



Otsuka

Otsuka Pakistan Ltd.

(A Company of Otsuka Group Japan)

Annual Report 2025-26

Year Ended - June 30, 2026



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COMPANY INFORMATION

BOARD OF DIRECTORS	: Mr. Mikio Bando (Chairman) (Alternate: Mr. Hideshi Tsunazawa) Mr. Moin ur Rehman (Director and Chief Executive Officer) Mr. Jun Chihara Mr. Tariq Mehtab Feroz Mr. Suhari Mukti (Alternate: Mr. Tauseef Ahmed Shaikh) Mr. Abid Hussain (Independent Director) Mrs. Navin Salim Merchant (Independent Director)
CHIEF FINANCIAL OFFICER	: Mr. Tauseef Ahmed Shaikh
COMPANY SECRETARY	: Mr. Amir Khalid
AUDIT SUB COMMITTEE OF THE BOARD	Mr. Abid Hussain (Chairman) : Mr. Jun Chihara (Member) Mr. Tariq Mehtab Feroz (Member)
HEAD OF INTERNAL AUDIT	: Mr. Jawaid Noor (Secretary)
RISK MANAGEMENT SUSTAINABILITY COMMITTEE	: Mr. Abid Hussain (Chairman) Mr. Jun Chihara (Member) Mr. Moin ur Rehman (Member) Mrs. Navin Salim Merchant (Female Member of Sustainability Committee Only) Mr. Tauseef Ahmed Shaikh (Secretary)
HUMAN RESOURCES REMUNERATION & NOMINATION SUB-COMMITTEE OF THE BOARD	: Mrs. Navin Salim Merchant (Chairperson) Mr. Moin ur Rehman (Member) Mr. Jun Chihara (Member) Mr. Tariq Mehtab Feroz (Member) Mr. David Sunil (Secretary)
AUDITORS (EXTERNAL)	: Yousuf Adil Chartered Accountants
AUDITORS (INTERNAL)	: M. M. Hussain & Co, (Chartered Accountants)
LEGAL ADVISOR	: Dr. Moneeba Hamid
BANKERS	: Citibank N.A., Habib Metropolitan Bank Limited Meezan Bank Limited (Shariah), Habib Bank Limited, Bank Al-Habib Limited Bank Alfalah Islamic (Shariah), Bank Alfalah Limited Allied Bank Limited MCB Bank Limited, National Bank of Pakistan
REGISTERED OFFICE	: Head Office: 30-B, Sindhi Muslim Co-operative, Housing Society, Karachi-74400 Tel.: 34528651 – 4, E-mail: secretarialcompliance@otsuka.pk Web site: www.otsuka.pk Factory: Plot No. F/4-9, Hub Industrial Trading Estate, Distt. Lasbella (Balochistan) Tel.: (0853) 303517-8, Fax: (0853) 303519
SHARE REGISTRAR	: M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street # 2, D.H.A., Phase VII, Karachi. Customer Support Services Tel No. (0092-21) 111-000-322 Fax: (0092-21) 35310191 Email: sfc@thk.com.pk.

Vision

Otsuka people creating new products for better health worldwide.

Mission

To provide quality healthcare products while maintaining leadership position in chosen segments by working efficiently towards customer satisfaction, rapid growth and enhanced stakeholders value.

Objectives

- To retain its position of market leader in IV Solutions and clinical nutrition through continuous education, new product launches and support to the medical profession and community at large.
- To offer world class quality products and support services to our customers at reasonable prices through resource optimization.
- To develop and retain efficient network of distributors and suppliers for enhancement of our present level of support services for customer satisfaction.
- To provide equal opportunity for growth and development to all its team members to build a highly motivated and committed team of professionals delivering world class quality products and services.
- To contribute in community services for betterment of society and environment.
- To generate adequate earnings for meeting current and future needs, leading to enhancement of shareholder's value.

Focus

Medical
Profession
&
Patients

Patients

Distributors
&
Suppliers

Employees

Community

Shareholders

For Life .

Realizing
the hidden power
within.

NOTICE OF MEETING

Notice is hereby given that the Thirty Eighth (38th) Annual General Meeting of Otsuka Pakistan Limited ("the Company") will be held on Wednesday, October 28, 2026 at 11:00 a.m. at the Ballroom A & B, Mövenpick Hotel, Club Road, P.O. Box 3918, Karachi as well as through Electronic means / Online meeting facility to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2026, together with the Chairman's review and Directors' and Auditors' reports thereon
2. To appoint statutory auditors and fix their remuneration for the year ending June 30, 2027
3. To transact any other business with the permission of the Chair

By order of the Board

Amir Khalid
Company Secretary

Karachi:

October 2, 2026

Notes:

ONLINE PARTICIPATION IN ANNUAL GENERAL MEETING

Shareholders are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company and with Company's Share Registrar i.e. M/s. THK Associates (Pvt.) Limited.

Interested shareholders and proxies on behalf of shareholders attending the meeting through video conferencing are requested to email the following information with the subject "Registration for 38th Annual General Meeting," along with valid copy of their CNIC to the company on email: secretarialcompliance@otsuka.pk and / or share registrar on email: sfc@thk.com.pk. Video link and login credentials will be shared with ONLY those Members, whose email, containing particulars (i.e.: Name, Folio No./CDC Account No., CNIC No./NTN and Cell No.) are received from official Email ID, at least 48 hours before the AGM.

