to which these assets of Rs. 3,422.98 million (2023: Rs. 3,422.98 million) are allocated.

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The calculation of discounted cashflow is most sensitive to the following assumptions:

a) Discount rates
b) Growth rates used to extrapolate cash flows beyond the forecast period.

a) Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. The discount rate reflects the weighted average cost of capital of the Group and specific risk of underlying asset.

b) Growth rates

Growth rates used to extrapolate cashflows beyond the five year forecast period are based on published industry research and historical trends.

Sensitivity to changes in assumptions

a) Discount rates

A rise in the post-tax discount rate by 1% will result in decrease in recoverable amount by Rs. 331.73 million (2023: Rs. 242.57 million).

b) Growth rates

The management recognises that the possibility of new entrants including change in demand can have a significant impact on growth rate assumptions. The effect of new entrants and change in market demand is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate. A decline in the long-term growth rate by 1% will decrease the recoverable amount by Rs. 209.76 million (2023: Rs. 130.32 million).

Trademarks having indefinite useful lives are allocated to the cash-generating unit (CGU) of the OBS PK pharmaceutical segment as disclosed in notes 4.3 to these financial statements. OBS PK has performed its annual impairment test as at 31 December 2024. The recoverable amount i.e. Rs. 11,443.68 million (2023: 10,150 million) of the intangible assets having indefinite useful lives is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The post-tax discount rate applied to cash flow projections is 20.33 percent (2023: 24.04 percent) and the growth rate used to extrapolate the cash flows beyond the five-year period is 5 percent. As a result of this assessment, the OBS PK did not identify any impairment for the cash-generating unit to which these assets aggregating to Rs 8,602 million are allocated.

The calculation of discounted cashflow is most sensitive to the following assumptions:

a) Discount rates
b) Growth rates used to extrapolate cash flows beyond the forecast period.

a) Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. The discount rate reflects the weighted average cost of capital of the Group and specific risk of underlying asset.

b) **Growth rates**

Growth rates used to extrapolate cashflows beyond the five year forecast period are based on published industry research and historical trends.

Sensitive to changes in assumptions

a) **Discount rates**

A rise in the post-tax discount rate by 1% will result in decrease in recoverable amount by Rs. 729.1 million (2023: Rs. 523.01 million).

b) **Growth rates**

The management recognises that the possibility of new entrants including change in demand, can have a significant impact on growth rate assumptions. The effect of new entrants and change in market demand is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate. A decline in the long-term growth rate by 1% will decrease the recoverable amount by Rs. 430.3 million(2023: Rs. 167.68 million).

7.4 **Amortisation for the year has been allocated as follows:**	Note	2024	2023
		(Rupees in '000)	
Cost of sales	22	14,824	16,467
Administrative expenses	23	9,890	7,089
Marketing and selling expenses	24	653	653
		25,367	24,209

7.5 The cost of fully amortized assets of the Company amounted to Rs. 433.88 million (2023: Rs. 409.56 million).

8 **STOCK-IN-TRADE**	Note	2024	2023
		(Rupees in '000)	
Raw and packing materials			
- In hand	8.1	2,687,697	1,765,496
- In transit		15,223	14,252
		2,602,920	1,779,748
Work-in-process		220,445	200,205
Finished goods			
- Manufacturing		627,626	552,693
- Trading	8.1	803,786	573,510
		1,331,412	1,126,203
Provision for obsolescence and slow moving stock	8.2	(40,261)	(31,294)
	8.3	4,114,297	3,074,862

8.1 Included herein items having value of Rs. 376.52 million (2023: Rs. 480.79 million), representing stock held by third parties.

8.2 Movement in provision for obsolescence and slow moving stock is as follows:

	Note	2024	2023
		(Rupees in '000)	
Opening balance		31,294	42,812
Provision made during the year	22	30,155	38,264
Written off during the year		(21,188)	(51,873)
		40,261	31,294

8.3 Stock-in-trade includes items having cost of Rs. 32.67 million (2023: Rs. 30.06 million) written down to net realisable value of Rs. 25.38 million (2023: Rs. 25.49 million) resulting in a write down of Rs. 7.29 million (2023: Rs. 4.57 million).

8.4 During the year, the manufacturing and trading finished goods sold amounted to Rs. 3,096.78 billion and Rs. 4,665 (2023: Rs. 2,748.14 million and Rs. 3,205.34 million), respectively that are charged to cost of sales.

9 TRADE DEBTS	Note	2024	2023
		(Rupees in '000)	
Considered good			
Related parties			
- CBS Pharma (Private) Limited		9,029	-
- Muller & Phipps Pakistan (Private) Limited		1,790,498	1,797,981
	9.1	1,799,527	1,797,981
Others		189,178	111,872
		1,988,705	1,909,853
Considered doubtful		2,929	4,047
Allowance for ECL	9.3	(2,929)	(4,047)
		-	-
		1,988,705	1,909,853

9.1 The ageing analysis of unimpaired trade debts due from related parties is as follows:

	Total	Current	Days past due 1-30 days	31-90 days	91 and above days
	(Rupees in '000)				
2024					
CBS Pharma (Private) Limited	9,029	-	-	1,368	7,661
Muller & Phipps Pakistan (Private) Limited	1,790,498	-	1,783,444	-	7,054
Total	1,799,527	-	1,783,444	1,368	14,715
2023					
Muller & Phipps Pakistan (Private) Limited	1,797,981	890,898	902,350	4,733	-

9.2 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

Related parties - associated companies	Note	2024	2023
		(Rupees in '000)	
CBS Pharma (Private) Limited		124,021	-
Muller and Phipps Pakistan (Private) Limited		2,652,068	2,257,088

9.3 The movement in allowance for ECL is as follows:

	Note	2024	2023
Opening balance		4,047	1,205
(Reversal) / charge	28	(1,118)	2,842
Closing balance	9.3.1	2,929	4,047

9.3.1 Included herein Rs. 368.52 million (2023: Rs. 779.11 million) related to Muller and Phipps Pakistan (Private) Limited, a related party.

10 ADVANCES - unsecured, considered good	Note	2024	2023
		(Rupees in '000)	
Suppliers	10.1	355,266	424,196
Employees		8,460	9,883
		363,766	434,079

10.1 These are interest free and adjustable within the period of 6 months from the date of issuance.

11 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2024	2023
		(Rupees in '000)	
Trade deposits			
Security deposits		15,223	35,926
Margin on letters of credit		217,997	172,577
		233,220	208,503
Prepayments - insurance		2,926	4,875
Other receivables			
Related parties			
OBS Pharma (Private) Limited		13,320	51,800
Aitkenstuart Pakistan (Private) Limited		22	-
Aspin Pharma (Private) Limited		8,370	20
	11.1	21,712	51,820
Others		27,096	32,265
		284,954	297,463

11.1 Represents shared services charged by the Company and expenditure incurred on behalf of related parties. These balances are interest free and repayable on demand.

12 CASH AND BANK BALANCES	Note	2024	2023
		(Rupees in '000)	
Cash in hand		3,464	3,891
Balances held with banks			
Current accounts			
- local currency		299,326	33,069
- foreign currency		577	620
		299,903	33,689
Deposit accounts	12.1	347,379	154,825
	12.2	650,746	192,405

12.1 These carry mark-up at the rates ranging from 8.0% to 20.60% (2023: 11.01% to 20.50%) per annum.

12.2 The amount includes Rs. 78.62 million (2023: Rs. 78.62 million) marked as lien against the bank guarantee given.

13 SHARE CAPITAL

Authorised share capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
350,000,000	350,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	3,500,000	3,500,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
Number of shares			(Rupees in '000)	
280,000,000	280,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	2,800,000	2,800,000

13.1 Voting rights, board selection and similar rights of shareholders are in proportion to the shareholding of the Holding Company.

13.2 Earnings per share - basic and diluted	2024	2023
	(Rupees in '000)	
Net profit attributable to equity holders of the Holding Company	2,609,782	1,565,105
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	280,000,000	280,000,000
Earnings per share (Rupees)	9.33	5.59

14 LONG-TERM FINANCING - secured	Note	2024	2023
		(Rupees in '000)	
Running musharakah under SBP Refinance Scheme		-	-
SBP financing scheme for renewable energy	14.2	22,824	28,077
Diminishing musharakah	14.5	134,848	72,351
Syndicate term finance	14.3	2,137,776	2,474,909
Sukuk (net of transaction cost)	14.6, 14.7 & 14.8	7,677,042	8,339,073
		9,972,187	10,914,410
Less: Current maturity	19	(2,431,205)	(1,320,663)
		7,540,982	9,593,747

14.1 The movement in long-term financings is as follows:

	2024	2023
Balance at beginning of the year	10,914,410	2,595,934
Proceeds received during the year	142,412	8,813,855
Related transaction cost	-	(133,849)
Mark-up charged during the year	2,218,161	1,270,970
Amortisation of transaction costs	2,123	-
Mark-up paid during the year	(3,305,949)	(1,632,500)
Balance at end of the year	9,972,187	10,914,410

14.2 The Holding Company had obtained financing facility under SBP financing scheme for Renewable Energy of Rs. 75 million for a period of 7 years including 3 months grace period. The repayment will be made in 81 equal monthly instalments after grace period. It carries mark-up at the SBP rate (i.e. 2%) + 4% per annum. The facility is secured against first pari passu hypothecation charge of Rs. 100 million over present and future plant and machinery of the Holding Company. As of reporting date, Rs. 25.7 million (2023: Rs. 25.7 million) of the facility remained unutilised.

14.3 The Holding Company has obtained long-term finance of Rs. 2,364 million through the syndicate term finance agreement, repayable in quarterly instalments commencing from 06 July, 2024 including grace period of 12 months over the term of 5 years. These carry profit rate of 3 months KIBOR + 1.45% per annum and are secured against the present and future property, plant and equipment of the Holding Company to the extent of Rs. 3,000 million.

14.4 The Holding Company has provided corporate guarantee to JS Bank Limited being the investment agent of its subsidiaries. This is in relation to secure all payment obligations and liabilities i.e. principal repayment and principal along with profit repayments for OBS AGP and OBS PK respectively, in respect of sukuk issued by the subsidiaries to the investment agent for the benefit of certificate holders of the subsidiaries.

14.5 OBS AGP has obtained Diminishing Musharka amounting to Rs 100 million and Rs 92.48 million carrying profit at the rates of 6 months KIBOR + 2.35% and 3 months KIBOR + 1.25% per annum from Bank Islami and First Habib Modaraba respectively. These facilities are obtained for the term of five years and are secured against respective assets.

14.6 OBS AGP issued sukuk certificates by the Group during the year ended 2021, amounting to Rs. 2,800 million carrying profit of 3 months KIBOR + 1.55% per annum. The outstanding amount is repayable by July 2029 and is secured against term deposit receipts of the Group, the present and future fixed assets and corporate guarantee of the Holding Company and shares of the Holding Company held by Alliendtuatt Pakistan (Private) Limited.

14.7 OBS PK issued sukuk certificates of Rs. 3,600 million, which are repayable in quarterly instalments of Rs. 163.63 million commencing from February 2025, over the term of 7 years including 18 months grace period. These carry profit rate of 3 months KIBOR + 1.60% per annum and are secured against pledge of shares of Rs.6,000 million of the Holding Company held by Alliendtuatt Pakistan (Private) Limited (an associated company), and Corporate Guarantee issued by the Holding Company.

14.8 OBS PK issued sukuk certificates of Rs. 2,850 million, which are repayable in quarterly instalments of Rs. 129.54 million commencing from August 2025, over the term of 7 years including 18 months grace period. These carry profit rate of 3 months KIBOR + 1.60% per annum and are secured against the present and future fixed assets aggregating to Rs 3,625 million and corporate guarantee of the Holding Company.

14.9 The following information is disclosed by the Group being a Shariah compliant entity and listed on Islamic index.

	Financing Facility Obtained	Financing Facility Utilized	Current / Deposit Accounts	Profit / Mark-up Earned	Profit / Markup Paid
	(Rupees in '000)				
2024					
Shariah compliant financings					
Long-term financing	2,363,976	2,137,775	-	-	533,424
Short-term borrowings	1,450,000	496,287	-	3,689	144,259
	3,813,976	2,634,062	-	3,689	677,683
Conventional financings					
Long-term financing	75,000	22,524	-	-	1,599
Short-term borrowings	2,050,000	350,036	111,782	22,755	151,779
	5,938,976	3,006,622	111,782	26,444	831,061
2023					
Shariah compliant financings					
Long-term financing	2,363,976	2,363,976	-	-	213,448
Short-term borrowings	1,450,000	725,683	451	2,543	55,503
	3,813,976	3,089,659	451	2,543	268,951
Conventional financings					
Long-term financing	75,000	28,077	-	-	2,027
Short-term borrowings	2,050,000	212,000	137,071	23,143	95,771
	5,938,976	3,329,748	137,522	25,686	366,749

15. LEASE LIABILITIES	2024	2023
	(Rupees in '000)	
Lease liabilities	58,689	-
Less: current portion	(10,033)	-
	48,656	-

15.1 Future period lease payments and interest expense:

	2024			2023		
	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	Rupees			Rupees		
Not more than 1 year	18,881	8,848	10,033	-	-	-
Later than 1 year but not more than 5 years	63,222	14,566	48,656	-	-	-
	82,103	23,414	58,689	-	-	-

16. DEFERRED TAXATION	Note	2024	2023
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax depreciation / amortization		304,461	211,378
Deductible temporary differences			
Provisions		(46,109)	(12,277)
		258,352	199,101

17. TRADE AND OTHER PAYABLES	Note	2024	2023
Creditors		1,464,551	1,355,206
Accrued liabilities		1,458,585	879,880
Payable to the Parent Company		-	122,343
Payable to Aspin Pharma (Private) Limited - related party		13,140	10,470
Compensated absences		64,078	54,822
Contract liabilities (advances from customers)	17.1	40,858	26,299
Retention money		8,585	872
Provident fund	17.2	40,798	23,657
Infrastructure Cess		13,861	13,301
Workers' Profit Participation Fund	17.3	5,078	-
Workers' Welfare Fund	17.4	62,883	17,512
Central Research Fund	17.5	34,027	16,445
Withholding tax		50,862	186,298
Sales tax		28,475	22,224
Others		4,050	3,571
		3,275,126	2,840,516

17.1 These contract liabilities are unsecured and received under normal course of business. Revenue recognized during the year from amount included in contract liabilities at beginning of the year amounts to Rs. 26.29 million (2023: Rs. 22.51 million).

17.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the regulations formulated for this purpose.

17.3 Workers' Profits Participation Fund

	Note	2024	2023
		(Rupees in '000)	
Balance at the beginning of the year		(2,750)	10,807
Allocation charged for the year	25	168,723	91,310
		165,973	102,117
Payments made during the year		(160,000)	(104,867)
Balance at the end of the year		5,973	(2,750)

17.4 Workers' Welfare Fund

	Note	2024	2023
Balance at the beginning of the year		17,512	24,483
Charge for the year	25	64,476	17,646
		81,988	42,129
Payments made during the year		(19,106)	(24,617)
Balance at the end of the year		62,882	17,512

17.5 Central Research Fund

	Note	2024	2023
Balance at the beginning of the year		18,445	21,753
Charge for the year	25	34,085	18,446
		52,530	40,199
Payments made during the year		(18,503)	(21,754)
Balance at the end of the year		34,027	18,445

18 SHORT-TERM BORROWINGS - secured

	Note	2024	2023
Running finance from commercial banks	18.1	350,056	809,712
Running musharakah from islamic banks	18.2	496,267	725,954
		846,323	1,535,666

18.1 The Holding Company obtained running finance facilities from commercial banks upto Rs.2,050 million. The markup rate on this facility is 1 - 3 months KIBOR plus 0.30% to 1.25% per annum payable quarterly. The facility is secured by way of hypothecation charge over current assets of the Holding Company. As of reporting date, Rs. 1,700 million (2023: Rs. 1,338 million) of the facility limits remained unutilised and utilised portion is Rs. 350 million (2023: Rs 212 million).

18.2 The Holding Company obtained running musharakah facilities from islamic banks upto Rs. 1,450 million. The profit rate on this facility is 1 - 3 months KIBOR plus 0.50% to 1% per annum payable quarterly. The facility is secured by way of hypothecation charge over current assets of the Holding Company.As of reporting date, Rs. 953.45 million (2023: Rs. 724.31 million) of the facility limits remained unutilised and utilised portion is Rs. 496.55 million (2023: Rs. 725.69 million).

18.3 OBS AGP has obtained various financing facilities from commercial banks amounting to Rs. 950 million (2023: Rs.800 million), which remained unutilized as at the reporting date.

19 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Long-term financing	14	2,431,206	1,320,663
Lease liabilities	15	10,033	-
Gas Infrastructure Development Cess		2,082	1,565
		2,443,320	1,322,228

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20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 In the year 2018, the Company received a demand for tax year 2017 from the taxation authorities concerning the payment of Rs. 12.5 million made by the Company to the Sindh Revenue Board (SRB) in respect of the Workers Welfare Fund (WWF). The Company filed an appeal before Commissioner Inland Revenue (CIRA(A)) whereby the appeal was decided against the Company. In the year 2019, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) to allow expense in respect of WWF which is pending adjudication. The Company, in view of a tax advice, expects a favorable outcome, accordingly, no provision has been made in these financial statements.

20.1.2 During the year ended 2023, Federal Board of Revenue (FBR) issued show cause notices in respect of tax periods from July 2021 to March 2023 claiming sales tax aggregating to Rs. 43 million along with default surcharge. The Company confronted against the above notice before the CIRA who nullified the notice and remanded the case to Deputy Commissioner which is still pending. The Company, in view of a tax advice, expects a favorable outcome; accordingly, no provision has been made in these financial statements.

20.2 Guarantees

	2024	2023
	(Rupees in '000)	
Bank guarantees	168,078	151,377
Letters of credit	1,047,835	1,047,835
Capital expenditure	819,210	442,450

Ijarah Agreement

The Holding 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 Holding Company. Future rentals payable are as follows:

	2024	2023
	(Rupees in '000)	
Not later than one year	53,242	30,617
Later than one year but not later than five years	141,985	74,092
	195,227	104,709

21 REVENUE FROM CONTRACT WITH CUSTOMERS - net

	2024	2023
Local		
- Manufacturing	17,576,332	10,904,743
- Trading	7,440,398	8,466,704
	25,016,730	19,371,447
Export	2,759,408	1,875,217
	27,776,138	21,246,664
Less: Trade discounts	(2,371,646)	(2,169,807)
Sales returns	(89,582)	(144,033)
Sales tax	(280,268)	(189,748)
	(2,741,496)	(2,503,588)
	25,034,642	18,743,076

21.1 Revenue earned during the year is in accordance with shariah compliant principles.

22 COST OF SALES

	Note	2024	2023
		(Rupees in '000)	
Cost of sales - manufacturing			
Raw and packing materials consumed			
Opening stock		1,755,496	1,123,154
Purchases		4,813,022	4,515,284
		6,578,518	5,638,438
Closing stock	8	(2,567,607)	(1,755,495)
		3,996,921	3,872,943
Manufacturing cost			
Salaries, wages and other benefits	22.1	1,267,884	988,027
Stores and spares consumed		31,282	47,334
Provision for obsolescence and slow moving stock - net	8.2	38,170	40,759
Processing charges		112,810	84,753
Freight		22,832	10,831
Fuel, gas and electricity		404,813	305,286
Repairs and maintenance		222,048	146,141
Travelling and conveyance		31,444	19,759
Insurance		31,498	19,181
Laboratory expenses		61,735	52,187
Rates and taxes		12,346	3,149
Depreciation on operating fixed assets	5.1.1	154,766	140,912
Depreciation on right of use assets	5.3.1	818	-
Amortisation	7.4	7,187	6,750
Communication		5,047	4,349
Printing and stationery		12,546	9,854
		2,580,025	1,858,909
		6,556,556	5,731,851
Work-in-process			
Opening stock		200,205	185,087
Closing stock	8	(220,445)	(200,205)
		(20,240)	(15,118)
		6,536,716	5,716,733
Finished goods - manufacturing			
Opening stock		552,635	444,058
Closing stock	8	(527,635)	(552,653)
		25,068	(108,595)
		6,555,778	5,608,348
Cost of samples for marketing and sales promotion	24	(180,812)	(155,079)
Finished goods - trading			
Opening stock		578,519	435,119
Purchases		4,283,394	3,343,728
Closing stock	8	(808,798)	(578,510)
		4,053,115	3,200,335
Direct expenses			
Amortisation	5.4	7,717	7,717
(Reversal) / provision for slow moving and obsolete stock-net	7.4	(8,811)	(1,402)
Warehousing and logistics charges		47,478	38,463
		35,187	44,778
		10,482,268	8,703,982

22.1 Included herein Rs. 18.40 million (2023: Rs. 14.21 million) in respect of staff retirement benefits.

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23 ADMINISTRATIVE EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries and other benefits	23.1	479,643	384,798
Traveling and conveyance		11,130	22,833
Printing and stationary		10,274	7,970
Directors' remuneration		8,875	15,000
Meeting and conferences		8,320	2,792
Communication		2,461	1,933
Legal and professional		97,936	66,051
Research cost		106,610	46,663
Repairs and maintenance		42,617	43,694
Software license renewals and maintenance fee		76,611	31,410
Subscription and fee		4,297	1,456
Advertisement		430	3,014
Auditors' remunerations	23.2	11,074	8,073
Donations	23.3	14,031	16,723
Insurance		2,277	2,924
Depreciation on operating fixed assets	5.1.1	42,873	38,604
Depreciation on right of use assets	5.3.1	381	-
Amortisation	7.4	9,890	7,059
Shared cost		1,321	
Corporate social responsibility		11,311	12,449
Vehicle running expenses		1,347	505
		942,368	713,981

23.1 Included herein Rs. 11.43 million (2023: Rs. 10.48 million) in respect of staff retirement benefits.

23.2 Auditors' remunerations	2024	2023
	(Rupees in '000)	
Statutory audit fee - standalone	2,195	2,165
Statutory audit fee - consolidation	949	949
Subsidiary companies	4,018	2,165
Half yearly review and other certifications	2,527	1,689
Sindh sales tax	463	573
Out of pocket expenses	946	532
	11,074	8,073

23.3 Donation to a single party exceeding higher of Rs. 1 million or 10% of total donations are as follows:

	Note	2024	2023
		(Rupees in '000)	
The Citizens Foundation		4,200	4,200
The Patients' Behbud Society for AKUH	23.3.1	1,000	1,000
The Kidney Foundation		1,078	3,170
Shamsen Khan Memorial Foundation		-	2,600
		6,278	10,970