A. BOOK CLOSURE AND PROXY:

- (i) The Share Transfer Books of the Company will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive).
- (ii) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be a member of the company. Instrument of appointing proxy and the power of attorney or other authority under which it is signed or a notarial certified copy of the power or authority must be submitted at the Registered Office of the Company at least 48 hours before the time of the Meeting.
- (iii) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (iv) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (v) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (vi) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

- (vii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- (viii) CDC Account Holders will have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

B. FOR ATTENDING THE MEETING:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

C. AVAILABILITY OF THE AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

Circulation of Annual Report through QR Code and through Web link in accordance with the Section 223 of the Companies Act, 2017 and pursuant to SRO 389(1)/2023 dated: March 21, 2023 of the Securities & Exchange Commission, the Company has obtained Shareholders' approval in the Annual General Meeting of the Company held on October 2, 2023 to circulate the Annual Report of the Company to Members through QR enabled Code and Web link. The Annual Report is available through following QR Code and Web link:

Web link: https://otsuka.pk/uploads/files/Annual_Account_2025-26.pdf



D. DISTRIBUTION OF ANNUAL REPORT AND NOTICE OF MEETINGS THROUGH EMAIL (OPTIONAL):

Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their Annual Audited Financial Statements, along with Auditor's Report, Directors' Report etc. ("Annual Report") and the Notice of AGM ("Notice"), to its shareholders by email. The Annual Report of the Company for the year ended June 30, 2026 is also available on the Company's website (www.otsuka.pk)

E. SUBMISSION OF CNIC/NTN DETAILS AND UPDATING PARTICULARS (MANDATORY REQUIREMENT):

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall withhold the Dividend under the provisions of Section 243 of the Companies Act, 2017.

The Shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. In case of Corporate entity, the shareholders are requested to promptly notify change in their particulars of their authorized representative, if applicable.

F. UNPAID DIVIDEND ACCOUNT:

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividend(s) and undelivered share certificate(s) in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company are hereby once again requested to approach the Share Registrar or the Company to claim their outstanding dividend amounts and/or undelivered share certificates as the same will be deposited with Securities and Exchange Commission of Pakistan as per the provision of Section 244(2) of Companies Act, 2017, as prescribed.

G. CONVERSION OF PHYSICAL SHARES (WITH BOOK ENTRY) INTO CDC ACCOUNT:

Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form within four (4) years from the date of the promulgation of the Companies Act 2017. Pursuant to the SECP letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their shares in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form, into the Book-Entry Form.

H. POSTAL BALLOT

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

I. E-VOTING & POSTAL BALLOT FACILITY

The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to the requirements of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018.

Proxy, e-mandate, ballot paper and consent for video conferencing facility forms can be downloaded from our website: www.otsuka.pk

NOTE: Shareholders are requested to promptly notify any change in their addresses 'if any' to Company's Share Registrar M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street # 2, D.H.A., Phase VII, Karachi
Tel: Customer Support Services Tel No. (0092-21) 111-000-322 Fax: (0092-21) 35310191 Email: sfc@thk.com.pk.

For any query/problem/information, the investors may contact to the Share Registrar on the above-said contact details &/or the Company Secretary at the following contact details:

Mr. Amir Khalid, Company Secretary, Otsuka Pakistan Limited, 30-B, S.M.C.H.S., Karachi-74400, Tel: 34528652 – 4 Lines (Ext. No. 356), Fax: (92-21) 34549857, Email: secretarialcompliance@otsuka.pk.

اوٹسوکا پاکستان لمیٹڈ

اطلاع برائے اجلاس

مطلع کیا جاتا ہے کہ اوٹسوکا پاکستان لمیٹڈ کا آئندہ سال (38 ویں) سالانہ اجلاس بروز بدھ 28 اکتوبر 2026 کو بوقت صبح 11:00 بجے بمقام روم A&B، مودن پک ہوٹل، کلب روڈ، پلائی او پکس 3918، کراچی میں فزیکل کے ساتھ ساتھ الیکٹرانک ذرائع / آن لائن اجلاس کی سہولت کے ذریعے متعدد ذیل امور کی انجام دہی کیلئے منعقد کیا جائیگا۔

عمومی امور:

- 1- 30 جون 2026 کو ختم ہونے والے سال کیلئے سالانہ ڈسٹ شدہ اکاؤنٹس مع جزیئر مین رپورٹس، ڈائریکٹر اور آزاد ڈیٹریکٹر کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- 2- 30 جون 2027 کو ختم ہونے والے سالانہ ڈسٹ شدہ اکاؤنٹس کیلئے ڈیٹریکٹر کی تقرری اور ان کے مشاہدہ کا تعین۔
- 3- جزیئر مین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ

عامر خالد
کمپنی سیکریٹری

کراچی:

02 اکتوبر 2026ء

نوٹس:

سالانہ اجلاس عام میں آن لائن شرکت:

حصص یافتگان کو ڈیجیٹل ٹیکنالوجی کی سہولت کے ذریعے سالانہ اجلاس عام (AGM) کی کارروائی میں شرکت کی ترغیب دی جاتی ہے، جو کمپنی اور کمپنی کے شیئر رجسٹر اریجیٹریز THK الیوسی ایٹس (پرائیویٹ) لمیٹڈ کے ذریعے فراہم کی جائے گی۔

وہ حصص یافتگان اور نمائندے جو ڈیجیٹل ٹیکنالوجی کے ذریعے اجلاس میں شرکت کرنے کے خواہشمند ہیں، ان سے درخواست ہے کہ وہ کمپنی کو ای میل: secretarialcompliance@otsuka.pk یا شیئر رجسٹر اریجیٹریز پر ای میل: sfc@thk.com.pk پر 38 ویں سالانہ اجلاس عام کے لیے رجسٹریشن کے عنوان کے ساتھ اپنی معلومات اور CNIC کی درست کاپی بھیجیں۔ ویڈیو لنک اور لاگ ان کی تفصیلات صرف ان ممبران کو فراہم کی جائیں گی جن کی ای میل، جس میں تفصیلات (یعنی: نام، فوٹو، پتہ، CNIC نمبر / CDC اکاؤنٹ نمبر، CNIC نمبر / INTN اور موبائل نمبر) شامل ہوں، AGM سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔

A. کھلیب کی ہدایت اور پرواکیسی:

- (i) کمپنی کی منتقلی حصص کتب 22 اکتوبر 2026 سے 28 اکتوبر 2026 تک (شمول دونوں ایام) بند ہیں گی۔
- (ii) سالانہ اجلاس میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کیلئے اپنا پرکسی مقرر کر سکتا ہے۔ پرکسی کا کمپنی کا ممبر ہونا ضروری نہیں۔ نوٹری سے تصدیق شدہ پرکسی کی تقرری کا دستاویز اور پاور آف اٹارنی اور دیگر تصدیقی مع پاور آف اٹارنی کی دستخط شدہ اور نوٹری سے تصدیق شدہ کاپی اجلاس ہذا کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹریٹر آفس میں داخل کرانی ہوگی۔
- (iii) انفرادی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور اس کی رجسٹریشن تفصیلات رجسٹریشن کے مطابق آپ لوڈ ہوں، پرکسی فارم متعدد بلا شرائط کے تحت جمع کرائیں۔

(iv) پرکسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام پچھلے اور فیروز شاہی کارڈ نمبر (CNIC) فارم میں درج ہوں۔

(v) فیڈبک اور دیگر شہادت کارڈ (CNIC) یا پاسپورٹ کی توہری پیکٹ سے تصدیق شدہ کاپیاں پرکسی فارم کے ہمراہ منسلک ہوں۔

(vi) پرکسی اجلاس کے وقت اپنا اصل کیپیڈ فراڈ توہری شہادت کارڈ (CNIC) یا اصل پاسپورٹ پیش کرے گا۔

(vii) کارروائی ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد پاور آف اٹارنی مع دستخط کارڈ نمبر (اگر پہلے فراہم نہ کیا گیا ہو) پرکسی فارم کے ہمراہ منسلک کرنے ہوں گے۔

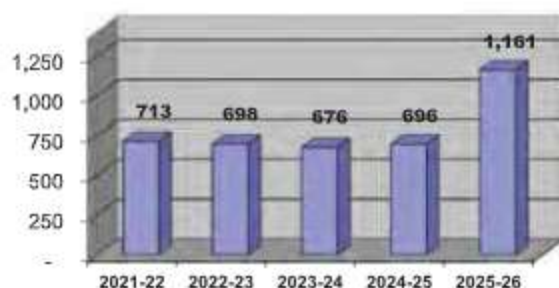
(viii) سی ڈی سی اکاؤنٹ ہولڈر کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرگرم نمبر 1 تاریخ 26 جنوری 2000 میں درج کردہ ہدایات پر عمل کرنا ہوگا۔

B. برائے اجلاس میں شرکت:

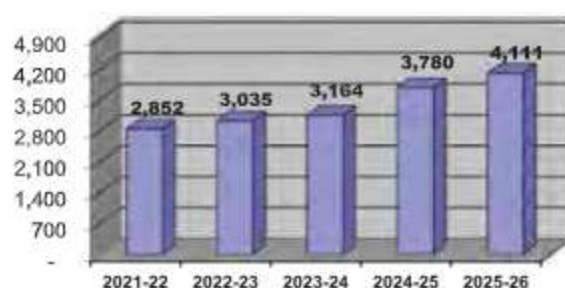
- (i) انفرادی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا اس فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور اس کی رجسٹریشن تفصیلات رجسٹریشن کے مطابق آپ لوڈ ہوں، اجلاس میں شرکت کے موقع پر اپنی شناخت کی تصدیق کیلئے اصل کیپیڈ فراڈ توہری شہادت کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارروائی ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد پاور آف اٹارنی مع دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوں گے۔