23.3.1 Mr. Zafar Iqbal Sobani, a director of the Group is also a director in The Patients' Behbud Society for AKUH.

24 MARKETING AND SELLING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries and other benefits	24.1	2,835,635	2,336,335
Travelling and conveyance		901,009	793,340
Repairs and maintenance		27,052	19,534
Insurance		25,777	19,872
Depreciation	5.1.1	150,502	116,092
Depreciation on right of use assets	5.2.1	5,335	-
Amortization	7.4	553	653
Ijarah rentals		4,327	32,435
Lease rentals		30,250	-
Printing and stationery		12,728	14,066
Samples	22	189,818	156,073
Sales promotion		1,004,148	888,740
Meeting and conferences		446,304	321,175
Communication		51,508	44,827
Subscription		49,050	47,058
Product registration fee		81,785	20,797
Freight, handling and transportation		212,067	115,923
		6,003,055	4,910,822

24.1 Included herein Rs. 82.12 million (2023: Rs. 58.72 million) in respect of staff retirement benefits.

25 OTHER EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Workers' Profit Participation Fund	17.3	158,722	81,310
Workers' Welfare Fund	17.4	54,475	17,546
Central Research Fund	17.5	34,065	18,446
Exchange loss		35,938	143,598
Allowance for ECL	5.3	(1,415)	2,842
		281,785	273,842

26 OTHER INCOME

	Note	2024	2023
Income from financial assets			
Markup on deposit accounts		39,609	43,913
Dividend income		28,470	10,550
Markup on term deposit receipts		35,009	37,913
		100,082	92,376
Income from non-financial assets			
Gain on sale of operating fixed assets - net	5.1.4	15,700	8,566
Amortisation of government grant		-	2,334
Scrap sales		20,034	15,586
Others		25	3,299
		35,759	29,787
		135,841	122,165

27 FINANCE COSTS

	2024	2023
Mark-up on:		
long-term financing	2,218,061	1,256,172
short-term borrowings	378,782	300,601
lease liabilities	42,071	-
	2,639,004	1,556,773
Bank charges	55,115	32,325
	2,693,958	1,529,558

28 TAXATION

	2024	2023
	(Rupees in '000)	
Current	1,414,407	934,009
Prior	(24,432)	92,854
Deferred	55,251	67,758
	1,445,226	794,881

Relationship between income tax expense and accounting profit is as follows:

	2024	2023
Profit before income tax and levies	4,444,575	2,535,541
Tax at the applicable tax rate of 29%	1,288,924	735,250
Tax effects of:		
Prior year charge	(77,077)	92,854
Lower tax rate	(157,412)	(256,613)
Tax credits	(8,736)	(5,943)
Levies	(37,120)	(15,739)
Super tax	38,607	167,720
Deductible / non-deductible items	397,148	26,308
	1,445,226	794,881

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Managerial remuneration	81,800	62,464	-	-	846,343	880,347
Bonus	21,173	8,801	-	-	39,364	48,364
Performance incentive	34,800	37,332	-	-	46,270	17,722
Reimbursement of expenses	10,323	3,472	-	-	119,271	167,739
Provident fund	5,385	4,299	-	-	48,175	37,594
Others	2,454	10,299	-	-	183,844	31,591
	156,740	126,667	-	-	1,323,871	1,204,827
Number of persons	2	2	10	9	282	152

29.1 In addition, certain executives are provided with free use of Company maintained car in accordance with their entitlements.

29.2 During the year, fee paid to two (2023: two) independent directors and five (2023: four) non-executive directors for attending board and other meetings aggregating to Rs. 8.8 million (2023: Rs. 15 million). Travelling and boarding expenses of executive and non-executive directors borne by the Holding Company amounted to Rs. 1.47 million (2023: Rs. 1.45 million). Number of non-executive directors at year end were four (2023: four).

30 PRODUCTION CAPACITY

	2024	2023
	Number of packs	
Available capacity	110	95
Actual Production	96.5	72.35

30.1 Actual production during the year is in line with market demand.

31 CASH GENERATED FROM OPERATIONS

	Note	2024	2023
		—— (Rupees in '000) ——	
Profit before income tax and levies		4,440,978	2,634,516
Adjustments for non-cash items:			
Depreciation of property, plant and equipments	6.1.1	348,571	295,608
Depreciation of right of use assets	7.4	6,504	-
Amortisation	7.4	25,367	24,209
Allowance for ECL	26	(1,419)	2,842
Gain on disposal of operating fixed assets	26	(15,700)	(6,586)
Provision for obsolescence and slow moving stock	8	29,115	39,354
Stock written off during the year	8	(5,379)	(51,873)
Mark-up on deposit accounts	26	(38,603)	(43,913)
Reversal of GIDC	16	1,375	(648)
Interest on lease liability paid		8,201	-
Amortisation of government grant	26	-	(2,334)
Mark-up on term deposit receipts	27	-	(37,913)
Amortization of long-term financing		3,133	-
Finance costs	27	2,693,053	1,629,098
Dividend income	26	-	(10,552)
Workers' Profit Participation Fund	25	188,723	91,310
Workers' Welfare Fund	25	64,478	17,646
Central Research Fund	25	34,085	18,446
		3,323,502	1,962,694
		7,770,480	4,597,210
Working capital changes:			
Stores, spares and loose tools		(4,392)	(1,843)
Stock-in-trade		(1,003,272)	(876,922)
Trade debts		(69,333)	(558,517)
Advances		70,313	(165,832)
Trade deposits, prepayments and other receivables		9,559	(63,179)
Trade and other payables		308,690	1,104,329
		(688,435)	(561,964)
		7,082,045	4,035,246

32 CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and bank balances	12	650,766	202,305
Lien on bank balance	12.2	(78,623)	(78,623)
Short-term borrowings	18	(846,323)	(1,535,666)
		(274,180)	(1,411,984)

33 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group companies comprises parent companies, group companies, associated companies, staff retirement funds, directors and key management personnel. 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	2024	2023
				—(Rupees in '000)—	
Aitkenhead Pakistan (Private) Limited - Pakistan	Holding Company	55.90%	Expenditure incurred on behalf of Holding Company of the Group	87	2,886
			Amount received against issuance of shares	-	36,000
			Transaction fee on takeover	64,826	252,775
			Expenditure incurred / paid by parent on behalf of the Group	2,380	22,415
			Dividend paid	492,828	395,321
Aspin Pharma (Private) Limited	Associate (common directorship)	4.79%	Sales	6,888	31,798
			Purchases	31,710	-
			Expenditure incurred / paid by the Group on behalf of associate	7,988	7,071
			Expenditure incurred / paid by associate on behalf of the Group	59,057	35,310
			Dividend paid	33,599	26,880
OBS Pharma (Private) Limited - Pakistan	Associate (common directorship)	-	Sales	114,462	-
			Expenditure incurred / paid by the Group on behalf of associate	47,844	50,564
			Purchase of Tablet devices	2,706	-
Muller and Phipps Pakistan (Private) Limited - Pakistan	Associate (common directorship)	13.54%	Sales	21,006,640	16,105,584
			Settlement of discounts and expenses given / incurred on behalf of the Group	1,116,269	790,512
			Warehouse and logistic charges	62,866	22,383
			Dividend paid	94,900	75,942
Key management personnel			Remuneration	301,368	255,152
			Provident fund contribution	14,898	11,814
			Dividend paid	15	11
			Reimbursement of expenses	26,896	25,475
Directors			Dividend paid	12,676	15,295

34 OPERATING SEGMENT RESULTS

	The Holding Company		OBS AGP		OBS PAK		Total	
	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2023
	(Rupees in '000)							
Sales:								
Afghanistan	2,757,222	1,869,847	-	-	-	-	2,757,222	1,869,847
Sri Lanka	2,186	5,370	-	-	-	-	2,186	5,370
	2,759,408	1,875,217	-	-	-	-	2,759,408	1,875,217
Inter-segment	2,004,532	1,844,950	-	-	-	-	2,004,532	1,844,950
Local	16,083,814	11,955,843	6,796,969	5,360,543	3,334,957	1,719,135	26,215,740	19,335,315
Turnover	20,847,754	15,676,010	6,796,969	5,360,543	3,334,957	1,719,135	30,779,875	23,056,488
Sales tax	(290,250)	(105,746)	-	-	-	-	(290,250)	(105,746)
Sales return	(69,582)	(23,814)	-	(45,485)	-	-	(69,582)	(69,299)
Discounts	(1,734,088)	(1,575,470)	(539,729)	(256,068)	(97,826)	(45,868)	(2,371,643)	(2,176,421)
Net turnover	18,553,808	13,857,776	6,247,236	5,058,990	3,237,131	1,673,267	28,038,175	20,588,025
Cost of sales	(9,671,888)	(7,715,369)	(2,919,946)	(2,273,705)	(873,970)	(569,790)	(13,465,803)	(10,558,882)
Gross profit	8,881,920	6,142,351	3,327,291	2,785,285	2,363,161	1,103,477	14,572,372	10,028,143
Marketing and selling expenses	(4,127,488)	(3,279,221)	(1,621,049)	(1,398,405)	(636,525)	(280,066)	(6,384,947)	(4,957,692)
Administrative expenses	(628,536)	(477,226)	(194,472)	(132,806)	(145,714)	(100,166)	(949,721)	(710,198)
Operating result	4,125,910	2,385,874	1,511,770	1,254,074	1,580,916	723,245	7,218,604	4,363,193
Segment assets	19,516,488	17,085,365	4,829,938	5,382,538	8,726,001	9,669,568	33,072,426	32,138,471
Unallocated assets	-	-	-	-	-	-	-	-
	19,516,488	17,085,365	4,829,938	5,382,538	8,726,001	9,669,568	33,072,426	32,138,471
Segment liabilities	6,304,619	6,232,904	2,276,097	3,403,982	6,886,909	7,079,789	15,465,626	16,716,675
Unallocated liabilities	-	-	-	-	-	-	-	-
	6,304,619	6,232,904	2,276,097	3,403,982	6,886,909	7,079,789	15,465,626	16,716,675
Depreciation and amortisation	296,817	264,844	55,281	52,311	18,343	2,865	369,441	319,916
Interest expense	(756,009)	(656,257)	(402,488)	(545,252)	(1,438,626)	(467,857)	(2,597,137)	(1,667,466)
Interest income	26,291	25,696	24,612	30,533	49,179	25,815	100,082	81,926
Income tax expense	(1,093,042)	(532,554)	(360,604)	(260,476)	(36,702)	(18,384)	(1,490,348)	(811,414)

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		2024	2023
34.1	**Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities**	(Rupees in '000)	
34.1.1	**Net turnover**		
	Total net turnover for reportable segments	28,038,175	20,588,025
	Elimination of inter-segment/group net turnover from subsidiary	(2,004,532)	(1,844,949)
	Total net turnover - note 21	26,033,643	18,743,076
34.1.2	**Cost of sales**		
	Total cost of sales for reportable segments	(13,465,803)	(10,558,882)
	Elimination of inter-segment/group purchases from the Holding Company	2,983,535	1,855,800
	Total cost of sales - note 22	(10,482,268)	(8,703,082)
34.1.3	**Assets**		
	Total assets for reportable segments	33,072,436	32,138,471
	Elimination of inter-segment/group transactions	(3,723,276)	(4,175,028)
	Total assets	29,349,160	27,963,443
34.1.4	**Liabilities**		
	Total liabilities for reportable segments	15,465,626	16,716,675
	Elimination of inter-segment/group transactions	(684,787)	(1,113,414)
	Total liabilities	14,780,839	15,603,261

34.2 Revenue from Muller and Phipps Pakistan (Private) Limited, a related party, amounting to Rs. 21,037 million (2023: Rs. 16,193 million) represents 10% or more of the Group's overall revenue related to manufactured and tradings goods.

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency, interest rate and other price risks). The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. No changes were made in the risk management framework and capital management of the Group during the year ended 31 December 2024.

35.1 Risk management framework

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

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, 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.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

36.1.1 Financial assets and liabilities (excluding statutory assets and liabilities) by category and their respective maturities are as follows:

	Interest bearing			Non-interest bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	Total
	(Rupees in '000)						
Financial assets							
(at amortised cost)							
Long-term investment	-	-	-	-	-	-	-
Short-term investments	51,009	-	51,009	-	-	-	51,009
Deposits and receivables	-	-	-	302,028	66,983	369,011	369,011
Trade debts	-	-	-	1,980,708	-	1,980,708	1,980,708
Cash and bank balances	347,379	-	347,379	303,387	-	303,387	650,766
31 December 2024	398,388	-	398,388	2,586,123	66,983	2,653,106	3,051,494
Financial liabilities							
(at amortised cost)							
Long-term financing	2,431,205	7,540,982	9,972,187	-	-	-	9,972,187
Trade and other payables	-	-	-	3,100,405	-	3,100,405	3,100,405
Unclaimed dividends	-	-	-	2,016	-	2,016	2,016
Accrued interest	-	-	-	56,364	-	56,364	56,364
Short-term borrowings	846,323	-	846,323	-	-	-	846,323
31 December 2024	3,277,528	7,540,982	10,818,510	3,158,797	-	3,158,797	13,977,307

	Interest bearing			Non-interest bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	Total
	(Rupees in '000)						
Financial assets							
(at amortised cost)							
Short-term investments	110,000	-	110,000	-	-	-	110,000
Deposits and receivables	-	-	-	289,638	37,605	327,243	327,243
Trade debts	-	-	-	1,912,795	-	1,912,795	1,912,795
Cash and bank balances	164,625	-	164,625	37,680	-	37,680	202,305
(at FVTPL)							
Short-term investments	-	-	-	542,518	-	542,518	542,518
31 December 2023	274,625	-	274,625	2,782,631	37,605	2,820,236	3,094,861
Financial liabilities							
(at amortised cost)							
Long-term financing	1,842,439	10,866,440	12,708,879	-	-	-	12,708,879
Trade and other payables	-	-	-	3,572,248	-	3,572,248	3,572,248
Unclaimed dividends	-	-	-	1,853	-	1,853	1,853
Accrued interest	-	-	-	103,160	-	103,160	103,160
Short-term borrowings	1,535,666	-	1,535,666	-	-	-	1,535,666
31 December 2023	3,378,105	10,866,440	14,244,545	3,677,261	-	3,677,261	17,921,806

36.1.2 The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

AGP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

36.2 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital includes issued capital and reserves and the Group is not subject to any regulatory capital requirements. The Group finances its operations / investing activities through external facilities, in addition to its equity.

	Note	2024	2023
		(Rupees in '000)	
Long-term financing	14	9,972,187	10,914,410
Accrued interest		56,364	103,160
Short-term borrowings	18	846,323	1,535,666
Total debts		10,874,874	12,553,236
Less: Cash and bank balances	12	650,766	202,305
		(78,623)	(78,623)
		572,143	123,682
Net debts		10,302,731	12,429,554
Total capital		13,419,780	11,441,017
Gearing ratio		43%	52%

36.3 Credit risk

Credit risk is the risk of financial loss to the Company if one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. The management continuously monitors the credit exposure towards the customers and records an allowance for expected credit loss. The credit risk on liquid funds such as balances with banks is limited because the counter parties are banks with reasonably high credit ratings. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities, where applicable. As of 31 December 2024, the Company is mainly exposed to such risk in respect of trade [illegible] and bank balances.

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party default rates as follows:

	2024	2023
	(Rupees in '000)	
Trade debts	1,980,708	1,909,953
Bank Balances		
A-1+	110,674	197,847
A-1	628	31
Unrated	602	436
	111,904	198,314
Short term investment	51,009	652,518

As at reporting date, there are no financial assets that could otherwise be past due or impaired whose terms have been renegotiated.

35.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group applies prudent liquidity risk management by maintaining sufficient bank balances and the availability of funding through committed credit facilities as disclosed in note 20 to these financial statements. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

The table below summarises the maturity profile of the Group's financial liabilities:

	On demand	Less than 3 months	3 to 12 months	More than 12 months	Total
	(Rupees in '000)				
2024					
Long-term financing	-	540,266	1,890,939	7,540,982	9,972,187
Trade and other payables	64,978	2,972,515	13,046	-	3,050,539
Unclaimed dividends	-	2,018	-	-	2,018
Accrued interest	-	56,364	-	-	56,364
Short-term borrowings	846,323	-	-	-	846,323
	911,301	3,571,163	1,903,985	7,540,982	13,927,431
2023					
Long-term financing	-	250,221	1,592,218	10,866,440	12,708,879
Trade and other payables	64,822	2,502,883	4,543	-	2,572,248
Unclaimed dividends	-	1,853	-	-	1,853
Accrued interest	-	103,160	-	-	103,160
Short-term borrowings	1,535,666	-	-	-	1,535,666
	1,600,488	2,858,117	1,596,761	10,866,440	16,921,806

35.5 Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and equity price risk.

35.5.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's long-term financing and short-term borrowings at a floating rate to meet its business operations requirements. The Group manages interest rate risk by maintaining arrangement with number of financial institutions to have access to the best possible rate, if financing from banks is required. Management of the Group estimates that 10% increase / decrease in the market interest rate, with all other factors remaining constant, would decrease / increase the Group's profit before tax for the next year by Rs. 248.26 million. However, in practice, the actual result may differ from the sensitivity analysis.

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FOR THE YEAR ENDED 31 DECEMBER 2024

35.5.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Group is mainly exposed to such risk in respect of foreign currency receivables from customers, bank balances and payable to suppliers. The Group manages currency risk by carefully selecting countries for purchasing which pose minimum risk for foreign currency fluctuations. Moreover, the Group's exports in foreign currency are pursued to offset the adverse currency fluctuations.

The significant currency exposure at the year end is as follows:

	2024				2023			
	USD	EURO	CNY	CHF	USD	EURO	CNY	CHF
Financial assets								
Trade debts	156,543	-	-	14,398	-	152,791	-	-
Bank balances	-	1,992	-	-	-	-	1,992	-
	156,543	1,992	-	14,398	-	152,791	1,992	-
Financial liabilities								
Trade payables	(1,044,208)	(287,640)	(2,108,604)	(247,185)	(862,477)	(750,000)		
	(Equivalent Rs '000)							
Financial assets								
Trade debts	43,548	-	-	4,467	42,485	-	-	-
Bank balances	-	576	-	-	-	627	-	-
	43,548	576	-	4,467	42,485	627	-	-
Trade payables	(290,867)	(83,274)	(80,491)	(76,210)	(240,029)	[illegible]	(83,154)	(6,347)

The exchange rates applied during the year and at year end are as follows:

	Average rate for the year		Spot rate as at 31 December	
	2024	2023	2024	2023
	Rupees		Rupees	
US Dollar	278.49	279.38	278.55	281.75
Chinese Yuan	38.71	39.35	38.19	39.77
Euro	300.74	302.74	289.58	311.71
Swiss Franc	316.26	317.75	308.44	334.78
GBP	355.74	348.22	349.71	359.85

Sensitivity analysis

Every 10% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the next year by Rs 17.45 million.

35.5.3 Equity price risk

Equity price risk is the risk of loss arising from uncertainties about future values of investments securities movements in prices of equity investments. The Group is not exposed to any equity price risk, as the Group does not have any investment in equity securities measured at fair value.

35.6 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The following table shows assets recognized at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Group does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

36 DATE OF AUTHORISATION

These financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Group.

37 SUBSEQUENT EVENT

37.1 The Board of Directors in its meeting held on February 27, 2025 has proposed a final cash dividend for the year 2024 of Rs. 4 per share (2023: Rs. 2.5 per share), aggregating to Rs. 1,120 million (2023: Rs. 700 million) subject to approval of shareholders in the Annual General Meeting of the Group to be held on April 10, 2025.

38 GENERAL

38.1 The number of persons employed as at year end were 2,356 (2023: 2,371) and the average number of persons employed during the year were 2,341 (2023: 2,306).

38.2 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. However, there are no material transactions to report.

38.3 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

Chief Financial Officer	Chief Executive Officer	Director

SHAREHOLDERS' INFORMATION

Notice of Annual General Meeting along with other information for shareholders

05

SHAREHOLDERS' INFORMATION

We are committed to prioritizing the interests of our valued shareholders, aiming to maximize their value by generating adequate returns and safeguarding their interests.

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th Annual General Meeting (Meeting) of Shareholders of AGP Limited (the Company) will be held on Thursday, April 10, 2025, 11:00 A.M. at Ramada Karachi Creek, Zulfiqar Street 1, DHA Phase VIII, Karachi, through in-person and video link facility to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 6th Extraordinary General Meeting held on July 9, 2024.
2. To consider, approve and adopt the Standalone and Consolidated Audited Financial Statements of the Company together with Directors' and Auditors' Reports thereon for the year ended December 31, 2024.
3. To appoint Auditors for the year ending December 31, 2025, and fix their remuneration.
4. To consider and approve the payment of final dividend at the rate of PKR 4 per share (i.e. 40%) as recommended by the Board of Directors.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS

6. To consider the extension or renewal of funding facilities to and from associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, which were renewed earlier by the sharehold ers in their meeting held on March 19, 2024 and if deemed appropriate, pass with or without modification, the following resolution, as a special resolution as required under Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT

"the Company be and is hereby authorized to renew and extend for a further period of twelve (12) months, short term funded and / or unfunded financing facilities and / or security to and from its associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, up to the amount of PKR 500 Million each to meet excess debt requirements and / or funding shortfalls or to otherwise assist the Company and such associated companies in meeting and fulfilling their financial obligations."

FURTHER RESOLVED THAT

"such facilities extended by the Company to its associated companies and vice versa as per the preceding resolution, will initially be extended for a period of one (1) year and shall be renewable annually for each successive year, unless not renewed."

FURTHER RESOLVED THAT

"the Chief Executive officer together with Chief Financial Officer or Company Secretary of the Company be and are hereby jointly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution."

A Statement under section 134(3) of the Companies Act, 2017 relating to the above-mentioned special business is annexed with the notice.

Karachi
Dated: March 19, 2025

By Order of the Board

Umair Mukhtar
Company Secretary

NOTES:

1. **Closure of share transfer books**
   The share transfer books of the Company will remain closed from April 3, 2025, to April 10, 2025 (both days inclusive). Transfers received in order at the office of our Registrar, namely CDC Share Registrar Services Limited situated at CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400 by the close of business on April 2, 2025, will be treated as being in time for the purposes of payment of final cash dividend to the transferees and to attend and vote at the Meeting.