Five Years at a Glance

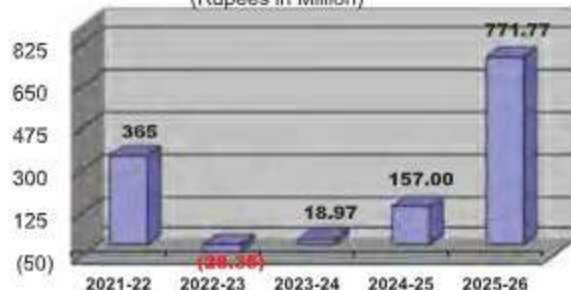
Shareholders' Equity
(Rupees in Million)



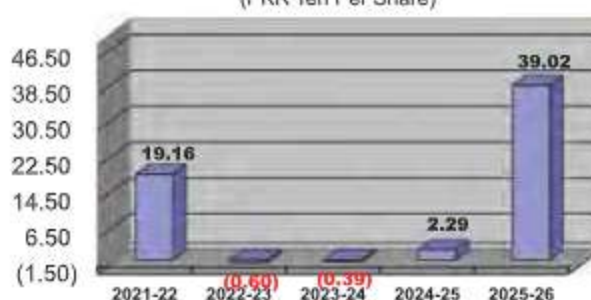
Sales
(Rupees in Million)



Profit / (Loss) Before Tax
(Rupees in Million)



Earning / (Loss) Per Share
(PKR Ten Per Share)





CHAIRMAN REVIEW

INTRODUCTION

It gives me great pleasure to present this report in accordance with Section 192 of the Companies Act, 2017.

The financial year 2025-26 was a year of strong progress for Otsuka Pakistan Limited despite economic uncertainties, export ban to Afghanistan and heightened geopolitical tensions. The Company remained focused on operational efficiency, quality healthcare, sustainable growth and value creation for shareholders. Pakistan's improving economic stability was encouraging, although regional conflict continued to create risks relating to energy prices, freight costs, imported materials and supply-chain continuity.

BUSINESS AND ECONOMIC ENVIRONMENT

Otsuka Pakistan Limited remains committed to providing high-quality pharmaceutical and Clinical Nutrition products while strengthening operational efficiency and profitability. During the year, the Afghanistan border was closed resulting in loss of revenue. Despite this challenge, the Company not only achieved sales growth but also generated positive cash flows during the year despite imposition of Super tax. Looking ahead, the Company plans to make significant investments in plant and machinery. These investments are expected to ensure sustainable production, improve product quality, and further strengthen compliance with Good Manufacturing Practices (GMP). The Company's clear business strategy, supported by its dedicated and capable teams, will continue to provide a strong foundation for sustainable growth and long-term value creation.

FINANCIAL RESULTS OF THE COMPANY

The Company delivered a significant improvement in financial performance during the year. Revenue increased by 8.77% to Rs. 4.11 billion from Rs. 3.78 billion last year, while gross profit rose to Rs. 1,458.90 million from Rs. 863.40 million. Operating profit increased substantially to Rs. 782.96 million from Rs. 162.91 million in last fiscal year.

Profit before taxation increased to Rs. 771.77 million from Rs. 157.00 million, while profit after tax rose to Rs. 472.13 million from Rs. 27.68 million. Consequently, earnings per share improved significantly to Rs. 39.02 from Rs. 2.29. This strong performance reflects the Company's strategic direction and focus on value-added Clinical Nutrition and Enteral Nutrition Products, operational efficiencies, and prudent financial management.

BOARD OF DIRECTORS

The Board of Directors will be completing its second year on October 31, 2026, after being elected in the 36th Annual General Meeting held on October 30, 2024.

The Board comprises of professionals with diverse background, sound business acumen and profound understanding of pharmaceutical industry. The Board and its associated Committees performed their duties effectively and ensured all the statutory and regulatory requirements applicable upon the Company. The overall performance of the Board and each of its members was satisfactory based on an evaluation of all the integral-components, which had a direct bearing on the Board's role in achievement of the Company's objectives. I appreciate the valuable contributions made by the directors of the Company.

ENVIRONMENTAL, HEALTH AND SOCIAL RESPONSIBILITY

The Company remains committed to the health, safety and wellbeing of its employees and stakeholders. I am very pleased that in last two and half years OPL has taken multiple comprehensive initiatives for employee's well-being for which the management and CEO deserves special appreciation. During the year, initiatives relating to health and life insurance, employee transportation and workplace wellbeing were continued. We remain committed to maintaining a safe, healthy and ethical working environment, recognizing that our people are fundamental to sustainable performance.

FUTURE OUTLOOK

The Company will continue to focus on sustainable growth, with Clinical Nutrition-particularly Parenteral and Enteral Nutrition-as a key strategic priority. Expansion of the Enteral Nutrition portfolio, improved supply-chain efficiency and cost optimization will remain key areas of focus.

The continuing geopolitical situation and disruption to international trade routes remain important risks, particularly for energy costs, freight and imported materials. The Company will therefore maintain a strong focus on business continuity, inventory planning, cost control and financial discipline while pursuing growth opportunities through its value-added products.

Our objective remains to build a stronger, more efficient and resilient Otsuka Pakistan Limited that continues to create value for patients, employees, business partners and shareholders.

ACKNOWLEDGEMENT

On behalf of the Board of Directors of Otsuka Pakistan Limited, I would like to express my sincere appreciation to our employees for their dedication, commitment and valuable contributions during the year. I also extend my gratitude to our business partners, healthcare professionals and other stakeholders for their continued support and confidence in the Company.

I am particularly grateful to our shareholders for their trust and continued support. Their confidence inspires us to remain steadfast in our commitment to strengthening the Company and pursuing sustainable growth.

I look forward to the continued support of all our stakeholders as we embark on the next phase of Otsuka Pakistan Limited's journey.



Mikio Bando
Chairman

Dated: September 2, 2026

چیرمین کا پیغام

مجھے یہ رپورٹ کمپنیز ایکٹ، 2017 کی دفعہ 192 کے تقاضوں کے مطابق معزز شیئر ہولڈرز کے سامنے پیش کرتے ہوئے دلی مسرت ہو رہی ہے۔

مالی سال 2025-2026، اوسوکا پاکستان لمیٹڈ کے لیے مضبوط پیش رفت کا سال رہا، اگرچہ معاشی غیر یقینی صورتحال، افغانستان کو برآمدات پر پابندی اور بڑھتی ہوئی جغرافیائی سیاسی کشیدگی جیسے چیلنجز درپیش رہے۔ کمپنی نے آپریشنل کارکردگی، معیاری صحت کی سہولیات کی فراہمی، پائیدار ترقی اور شیئر ہولڈرز کے لیے قدر میں اضافے پر اپنی بھرپور توجہ برقرار رکھی۔ پاکستان کی معاشی صورتحال میں بتدریج بہتری حوصلہ افزا رہی، تاہم خطے میں جاری تنازعات کے باعث توانائی کی قیمتوں، مال برداری کے اخراجات، درآمدی خام مال اور سپلائی چین کے تسلسل سے متعلق خطرات بدستور موجود رہے۔

کاروباری اور معاشی ماحول

اوسوکا پاکستان لمیٹڈ اعلیٰ معیار کی دواسازی اور کیمیکل نیوٹریشن مصنوعات کی فراہمی کے لیے پرعزم ہے، جبکہ آپریشنل کارکردگی اور منافع میں بہتری کو بھی مزید مستحکم کرنے پر توجہ مرکوز رکھے ہوئے ہے۔ سال کے دوران افغانستان کی سرحد بند ہونے کے نتیجے میں آمدنی میں کمی کا سامنا کرنا پڑا۔ اس چیلنج کے باوجود، کمپنی نے نہ صرف فروخت میں اضافہ حاصل کیا بلکہ سپرٹیکس کے نفاذ کے باوجود سال کے دوران مثبت نقد بہاؤ بھی پیدا کیا۔ مستقبل کے پیش نظر، کمپنی پائیدار اور مشیرتی میں نمایاں سرمایہ کاری کرنے کا ارادہ رکھتی ہے۔ توقع ہے کہ یہ سرمایہ کاری پائیدار پیداوار کو یقینی بنائے، مصنوعات کے معیار کو بہتر بنائے اور گڈ مینوفیکچرنگ پریکٹسز سے متعلق تقاضوں پر مزید موثر عمل درآمد کو مضبوط بنانے میں معاون ثابت ہوگی۔ کمپنی کی واضح کاروباری حکمت عملی، جسے اس کی تخلص اور باصلاحیت نیوٹن کی بھرپور معاونت حاصل ہے، پائیدار ترقی اور طویل مدتی قدر میں اضافے کے لیے ایک مضبوط بنیاد فراہم کرتی رہے گی۔

کمپنی کے مالیاتی نتائج

کمپنی نے سال کے دوران اپنی مالیاتی کارکردگی میں نمایاں بہتری حاصل کی۔ آمدنی گزشتہ سال کے 3.78 ارب روپے کے مقابلے میں 8.8 فیصد اضافے کے ساتھ 4.11 ارب روپے ہوئی، جبکہ مجموعی منافع 863.40 ملین روپے سے بڑھ کر 1.46 ارب روپے ہو گیا۔ آپریٹنگ منافع گزشتہ مالی سال کے 162.91 ملین روپے کے مقابلے میں نمایاں اضافے کے ساتھ 782.97 ملین روپے ہو گیا۔ ٹیکس سے قبل منافع 157.00 ملین روپے سے بڑھ کر 771.77 ملین روپے ہو گیا، جبکہ ٹیکس کے بعد منافع 27.68 ملین روپے سے بڑھ کر 472.13 ملین روپے ہو گیا۔ نتیجتاً، فی حصص آمدنی میں بھی نمایاں بہتری آئی اور یہ 2.29 روپے سے بڑھ کر 39.02 روپے ہوئی۔ یہ مضبوط مالیاتی کارکردگی کمپنی کی موثر حکمت عملی، ویلیو ایڈڈ کیمیکل نیوٹریشن اور انٹرنل نیوٹریشن مصنوعات پر توجہ، آپریشنل کارکردگی میں بہتری اور محتاط مالیاتی انتظام کی عکاسی کرتی ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز 30 اکتوبر 2024 کو منعقد ہونے والے 36 ویں سالانہ جنرل اجلاس میں منتخب ہونے کے بعد 31 اکتوبر 2026 کو اپنی دوسرا مدت مکمل کرے گا۔