2. **Appointment of proxy holder**
   A member of the Company entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the registered office of the Company or emailed at corp.affairs@agp.com.pk not later than forty-eight (48) hours before the time of holding the Meeting. In calculating the aforesaid time period, no account shall be taken of any day that is not a working day. A member shall not be entitled to appoint more than one proxy. Proxy form is available at Company's website www.agp.com.pk and also attached at the end of the annual report.

3. **Guidelines for CDC Account Holders**
   Any Individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his/her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the Board of Directors' resolution / power of attorney with specimen signature of the nominee for such purpose.

   CDC account holders shall follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

4. **Participation in the Annual General Meeting**
   SECP through its Circular No. 4 of 2021 dated 15 February 2021, Circular No. 6 of 2021 dated 3 March 2021, read together with the clarification bearing number SMD/SE/2(20)/2021/117 dated 15 December 2021, has directed listed companies to ensure the participation of members in general meeting through electronic means as a regular feature in addition to holding physical meetings.

   Accordingly, in compliance with the directives from SECP, the Company is also providing the facility to its shareholders to attend the Meeting through video link. To avail this facility, members are requested to register their following particulars by sending an e-mail at corp.affairs@agp.com.pk.

Folio / CDC account no.	No. of shares held	Name	CNIC	Cell No.	Email address

   After necessary verification, the video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars are received at the given e-mail address by or before the close of business hours on April 8, 2025. The shareholders are also encouraged to send their comments / suggestions related to the agenda items of the Meeting on the above-mentioned e-mail address by the close of business hours on April 8, 2025.

5. **Notice of AGM and Annual Report**
   In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP's SRO 389(1)/2023 dated March 21, 2023, the Company has obtained shareholders' approval in the 10th Annual General Meeting of the Company held on March 19, 2024, to circulate the Annual Report of the Company to Members through QR enabled Code and Website. A complete set of Annual Report 2024 can be downloaded from the following:

Website link of the Company	QR code
https://agp.com.pk/financial-statements/	

Further, the notice of the Meeting and the Annual Report 2024 is uploaded on the official website of the Company and posted at PUCAR. The Annual Report 2024 shall also be e-mailed to the members who have provided their valid email addresses to the Company or Registrar. Other members who wish to receive the Annual Report 2024 through email or hard copy at their registered address may send us the request with the following particulars at corp.affairs@agp.com.pk:

Name of the Members/ Shareholders:	
CNIC /SNIC #:	
Folio / CDC Account Number:	
Valid Email Address	
Address	

Members are requested to intimate any change in their registered email addresses on a timely manner, to ensure effective communication by the Company.

6. **Polling on Special Business**

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (Regulations) amended through notification dated December 05, 2022, issued by SECP, wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

7. **E-voting procedure**

a. Details of the e-voting facility will be shared through an email with those members of the Company whose valid CNIC Numbers, cellular phone numbers and email address are available in the register of members of the Company by the close of business on April 2, 2025.
b. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited, being the e-voting service provider.
c. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
d. E-voting lines will start from April 4, 2025, 09:00 a.m. and shall close on April 9, 2025, at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

8. **Postal ballot**

Members may alternatively opt for voting through postal ballot. The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC, should reach the Chairman of the meeting through post on the Company's registered address, AGP Limited, B-23-C, S.I.T.E., Karachi with attention to the Company Secretary, or email with subject "Voting through Postal Ballot" at corp.affairs@agp.com.pk no later than April 9, 2025, during working hours. The signature on the ballot paper, shall match with the signature on CNIC. The postal ballot paper will be placed on the Company's website www.agp.com.pk at least seven (7) days before the meeting.

9. **Scrutinizer**

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Junaidy Shoaib Asad, Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

10. **Video Conference Facility**

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access such facility. In order to avail this facility please provide the following information to our Registrar:

"I/We, __________ of ______________ being a member of AGP Limited holder of _________ Ordinary Share(s) as per Register Folio No / CDC Account No. ____________, hereby opt for video conference facility at (Please insert name of the City).

____

Signature of member"

11. **Electronic payment of cash dividend**

In accordance with the provisions of section 242 of the Companies Act 2017, a listed company is required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders who have not yet provided their relevant information are requested to provide the same as mentioned on an E-Dividend Mandate Form available at the website of the Company to the Registrar. The CDC account holders must submit their information directly to their broker (participant) / CDC.

As per the provisions of the section 243(3) of the Companies Act, 2017 and Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017, the Company may withhold the payment of dividend to shareholders who have not provided valid bank details and copy of CNIC or NTN.

12. **Withholding tax on dividends**

In pursuance to section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, the rates of deduction of income tax from dividend payments shall be 15% for a person appearing in Active Taxpayers List (ATL) and 30% for a person not appearing in ATL. However, the provisions of withholding tax at additional rate from the person not appearing in ATL are not applicable to the extent of dividend payment to non-resident persons.

In case of joint shareholders, tax will be deducted on the basis of shareholding of each shareholder as may be notified by them, in writing as follows, to our Registrar, by the close of business hours on April 2, 2025, or if no such notification is received each shareholder shall be assumed to have an equal number of shares:

Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)		Shareholding Proportion (No. of Shares)

Withholding Tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Registrar by close of business on the first (1st) day of book closure.

13. Unclaimed Dividend

As per the provisions of section 244 of the Companies Act 2017, any shares issued, or dividend declared by the Company which remains unclaimed / unpaid for a period of three (3) years from the date on which it was due and payable are required to be deposited with the SECP in an account specified by the Federal Government. Shareholders whose dividend remains unclaimed till date are requested to approach the Company to claim their unclaimed / unpaid amount of dividend. In case, no claim is filed with the Company within the due time frame, the Company shall proceed to deposit the unclaimed / unpaid amount dividend or any other share with the Federal Government pursuance to section 244(2) of the Act.

14. Conversion of Physical Securities into Book Entry Form

In accordance with section 72 of the Companies Act, 2017, SECP through its letter dated March 26, 2021, has advised all listed companies to pursue their shareholders to replace their shares in physical form into book entry form within a period not exceeding four (4) years from the date of promulgation of the Companies Act, 2017. Consequently, all shareholders bearing physical folios / share certificates are requested to convert their shares from physical form into book entry form at the earliest. Maintaining shares in book entry form has many advantages such as safe custody of shares with the CDC, fast and convenient selling of shares, avoidance of formalities required for the issuance of duplicate shares and paper less environment which makes the process eco-friendly.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

The Shareholders in their meeting held on March 19, 2024, had approved the extension or renewal of funding facilities / security up to PKR 500 million to and from each of its associated companies, namely OBS AGP (Private) Limited (OBS AGP) and OBS Pakistan (Private) Limited (OBS PK) for a period of one (1) year and the same is being proposed for renewal for a further period of one (1) year. Each financing facility will be provided on an arm's length basis and will carry a markup rate which is not lower than the average borrowing cost of the Company. The extension or utilization of funding facilities will ensure that short-term funds are readily available for the Company and associated companies and will help them to manage their working capital requirements efficiently.

These short-term facilities have been utilized during the year by OBS Pakistan (Private) Limited. However, there is no balance outstanding at the end of the year. Interest rate was duly charged on the facility and recorded in the accounts.

These short-term facilities are being renewed as earlier approved by the shareholders.

SR. NO.	DESCRIPTION	INFORMATION REQUIRED		
3 (a)	Disclosures for all types of investments			
(A)	Regarding Associated Company or Associated Undertakings:			
(i)	Name of the associated company or associated undertakings	OBS AGP (Private) Limited (OBS AGP) OBS Pakistan (Private) Limited (OBS PK)		
(ii)	Basis of relationship	Subsidiaries		
(iii)	Earnings per share for the last four years	**Years**	**OBS AGP**	**OBS PK**
		2021	PKR 28.23	Not Applicable
		2022	PKR 38.52	
		2023	PKR 51.11	PKR 11.05
		2024	PKR 72.63	PKR 6.06
(iv)	Break-up value per share, based on latest audited financial statements		**OBS AGP**	**OBS PK**
		As at Dec 31, 2024	PKR 255.48	PKR 64.94
(v)	Financial position including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Main items of the financial statements (audited) of OBS AGP and OBS Pakistan for the year ended Dec 31, 2024, are given below. The figures are PKR in million.		
		Items	**OBS AGP**	**OBS PK**
		Total Assets	4,830	9,735
		Total Liabilities	2,275	6,878
		Total Equity	2,555	2,857
		Net Sales	6,257	3,237
		Gross Profit	3,337	2,363
		Profit Before Tax	1,109	270
		Profit After Tax	726	267
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations.	Not Applicable		
(B)	General Disclosures			
(i)	Maximum amount of investment to be made	Short term funded and / or unfunded financing facilities, up to PKR 500 million each.		
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Provision of short-term finance facilities will meet the operational and cash flow requirements of the Company and its associated companies.		

(iii)		Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds	The Company will facilitate the associated companies by using its own excess credit lines.	
	(I)	Justification for investment through borrowings	The associated companies will pay a markup rate which is not lower than the average borrowing cost of the Company.	
	(II)	Details of collateral, guarantees provided and assets pledged for obtaining such funds	The Company secures its overdraft lines by providing a joint hypothecation charge on pari passu basis over its current assets.	
	(III)	Cost benefit analysis	The Company will charge the associated companies a rate which will add to its profitability.	
(iv)		Salient features of the agreement(s), if any with associated company or associated undertaking with regards to the proposed investment	Each financing facility will be provided on an arm's length basis.	
(v)		Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	**OBS AGP** Aitken, sponsor and parent of the AGP, holds twenty-eight percent (28%) share-holding in OBS AGP. Mr. Tariq Moinuddin Khan, sponsor and Chairman of AGP is the ultimate beneficial owner of Aitken The following Directors of AGP are also on the Board of Directors of OBS AGP: • Mr. Muhammad Kamran Nasir • Mr. Kamran Nishat • Mr. Mahmud Yar Hiraj • Mr. Muhammad Kamran Mirza Mr. Muhammad Kamran Nasir (indirectly) and Mr. Muhammad Kamran Mirza, hold three and a half percent (3.5%) each, shareholding in OBS AGP. Mr. Kamran Nishat, Director of AGP, is the CEO of Muller & Phipps (M&P), and M&P is the authorized distributor of OBS AGP.	**OBS PK** Aitken, sponsor and parent of AGP, holds two and seventy-three hundredths' percent (2.73%) shareholding in OBS PK against the provision of collateral, from its own sources, to secure the financing of up to PKR 3.6 billion raised by OBS PK. Mr. Tariq Moinuddin Khan, sponsor and Chairman of AGP, is the ultimate beneficial owner of Aitken. The following Directors of AGP are also on the Board of Directors of OBS PK: • Mr. Muhammad Kamran Nasir • Mr. Kamran Nishat • Mr. Mahmud Yar Hiraj • Mr. Muhammad Kamran Mirza Mr. Muhammad Kamran Nasir and Mr Muhammad Kamran Mirza, Directors of AGP, hold two and seventy-three hundredths' percent (2.73%) each, shareholding in OBS PK. Mr. Kamran Nishat, Director of AGP, is the CEO of Muller & Phipps (M&P), and M&P is the authorized distributor of OBS PK.
(vi)		In case any investment in associated company or undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write-offs	**OBS AGP** The facility has never been utilized / availed.	**OBS PK** A total amount of PKR 115 million has been extended in portions, not exceeding PKR 500 million at any point in time and received along with markup during the year ended December 31, 2024.
			There is no impairment or write-offs in any of these facilities.	
(vii)		Any other important details necessary for the members to understand the transaction	Not Applicable	
(c)		In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made		
(i)		Category-wise amount of investment	Short term funded and / or unfunded financing facilities, up to PKR 500 million each.	