بورڈ ایسے پیشہ ور افراد پر مشتمل ہے جو متنوع تجربات، مضبوط کاروباری بصیرت اور دواسازی کی صنعت کی گہری سمجھ بوجھ رکھتے ہیں۔ بورڈ اور اس کی متعلقہ کمیٹیوں نے اپنی ذمہ داریاں موثر انداز میں انجام دیں اور کمپنی پر لاگو تمام قانونی اور ضابطہ جاتی تقاضوں کی تکمیل کو یقینی بنایا۔ بورڈ اور اس کے ہر رکن کی مجموعی کارکردگی کا جائزہ تمام متعلقہ عوامل کی بنیاد پر لیا گیا، جن کا کمپنی کے مقاصد کے حصول میں بورڈ کے کردار پر براہ راست اثر تھا، اور یہ کارکردگی تسلی بخش رہی۔ میں کمپنی کے معزز ڈائریکٹرز کی جانب سے دی جانے والی قیمتی خدمات اور گراں قدر تعاون کو سراہتا ہوں۔

پاحولیاتی، صحت عامہ اور سماجی ذمہ داری

کمپنی اپنے ملازمین اور دیگر متعلقہ فریقین کی صحت، سلامتی اور فلاح و بہبود کے لیے پرعزم ہے۔ مجھے یہ امر باعث مسرت ہے کہ گزشتہ ڈھائی سال کے دوران اوسوکا پاکستان لمیٹڈ نے ملازمین کی فلاح و بہبود کے لیے متعدد جامع اقدامات کیے ہیں، جن پر انتظامیہ اور چیف ایگزیکٹو آفیسر خصوصی تحسین کے مستحق ہیں۔ سال کے دوران صحت اور لائف انشورنس، ملازمین کے لیے سفری سہولیات اور کام کی جگہ پر فلاح و بہبود سے متعلق اقدامات کا سلسلہ جاری رکھا گیا۔ ہم ایک محفوظ، صحت مند اور اخلاقی کام کا ماحول برقرار رکھنے کے لیے پرعزم ہیں، کیونکہ ہم اس امر کو تسلیم کرتے ہیں کہ ہمارے ملازمین پائیدار کارکردگی کے لیے بنیادی اہمیت رکھتے ہیں۔

مستقبل کا منظر نامہ

کمپنی پائیدار ترقی پر اپنی توجہ بدستور مرکوز رکھے گی، جس میں کیمیکل نیوٹریشن، بالخصوص سپرٹیکس اور انٹرنل نیوٹریشن، ایک اہم اسٹریٹجک ترجیح ہوگی۔ انٹرنل نیوٹریشن مصنوعات کے پورٹ فولیو میں توسیع، سپلائی چین کی کارکردگی میں بہتری اور اخراجات میں کمی و اصلاح کمپنی کی اہم ترجیحات میں شامل رہیں گی۔ جاری جغرافیائی سیاسی صورتحال اور بین الاقوامی تجارتی راستوں میں خلل بدستور اہم خطرات ہیں، بالخصوص توانائی کی لاگت، مال برداری کے اخراجات اور درآمدی خام مال کے حوالے سے۔ چنانچہ کمپنی کاروباری تسلسل، انوینٹری کی موثر منصوبہ بندی، اخراجات پر کنٹرول اور مالیاتی نظم و ضبط پر بھرپور توجہ برقرار رکھتے ہوئے اپنی ویلیو ایڈڈ مصنوعات کے ذریعے ترقی کے مواقع سے استفادہ کرتی رہے گی۔

ہمارا مقصد ایک ایسی مزید مضبوط، موثر اور چمکدار اوسوکا پاکستان لمیٹڈ کی تعمیر ہے جو مرہضوں، ملازمین، کاروباری شراکت داروں اور معزز شیئر ہولڈرز کے لیے مسلسل قدر میں اضافہ کرتی رہے۔

اظہار تشکر

اوسوکا پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، میں سال کے دوران اپنے ملازمین کی لگن، عزم اور گراں قدر خدمات و کوششوں پر تہ دل سے ان کی قدر و تحسین کا اظہار کرتا ہوں۔ میں اپنے کاروباری شراکت داروں، ماہرین صحت اور دیگر متعلقہ فریقین کا بھی کمپنی کے لیے مسلسل تعاون اور اعتماد پر تہ دل سے شکر گزار ہوں۔ بالخصوص، میں اپنے معزز شیئر ہولڈرز کے اعتماد اور مسلسل تعاون پر ان کا تہ دل سے شکر گزار ہوں۔ ان کا اعتماد ہمیں کمپنی کو مزید مستحکم کرنے اور پائیدار ترقی کے حصول کے لیے اپنے عزم پر ثابت قدم رہنے کا حوصلہ فراہم کرتا ہے۔

مجھے امید ہے کہ اوسوکا پاکستان لمیٹڈ کے سفر کے اگلے مرحلے میں داخل ہوتے ہوئے، ہمیں اپنے تمام متعلقہ فریقین کی جانب سے اسی طرح مسلسل تعاون حاصل رہے گا۔

Muhammad Bandhu
میکو باندو
چیرمین

DIRECTORS' REPORT

The Directors are pleased to present the Annual Report of Otsuka Pakistan Limited (the Company) for the year ended June 30, 2026 prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019. This report will be submitted to the members at the thirty eighth (38th) Annual General Meeting of the Company to be held on October 28, 2026.

Industry Overview

According to IQVIA Solutions Pakistan (Private) Limited, Pakistan's pharmaceutical market continued to demonstrate strong growth during 2025-26, supported by increasing healthcare needs and higher value realization. The market's expansion reflects the underlying potential and resilience of the pharmaceutical sector.

The de-control of prices for non-essential products has provided greater flexibility to pharmaceutical companies and created opportunities for sustainable growth. Going forward, maintaining a balance between pricing, volume growth and patient affordability will remain important for the sustainable development of the pharmaceutical industry.

Business Review

For the fiscal year 2025–2026, the Company achieved net sales of Rs. 4.11 billion, representing underlying sales growth of 8.77% compared with the previous year. This growth was primarily supported by continued momentum in Clinical Nutrition and improved market penetration despite the fact that export ban to Afghanistan from last three quarters. Gross profit margin increased significantly from 22.84% to 35.49%, mainly driven by PN & EN products, and a favorable product mix.

Operating profit rose substantially to Rs. 782.97 million from Rs. 162.91 million, while profit before taxation increased to Rs. 771.77 million from Rs. 157.0 million. Accordingly, profit after tax increased to Rs. 472.13 million compared with Rs. 27.68 million in the previous year. Selling and distribution expenses increased by 28.30%, primarily driven by higher advertising and promotional expenditures related to the launch of two new Enteral Nutrition (EN) products, Neo-Mune and Once-Dialyze and additional cost of dedicated supplies to OPL distributors which resulted in less product complaints. Other income of the company has significantly increased by 127.35% while other expenses have significantly decreased by 45.82% particularly due to appreciation of local currency which resulted in net exchange gain of Rs. 140.8 m for the year ended June 30, 2026 on foreign currency loan of group company.

This significant improvement in financial performance reflects the positive impact of the Company's strategic initiatives, enhanced operational efficiencies, continued focus on the Strategic Clinical Nutrition products, and prudent financial management. These achievements have strengthened the Company's financial position and provide a solid platform for sustainable growth and enhanced shareholder value.

Financial Results

	2026	2025
	----- (PKR in '000) -----	
Profit for the year after taxation	472,125	27,677
Other comprehensive loss for the year	(6,935)	(7,593)
Total comprehensive income for the year	465,190	20,084
Accumulated profits carried forward	1,039,969	574,779

Declaration of dividend / or reasons for not declaring dividend

The Company recorded a profit of PKR 472.1 million; however, the directors have proposed a "nil" dividend for the year. This decision is primarily due to the heavy burden of a foreign currency loan

amounting to approximately PKR 942.7 million, which was initially obtained for one year but is now being rolled over multiple times. Furthermore, the Company is undertaking substantial capital expenditure for major machinery overhauling, therefore, the funds are being retained in reserves to meet these requirements.

Earnings Per Share

The earnings per share for the year ended June 30, 2026 works out to be Rs. 39.02 (2025: Rs. 2.29) per share.

Key operating and financial data

Key operating and financial data of last six years is annexed with this annual report.

Value of investments of provident and gratuity funds

The value of investments in bank deposits, government and money market securities based on the latest respective audited accounts are given below:

Provident Fund	Rs. 263,430,766/-
Gratuity Fund	Rs. 158,505,859 /-

Corporate Governance

As required under Corporate Governance, the Directors are pleased to confirm that:

- the financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- proper books of accounts of the Company have been maintained;
- appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departures therefrom has been adequately disclosed and explained;
- the system of internal control is sound in design and has been effectively implemented and monitored;
- there are no significant doubts upon the Company's ability to continue as a going concern;
- there has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- In accordance with the criteria specified in Code, three directors have a certification under Directors' Training Program. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of corporate bodies; and
- There are no statutory payments on account of taxes, duties, levies and charges outstanding as on June 30, 2026 except for those already disclosed in the financial statements.

Board of Directors

The Board of Directors as required under section 159 of the Companies Act, 2017 had fixed the number of Directors have been elected at seven (7) including two (2) independent directors who will represent the minority shareholders of the Company in accordance with the provisions of the Listed Companies (Code of Corporate Governance) Regulations 2019, for a period of three years commenced from November 01, 2024.

The composition of Board of Directors ("the Board") is as follows:

CATEGORY	NAMES	GENDER
Executive Director	Mr. Moin ur Rehman (CEO)	Male
Non-Executive Directors	Mr. Mikio Bando (Chairman) **	
	Mr. Tariq Mehtab Feroz	
	Mr. Jun Chihara *	
	Mr. Suhari Mukti***	

Independent Directors	Mr. Abid Hussain	
	Mrs. Navin Salim Merchant	Female

* Mr. Jun Chihara has been appointed as director in place of Mr. Kimitaka Naito w.e.f. April 22, 2026.