(ii)		Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing of the Company is as follows: • under conventional arrangements, ranges from 1-3 months KIBOR + 0.3% - 1.25% per annum payable quarterly; • under Islamic arrangements, ranges from 1-3 months KIBOR + 0.5% -1% per annum payable quarterly.
(iii)		Rate of interest, markup, profit, fees, or commission etc. to be charged by investing company	It shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher.
(iv)		Particulars of collateral or security to be obtained in relation to the proposed investment	No security is required to be obtained. The Company and its associated companies are confident that any financing arrangement will be repaid timely.
(v)		If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable.
(vi)		Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The short term funded and / or unfunded financing facilities are for a period of one (1) year and renewable annually for each successive year, unless not renewed. Repayment will be made on the availability of the funds, and at a rate which shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, if higher.

Except to the extent as mentioned in B(v) above, the Board of Directors of the Company have no direct or indirect interest in this Special Business.

The annual audited financial statements of OBS AGP and OBS PK for the year ended December 31, 2024, shall be made available for inspection of the members in the meeting.

AGP LIMITED

POSTAL BALLOT PAPER

for voting through post for the Special Businesses at the Annual General Meeting to be held on Thursday, April 10, 2025, at 11:00 A.M. at Ramada Karachi Creek, Zulfiqar Street 1, DHA Phase VIII, Karachi.
Phone: +92-21-111 247 247 Website: www.agp.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 6
To consider the extension or renewal of funding facilities to and from associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, which were renewed earlier by the shareholders in their meeting held on March 13, 2024 and, if deemed appropriate, pass with or without modification, the following resolution, as a special resolution as required under Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

RESOLVED THAT
"the Company be and is hereby authorized to renew and extend for a further period of twelve (12) months, short term funded and / or unfunded financing facilities and / or security to and from its associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, up to the amount of PKR 500 Million each to meet excess debt requirements and / or funding shortfalls or to otherwise assist the Company and such associated companies in meeting and fulfilling their financial obligations."

FURTHER RESOLVED THAT
"such facilities extended by the Company to its associated companies as per the preceding resolution, will initially be extended for a period of one (1) year and shall be renewable annually for each successive year, unless not renewed."

FURTHER RESOLVED THAT
"the Chief Executive officer together with Chief Financial Officer or Company Secretary of the Company be and are hereby jointly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution."

Instructions For Poll

1. Please indicate your vote by ticking (√) the relevant box.
2. In case if both the boxes are marked as (√), your poll shall be treated as "**Rejected**".

I/We hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below.

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 6		

Notes / procedures for submission of duly filled - in Ballot Paper:

1. Duly filled ballot paper should be sent to the Chairman at B-23-C, S.I.T.E. Karachi, with attention to the Company Secretary, or e-mail at corp.affairs@agp.com.pk
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before Wednesday, April 9, 2025. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport, (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: www.agp.com.pk . Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

____________________ Date: __________

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

AGP لمیٹڈ

پوسٹل بیلٹ

[illegible]

www.agp.com.pk 92-21-111 247 247

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[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

[illegible]

[illegible]

[illegible]

(xi)	[illegible]	AGP OBS [illegible]	OBS [illegible] 500 [illegible] 31 دسمبر 2024 [illegible]
(xii)	[illegible]	[illegible]	
(c)	[illegible]		
(i)	[illegible]	500PKR [illegible]	
(ii)	[illegible] KIBOR [illegible]	KIBOR+1.25%-2.5% [illegible] KIBOR+1%-0.5% [illegible]	
(iii)	[illegible]	KIBOR [illegible]	
(iv)	[illegible]	[illegible]	
(v)	[illegible]	[illegible]	
(vi)	[illegible]	[illegible] KIBOR [illegible]	

[illegible]

31 دسمبر 2024 [illegible] AGP OBS [illegible] OBS [illegible]

2,337	2,533	[illegible]			
3,237	6,257	[illegible]			
2,363	3,337	[illegible]			
272	1,108	[illegible]			
267	728	[illegible]			
[illegible]			[illegible]		
[illegible]					(B)
[illegible] 500 [illegible]			[illegible]		(i)
[illegible]			[illegible]		(ii)
[illegible]			[illegible]		(iii)
[illegible]			[illegible]	(i)	
[illegible] pari passu [illegible]			[illegible]	(ii)	
[illegible]			[illegible]	(iii)	
[illegible]			[illegible]		(iv)
OBS [illegible] AGF [illegible] Altern [illegible] OBS [illegible] [illegible] (2.73%) [illegible] AGF [illegible] Altern [illegible] OBS [illegible] [illegible] AGF [illegible] OBS [illegible] 2.73% [illegible] AGF [illegible] (M&F) OBS - M&F [illegible]	AGF OBS [illegible] AGF [illegible] Altern [illegible] (25%) [illegible] AGF OBS [illegible] AGF [illegible] Altern [illegible] AGF OBS [illegible] [illegible] AGF OBS [illegible] (3.5%) [illegible] AGF [illegible] M&F (M&F) [illegible] AGF OBS [illegible]		[illegible]		(v)

[illegible]

[illegible]

[illegible] AGF OBS [illegible] OBS [illegible]

[illegible] OBS [illegible]

[illegible]

			[illegible]	[illegible]
			[illegible]	2 (a)
			[illegible]	(A)
[illegible] AGF OBS [illegible] OBS [illegible]			[illegible]	(i)
[illegible]			[illegible]	(ii)
OBS [illegible]	AGF OBS	[illegible]	[illegible]	(iii)
[illegible]	23.23 [illegible]	2021		
[illegible]	38.52 [illegible]	2022		
11.05 [illegible]	51.11 [illegible]	2023		
5.08 [illegible]	72.53 [illegible]	2024		
OBS PK 54.94 [illegible]	OBS AGF 255.48 [illegible]	[illegible] 24 [illegible] 31 [illegible]	[illegible]	(iv)
AGF OBS [illegible] OBS [illegible] 2024 [illegible]			[illegible]	(v)
OBS [illegible]	AGF OBS	[illegible]	[illegible]	(vi)
5,735	4,330	[illegible]		
5,876	2,275	[illegible]		

[illegible] QCR [illegible]

[illegible] 10% [illegible]

[illegible] AGP [illegible]

[illegible] ATL [illegible] 15% [illegible] ATL [illegible] 30% [illegible] ATL [illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	https://agp.com.pk/financial-statements/
QR [illegible]	

[illegible] PUCAR [illegible] corp.affairs@agp.com.pk [illegible]

[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

[illegible]

[illegible] SECP [illegible] SECP [illegible]

[illegible]

[illegible] AGP Limited B-23-C [illegible] corp.affairs@agp.com.pk [illegible] www.agp.com.pk [illegible]

11ویں سالانہ اجلاس عام کا نوٹس

[illegible] AGP [illegible] VIII [illegible]

عمومی امور

الف۔ [illegible]

ب۔ [illegible]

ج۔ [illegible]

د۔ [illegible] (40%) [illegible]

ہ۔ [illegible]

خصوصی امور

1۔ [illegible] (AGPOBS) [illegible] (OBS) [illegible] 111 [illegible]

[illegible] AGP OBS [illegible] (OBS) [illegible]

[illegible]

[illegible]

[illegible]

بحکم بورڈ

کراچی

تاریخ: [illegible]

[illegible]

کمپنی سیکریٹری

نوٹس:

الف۔ حصص کی منتقلی کی کتابوں کی بندش

[illegible] B-99 [illegible]

ب۔ پراکسی/نمائندگی کا تقرر

[illegible] corp.affairs@agp.com.pk [illegible] www.agp.com.pk [illegible]

ج۔ [illegible]

[illegible]

[illegible] (SECP) [illegible]

د۔ [illegible]

[illegible] SMD/SE/2/20(2021)/117 [illegible]

[illegible] SECP [illegible] corp.affairs@agp.com.pk [illegible]

فولیو/سی ڈی سی اکاؤنٹ نمبر	حصص کی تعداد	شیئر ہولڈر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	موبائل نمبر	ای میل ایڈریس

[illegible]

ہ۔ [illegible]

[illegible] SECP [illegible] SRO 389(I)/2023 [illegible] QR [illegible]

PATTERN OF SHAREHOLDING

As of December 31, 2024

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1105	1	To	100	38,858
1253	101	To	500	356,808
354	501	To	1000	312,968
558	1001	To	5000	1,414,408
113	5001	To	10000	906,985
36	10001	To	15000	421,264
21	15001	To	20000	383,442
14	20001	To	25000	318,575
18	25001	To	30000	500,507
10	30001	To	35000	322,942
9	35001	To	40000	335,847
5	40001	To	45000	210,503
10	45001	To	50000	495,351
4	55001	To	60000	227,367
2	60001	To	65000	125,715
2	65001	To	70000	132,590
5	70001	To	75000	370,800
1	75001	To	80000	75,900
1	80001	To	85000	83,942
2	85001	To	90000	175,273
5	90001	To	95000	461,088
4	95001	To	100000	396,805
1	100001	To	105000	101,000
1	105001	To	110000	109,405
2	110001	To	115000	225,500
1	115001	To	120000	117,800
2	120001	To	125000	246,850
1	130001	To	135000	131,802
2	135001	To	140000	278,575
1	145001	To	150000	150,000
1	155001	To	160000	160,000
1	165001	To	170000	165,021
1	170001	To	175000	171,405
1	185001	To	190000	187,000
2	195001	To	200000	400,000
1	225001	To	230000	225,395
2	230001	To	235000	465,367
2	245001	To	250000	494,368
1	250001	To	255000	254,500
1	265001	To	270000	265,550
1	300001	To	305000	303,500
2	355001	To	360000	718,519
1	375001	To	380000	375,855
1	380001	To	385000	384,500
1	395001	To	400000	398,997
1	465001	To	470000	467,000
1	495001	To	500000	498,500
1	515001	To	520000	519,907
1	525001	To	530000	526,172
1	530001	To	535000	532,500
1	535001	To	540000	535,500
1	575001	To	580000	576,794
1	595001	To	600000	600,000
1	650001	To	655000	654,249
1	675001	To	680000	676,000
1	705001	To	710000	709,775
1	710001	To	715000	712,941
1	770001	To	775000	772,818
1	870001	To	875000	871,067
1	1300001	To	1305000	1,301,000
1	1695001	To	1700000	1,696,870
1	2860001	To	2865000	2,864,091
1	2940001	To	2945000	2,944,971
1	5090001	To	5095000	5,090,338
1	6345001	To	6350000	6,348,700
1	9005001	To	9010000	9,008,381
1	15395001	To	15400000	15,400,000
1	16730001	To	16735000	16,734,590
1	37515001	To	37520000	37,520,000
1	156235001	To	156240000	156,239,434
3936				280,000,000

PATTERN OF SHAREHOLDING

As of December 31, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
TARIQ MOINUDDIN KHAN	1	600,000	0.21
ZAFAR IQBAL SOBANI	1	500	0.00
MALEEHA BINT BANGASH	2	10	0.00
KAMRAN NISHAT	1	1	0.00
MAHMUD YAR HIRAJ	1	1	0.00
MUHAMMAD KAMRAN NASIR	1	1,000	0.00
AMMARA TASNIM	1	1,000	0.00
MUHAMMAD KAMRAN MIRZA	1	30,500	0.01
FAIZA KAMRAN	1	8,000	0.00
Associated Companies, undertakings and related parties	3	207,275,424	74.13
Employees and their spouses	3	1,340	0.00
NIT and ICP	2	-	-
Banks, Development Finance Institutions, Non-Banking Finance Institutions	2	5,148,271	1.84
Insurance Companies	11	1,978,319	0.71
Mutual Funds and Modarbas	42	8,578,274	3.06
General Public			
a. Local	3625	6,818,901	2.44
b. Foreign	148	224,100	0.08
Foreign Companies	3	13,571,858	4.85
Others	59	32,807,408	11.67
Total	3936	280,000,000	100.00

PATTERN OF SHAREHOLDING

As of December 31, 2024

Share holders holding 10% or more	Shares Held	Percentage
Alnermuot Polscon (Private) Limited	108,250,434	38.66
Muller & Phipps Pakistan (Private) Limited	37,920,000	13.54

Details of trading in shares by Directors and Executives during the year

Name of Person	Description	Nature	No. of Shares
Muhammad Kamran Nasir	CEO	Buy	1,000
Ammara Tasnim	Spouse of CEO	Buy	1,000
Maleiha Bangash	Board Member	Buy	10
Shezadi Ali	Ex-Board Member	Buy	3

Executive means the CEO, Chief Operating Officer, CFO, HOIA, Company Secretary and employees of the Company whose annual basic salary exceeds the threshold of PKR 3 million as determined by Board of Directors.

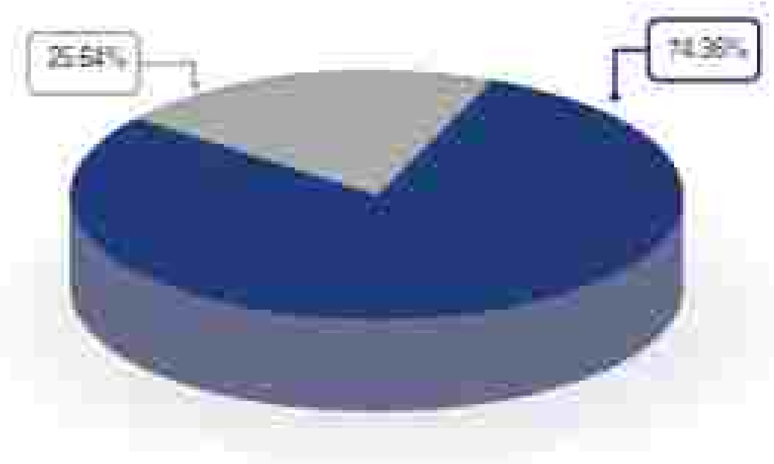
Free Float of Shares

Free Float Shares of the Company are 71,790,252 i.e. (25.64%) out of the total 280,000,000 Shares of the Company as at 31 December 2024.

Free Float of shares	25.64%
Non - Free Float	74.36%

Free Float of Shares

Free Float Shares as at 31 December, 2024



FORM OF PROXY

AGP Limited

ELEVENTH ANNUAL GENERAL MEETING

I/We ______________________ of ______________________, being a Member of AGP Limited holding ______________________ ordinary shares HEREBY APPOINT ______________________ of ______________________ or failing him/her ______________________ of ______________________ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, April 10, 2025 at 11:00 A.M. at Ramada Karachi Creek, Zulfiqar Street 1, DHA Phase VIII, Karachi, through in-person and video link facility to transact the following business.

As witness my/our hand(s) this _____ day of ______________ 2025

Ten Rupees Revenue Stamps

Witness 1

Signature: ______________________

Name: ______________________

CNIC No.: ______________________

Address: ______________________

____

Witness 2

Signature: ______________________

Name: ______________________

CNIC No.: ______________________

Address: ______________________

____

Name of Shareholder: ______________________

Folio No. / CDC Account No.: ______________________

Signature of the Shareholder: ______________________

Notes:

1. The Member is requested:
   a. to affix Revenue Stamp of Rs. 10/- at the place indicated above.
   b. to sign in the same style of signature as is registered with the Company.
   c. to write down his/her Folio Number/CDC Account Number.

2. For the appointment of the above Proxy to be valid, this instrument of proxy must be received at the registered office of the Company, AGP Limited, B-23-C, S.I.T.E., Karachi-75700, Pakistan, at least 48 hours before the time fixed for the Meeting.

3. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
   In addition to the above, the following requirements have to be met for CDC Account Holders / Corporate Entities:
   i. Attested copies of CNIC or the passport of the beneficial owners and of the Proxy must be furnished with the proxy form.
   ii. The Proxy must produce his original CNIC or original passport at the time of the Meeting.
   iii. In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with proxy forms to the Share Registrar.

نمائندگی نامہ

اے جی پی لمیٹڈ

گیارہویں سالانہ اجلاس عام

میں / ہم ______ ساکن ______ بحیثیت اے جی پی کے ایک ممبر، عام شیئرز کا مالک بمطابق رجسٹرڈ فولیو / سی ڈی سی اکاؤنٹ نمبر ______ محترم / محترمہ ______ ساکن ______ اے جی پی لمیٹڈ کے ایک ممبر کو یا ان کے شریک نہ ہونے پر محترم / محترمہ ______ ساکن ______ کمپنی کے ایک اور ممبر کو بطور میرا / ہمارا نمائندہ مقرر کرتا ہوں / کرتے ہیں جو میری / ہماری جگہ مورخہ ______ 2025 بروز ______ صبح ______ بجے کراچی میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں ذاتی طور پر یا بذریعہ ویڈیو لنک شرکت کرے اور کسی التوا کی صورت میں بھی ووٹ دینے کے لیے مقرر کرتا ہوں / کرتے ہیں۔

آج بروز ______ بتاریخ ______ 2025 میری / ہماری طرف سے بدرست اور دستخط کیے گئے۔

دس روپے کی
ریونیو اسٹیمپ

درج ذیل گواہان کی موجودگی میں دستخط کیے گئے۔

گواہان

۱۔ دستخط ______	۲۔ دستخط ______
نام ______	نام ______
پتہ ______	پتہ ______
______	______
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______

شیئر ہولڈر کا نام ______

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر ______

شیئر ہولڈر کے دستخط ______

نوٹس:

۱۔ ممبران سے درخواست ہے کہ

(i) مخصوص جگہ پر دس روپے کا ریونیو اسٹیمپ چسپاں کریں۔

(ii) اسی انداز میں دستخط کریں جو کمپنی کے پاس رجسٹرڈ ہے۔

(iii) اپنا فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر تحریر کریں۔

۲۔ مندرجہ بالا پراکسی کی تقرری کے درست ہونے کے لیے پراکسی کا یہ فارم کمپنی کے رجسٹرڈ آفس اے جی پی لمیٹڈ B-23-C، سائٹ، کراچی ۷۵۷۰۰ میں میٹنگ کے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے موصول ہو جانا چاہیے۔

۳۔ اس نمائندگی نامے میں کیے گئے کسی رد و بدل کی صورت میں دستخط کنندہ اپنے مختصر دستخط ثبت کرے۔

مندرجہ بالا کے علاوہ سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کے لیے درج ذیل تقاضے پورے کرنے ہوں گے

i۔ نمائندگی نامے کے ہمراہ اصل مالکان (beneficial owner) اور نمائندے کے CNIC یا پاسپورٹ کی تصدیق شدہ نقول مہیا کی جائیں۔

ii۔ نمائندے کو اجلاس کے موقع پر اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

iii۔ کارپوریٹ اداروں کی صورت میں نمائندگی نامے کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ اور دستخط کا نمونہ شیئر رجسٹرار کے پاس جمع کرانا ہوگا (ما سوائے اس کے کہ وہ پہلے ہی فراہم کیا جا چکا ہو)۔

STANDARD REQUEST FORM CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Company Secretary
AGP Limited,
B-23-C, S.I.T.E.,
Karachi 75700,
Pakistan

Subject: Circulation of Annual Audited Accounts via Email or Any Other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(I)/2014 dated September 8, 2014 and SRO 470(I)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members/shareholders, along with the Notice of the Annual General Meeting (AGM) through Email/CD/DVD/USB or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hard copy of Audited Annual Financial Statements along with a Notice of the AGM via e-mail, shall have to fill the below form and send us to Company address.

I/We hereby consent Option 1 or Option 2 to the above said SROs for Audited Financial Statements and Notice of General Meeting(s) delivered to me hard form instead Email/CD/DVD/USB or any others Electronic Media.

OPTION 1 – VIA EMAIL

Shareholder's Detail	
Name of the Members/ Shareholders	
CNIC /SNIC #:	
Folio / CDC Account Number	
Valid Email Address (to receive Financial Statements along with Notice of General Meeting(s) instead of hard copy, CD/DVD/USB)	

OPTION 2 – HARD COPY

Shareholder's Detail	
Name of the Members/ Shareholders	
CNIC /SNIC #:	
Folio / CDC Account Number	
Address (to receive Financial Statements along with Notice of General Meeting(s) instead of CD/DVD/USB)	

I/We hereby confirm that the above – mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.

____
SHAREHOLDER SIGNATURE

E - DIVIDEND MANDATE FORM

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Shareholder's Detail	
Name of Company	AGP Limited
Name of Shareholder	
Folio No./CDC Participants ID A/c No.	
CNIC No. (for individual shareholders)	
NTN (for corporate shareholders)	
(please attach a photocopy)	
Passport No. (for foreign shareholders)	
Cell Number & Land Line Number	
Email Address	

Shareholder's Bank Detail	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name and Address	

It is stated that the above-mentioned information is correct and in case of any change therein, I will immediately intimate Participant / Share Registrar accordingly.

Date ____________ ______________________
(Signature of Shareholder)

Notes:

1. Please provide complete IBAN Number (24 digits) after checking with your concerned branch to enable electronic credit directly into your bank account.

2. Signature must match with specimen signature registered with the Company.

3. The Shareholder who hold shares in physical form are requested to submit the above-mentioned information to the Share Registrar. The Shareholders who hold shares in Central Depository Company are requested to submit the above-mentioned information to their Broker (Participant) with a copy of E-Dividend Mandate Form to the Share Registrar.

4. The name and address of the Share Registrar of the Company is as follows:
CDC Share Registrar Service Limited
CDC House 99-B, Block B, S.M.C.H.S.
Main Shahra-e-Faisal Karachi 74400 Pakistan

ANNEXURES

CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES 2013

Governance Benchmark

S.N.	Direction	Comments
1	Has Board developed a CSR vision and strategy?	There is a CSR policy approved by the Board which is reviewed every year and reviewed every 3 years to keep it updated with the business and environmental developments.
2	Have Board and management expressly declared its commitment to CSR?	The Board has allocated 1-2% profit after tax for CSR activities.
3	Has Board communicated the company's business case for CSR to management?	The policy approved by the Board categorically mentions about preferred CSR activities and clearly communicates the same to the management.
4	Do Board and management share common CSR aspirations?	Yes, the Board and the management are aligned with the CSR targets.
5	Does CSR vision coincide with the vision and Code of Ethics of the Company?	Yes, the CSR policy is consistent with the Code of Conduct of the Company.
6	Does the Board have clear understanding of CSR and industry practices?	"Yes, the Board members are seasoned professionals having in-depth expertise with CSR-related practices."
7	Are CSR goals incorporated in the business plans of the business?	CSR initiatives are incorporated within our Business Strategy.
8	Is there a specific CSR committee?	"There is a committee comprising of 3 members from the management team."
9	Does the CSR Committee comprise of one or more CSR experts? (Indicate the number in comments section)	2 of the members of the Committee have more than 5 years of experience with CSR related activities.
10	Is there a designated CSR committee member reporting to Board?	The Company Secretary is a member of the Committee and reports to the Board on all CSR related matters.
11	Does CSR committee seek guidance with Board approved CSR policy?	Yes, CSR committee plans and execute activities as per the CSR policy approved by the Board.
12	Does the CSR committee periodically report the progress of company on CSR goals, objectives and targets?	The CSR program report is presented to the Board on quarterly basis.
13	Does the CSR committee review and make recommendations in the implementation model of the Company?	Members of CSR committee are also part of executive committee and hence play an important role in business planning and implementation of strategies.
14	Is the CSR committee involved in preparing implementation model for CSR plans?	
15	Is management's incentives linked to CSR goals/ targets?	"The KPIs of relevant members include CSR targets as one of the objective."
16	Is CSR progress included as a factor in remuneration/ recruitment of CEO?	Yes, the corporate affairs department assesses and evaluate CSR related risks and plans appropriate measures to mitigate identified risk.
17	Does the CSR committee review and recommend suggestion for incorporating CSR risk in Company's risk management policy?	Yes (the KPI of CEO include CSR progress as one of the objectives)
18	Is CSR committee entrusted with the role of recommending major CSR risk and its impact prior to major business decisions?	Yes, the members of the Committee actively participate in advising on the sustainable and environmental impacts of major business developments.
19	Are CSR risk, opportunities, impact and issues are considered by Board and management in approving major business decisions?	Yes, the Board duly considers sustainable environmental impacts of key business developments.
20	Is there a system of implementation of CSR goals?	The CSR activities are carried out as per CSR policy as approved by the Board.
21	Are there adequate measures in place to determine the impact of CSR policies by Board and senior management?	The CSR committee is responsible to monitor and assess the impact of CSR activities.
22	Does the internal audit process include assessment of CSR commitments?	The internal audit process does not include assessment of CSR commitments.
23	Does the Board hold CSR orientation session and periodically review progress on CSR commitment/goals?	The CSR initiatives and their status are presented and discussed with the board on quarterly basis.
24	Does the CSR committee provide its input in preparation of CSR reports?	Yes, CSR updates are presented to the Board by CSR committee member.

S.N.	Direction	Comments
25	Does the Board give its input in extent of disclosure in the CSR reports?	Board members reviews the content of the annual report, including CSR updates in the relevant sections, and provide their feedback.
26	Does the board review and approve external reporting of CSR issues in compliance of relevant regulatory requirements?	There are no instances of any CSR issue that does not comply with the regulatory framework.
27	"Does the board consider CSR report as a record of company's performance on CSR goals for disclosure to its stakeholders?"	CSR updates are presented to the stakeholders in the relevant sections of the annual report.
28	Does the Board approve external assurance of CSR activities?	No external assurance are undertaken for CSR activities.
29	Does the Board approve the external assurance report to be made part of CSR report of the Company?	
30	Does the Board approve of placing the CSR report on website of the Company?	The annual report which incorporates all CSR related activities are available on our website.

FRAMEWORK FOR ANNUAL REPORTING

BEST CORPORATE REPORT AWARDS 2024

1	ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT	Pg No.
1.01	Mission, vision, code of conduct, ethical, principal and core values.	3-4, 7-8
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	12-13, 29-32
1.03	Geographical location and address of all business units including sales units and plants.	6, 37
1.04	The legislative and regulatory environment in which the company operates.	25
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	15
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	212
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	15
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	16
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	27-28
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	27-28
1.11	Position of the reporting organization within the value chain showing connection with other business as in the upstream and downstream value chain.	79
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	16-20,25
1.13	The legitimate needs, interests of key stakeholders and industry trends.	124-125, 130
1.14	SWOT Analysis of the company.	21-22
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	23-24
1.16	History of major events.	9-10
1.17	Details of significant events occurred during the year and after the reporting period.	2

2	STRATEGY AND RESOURCE ALLOCATION	Pg No.
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	53-55
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital."	53-55
2.03	The capabilities and resources of the company that provide sustainable competitive advantage resulting in value creation by the company.	53-57
2.04	Company's strategy on market development, product and service development.	27-29
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	53-55
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	53-55
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	27-28
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	87-88
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan. b) Board strategy to overcome liquidity problems and plans to meet operational losses.	87-88

3	RISKS AND OPPORTUNITIES	Pg No.
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	89-90
3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies; b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	89-100
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	89
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	89-90
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	81

4	SUSTAINABILITY REPORTING AND CORPORATE SOCIAL RESPONSIBILITY (CSR)	Pg No.
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	118, 133-134
4.02	Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social, and Governance) reporting. Sustainability Reporting in line with IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. Weightage will be given to companies who provides following disclosures (as per IFRS S1 and IFRS S2) along with the company specific examples for each factor for the investor's information: a) Disclosures of company specific sustainability related risks and opportunities and their impact on the financial performance in the short, medium and long term. b) Disclosures about four pillars core content (Governance, Strategy, Risk Management and Metrics and Targets) together with the specific metrices designed by the company to demonstrate the performance and progress of the company. c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company. [In IFRS S1, the 'value chain' is the full range of interactions, resources and relationships related to a company's business model and the external environment in which it operates] d) Disclosure about company's climate-related risks and opportunities as required in IFRS S2 including explanation of the specific methodologies and tools used by the company. [Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Climate-related risks refers to the potential negative effects of climate change on a company and are of two types: physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology)]	118
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	113
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR: • Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc. • Environmental initiatives like climate change mitigation etc. by focusing on 3Rs (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources. • Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs). • Information on consumption and management of materials, energy, water, emissions and waste."	67-73, 132-134
4.05	• Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP. • ISO certifications acquired for best sustainability and CSR practices."	65-66, 323-328

5	GOVERNANCE	Pg No.
5.01	Board composition: a) Leadership structure of those charged with governance. b) Name of independent directors indicating justification for their independence. c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience. d) Profile of each director including education, experience and engagement in other entities as CEO, Director, CFO or Trustee etc. e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	98-104, 157-160
5.02	A brief description about role of the Chairman and the CEO.	112-113
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	111-122
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives. b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year. c) Board statement on the company's structure, procedures and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	106
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	111-112, 135-138
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	121, 136-137
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	121, 136-137
5.08	Details of formal orientation courses for directors.	122
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	121
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	122
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions; b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding; c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement; d) Disclosure of director's interest in related party transactions; e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	118,288
5.12	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. c) Disclosure of director's interest in significant contracts and arrangements. d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. f) Security clearance of foreign directors. g) Board meetings held outside Pakistan. h) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement feedback. i) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. j) Communication with stakeholders. k) Dividend policy. l) Investors' relationship and grievances. m) Employee's health, safety and protection. n) Whistle blowing policy including mechanism to receive and handle complaints in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report. o) Safety of records of the company.	111-122

5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	127-128
5.14	Compliance with the Best Practices of Code of Corporate Governance (for marks in case of any non-compliance)	157-160
5.15	"Disclosure about: a) Shares held by Sponsors / Directors / Executives;" b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	215-217
5.16	Details about Board meetings and its attendance.	135-136
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	117-120
5.18	"Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 5 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee)."	N/A
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / independent directors including the Chairman of the Audit Committee; b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed; c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure; d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance; e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures; f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provided non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded; g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported; h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy; i) Results of the self-evaluation of the Audit Committee carried out of its own performance; j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	154-157
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	120
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: "a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system." b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	127-128
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	130-153
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	128

6	ANALYSIS OF THE FINANCIAL INFORMATION	Pg No.
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	165-166
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. c) Explanation of negative change in the performance as compared to last year.	157-161
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	162-164, 165-161
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	169
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	222
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	135-136
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	135-136
6.08	Disclosure of market share of the company and its products and services.	157-158
6.09	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	128
6.10	Statement of Economic value added (EVA) (EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital)	161
6.11	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	169

7	BUSINESS MODEL	Pg No.
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	77-78
7.02	Explanation of any material changes in the entity's business model during the year.	77-78

8.	DISCLOSURES ON IT GOVERNANCE AND CYBERSECURITY	Pg No.
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	127-128
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	127-128,112
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	127-128
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	127-128
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures, and timely communications to the board about cybersecurity risks and incidents.	127-128
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	127-128
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	127-128
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	127-128
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	127-128

9	FUTURE OUTLOOK	Pg No.
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	153-154
9.02	Explanation as to how the performance of the company aligns with the forward-looking disclosures made in the previous year.	153-154
9.03	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year.	153-154
9.04	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant.	153-154
9.05	Disclosure about company's future Research & Development initiatives.	158

10	STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT	Pg No.
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	124-126
10.02	"Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts."	124-126
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	121
10.04	Investors' Relations section on the corporate website.	118
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11	STRIVING FOR EXCELLENCE IN CORPORATE REPORTING	Pg No.
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12.	SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS	Pg No.
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14	INDUSTRY SPECIFIC DISCLOSURES (IF APPLICABLE)	Pg No.
a)	Disclosures required for Banking Company (Annexure III).	N/A
b)	Disclosures required for Insurance Company (Annexure IV).	
c)	Disclosures required for Exploration and Production (E&P) Company (Annexure V).	
d)	Disclosures required for State-Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 (Annexure VI).	

	Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)	Pg No.
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2	Particulars of significant / material assets and immovable property including location and area of land	212
3	Capacity of an industrial unit, actual production and the reasons for shortfall	241
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property	N/A
5	Specific disclosures required for shariah compliant companies / companies listed on the Islamic indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017	233
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53(I)/2022 dated January 12, 2022)	257-258
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets)	N/A
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans	N/A
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed	N/A

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8	OBS Pakistan (subsidiary) highlights	59-60
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10	Free float of shares	317
11	Credit rating	87

HOW THE ORGANIZATION'S IMPLEMENTED GOVERNANCE PRACTICES HAVE BEEN EXCEEDING LEGAL REQUIREMENTS

Subject	Statutory requirement	Company Conduct
Executive Directors	Not more than one	The Company has only 1 executive director out of 7 Board members to promote transparency and drive benefit from independent and external view
Meeting of Board of Directors	Once a quarter	2 meetings were held to consider matters of strategic importance in addition to 4 meetings held to consider financial results
Meeting of Board of Human Resource and Remuneration Committee	Once a year	In total, 8 meetings were held to structure and align human resource capital as per strategic vision of the Company
Audit committee meeting with the external auditors	Once a year	The Committee met external auditors at year end meeting. In addition, the Chairman of the Audit Committee on behalf of the Committee met external auditors at the start of the audit to discuss significant matters and points from the last year audit.
Director Training Program (DTP)	Encouraged that all directors have acquired the certification of DTP	All Directors, except one, have completed DTP