** Mr. Hideshi Tsunazawa is the alternate director of Mr. Mikio Bando.

***Mr. Tauseef Ahmed Shaikh is the alternate director of Mr. Suhari Mukti.

Board Sub-Committees

NAME OF BOARD SUB-COMMITTEE	NAME OF MEMBER
Audit Committee	Mr. Abid Hussain (Chairman) Mr. Jun Chihara Mr. Tariq Mehtab Feroz Mr. Jawaid Noor (Secretary)
Human Resources Remuneration & Nomination Committee	Mrs. Navin Salim Merchant (Chairperson) Mr. Moin ur Rehman Mr. Jun Chihara Mr. Tariq Mehtab Feroz Mr. David Sunil (Secretary)
Risk Management & Sustainability Committee	Mr. Abid Hussain (Chairman) Mr. Moin ur Rehman Mrs. Navin Salim Merchant (female director for Sustainability Committee) Mr. Jun Chihara Mr. Tauseef Ahmed Shaikh (Secretary)

Directors' Remuneration

The Board has a formal policy and transparent procedures for the remuneration of its directors in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2017. Currently, the two independent directors and a non-working alternate director are getting fixed fees for attending the board meetings. The aggregate amount of remuneration paid to each director of the Company during the year is given below:

CATEGORY	NAMES	NATURE OF REMUNERATION	AMOUNT (Rs. In '000)
Executive Director	Mr. Moin ur Rehman (CEO)	Salaries and benefits	24,917
Non-Executive Directors	Mr. Mikio Bando (Chairman)	Not applicable	Nil
	Mr. Tariq Mehtab Feroz	Meeting Fees	300
	Mr. Kimitaka Naito	Not applicable	Nil
	Mr. Jun Chihara	Not Applicable	Nil
	Mr. Suhari Mukti	Not applicable	Nil
Independent Directors	Mr. Abid Hussain	Meeting Fees	375
	Mrs. Navin Salim Merchant	Meeting Fees	375

Risk Management & Sustainability Committee:

The Risk Management infrastructure of the Company is based upon Enterprise Risk Management framework together with the sustainability risk assessing which addressing the major risk categories including Strategic, Operational, Compliance, Sustainability and Financial Reporting Risks. Adequate controls have been designed and communicated to the staff via policies and procedural guidelines. The Board has outsourced the internal audit function to evaluate and oversee the design and operating effectiveness of these controls.

The Board has made the Risk Management and Sustainability Committee comprising of the following members:

NAME	DESIGNATION
Mr. Abid Hussain (Chairman)	Independent Director
Mr. Moin ur Rehman	Executive Director & Chief Executive Officer

Mr. Jun Chihara	Non-Executive Director
Mr. Tauseef Ahmed Shaikh (Secretary)	Chief Financial Officer
Mrs. Navin Salim Merchant	Female Director for Sustainability Committee only

Meetings of the Board, Audit Committee, Human Resource Remuneration & Nomination Committee and Risk Management Committee:

Name of Director	Board Meetings		Audit Committee Meetings		Risk Management Meetings	
	Meetings held during the period	Attendance	Meetings held during the period	Attendance	Meetings held during the period	Attendance
Mr. Moin ur Rehman (Director and CEO)	4	4	4	4	1	N/A
Mr. Tariq Mehtab Feroz	4	4	4	4	1	1
Mr. Miko Bando (Chairman)	4	4	4	N/A	1	N/A
Mr. Suhari Mukti	4	4	4	N/A	1	N/A
Mr. Kuntaka Naito	4	2	4	2	1	1
Mr. Jun Chihara	4	1	4	1	1	N/A
Mr. Abid Hussain (Independent Director)	4	4	4	4	1	1
Mrs. Navin Salim Merchant (Independent Director)	4	4	4	N/A	1	1

Pattern of Shareholding

The Pattern of shareholding of the Company as at June 30, 2026 is annexed with this annual report.

Trading in shares by directors, executives and their spouses and minor children

During the year no trading in shares were reported by directors, executives and their spouses and minor children.

Corporate Social Responsibility

The Company considers social, environmental and ethical matters in the context of the overall business environment and has paid monetary as well as non-monetary donations in the form of medicines to different institutions as part of its corporate social responsibility. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base.

Adequacy of Internal Financial Control

The Company has an adequate internal financial controls system in place and the same was operating effectively during the year ended June 30, 2026. The Company's Directors provide reasonable assurance regarding the achievement of operating, reporting and compliance objectives are the means by which:

- Company's full operations are conducted in accordance with prescribed policies and procedures.
- The Company is in compliance with applicable laws and regulations.
- The Company's assets and information are protected from any improper use.

Holding Company

The Company is an indirect subsidiary of Messrs. Otsuka Pharmaceutical Company Limited, which is incorporated in Japan with parent company as Otsuka Holdings.

Subsequent events

There are no other material changes or commitments affecting the financial position of the company have taken place between the end of the financial year and the date of this report.

Description of principal risks & uncertainties

We expect no principal risks & uncertainties as at the closing period of June 30, 2026.

Changes occurring in the nature of business

We expect and plan to launch new value-added products in near future nevertheless our main nature of business will remain unchanged.

Future outlook

Looking ahead, we remain optimistic about the Company's growth prospects and continued progress towards its strategic objectives. Our focus will remain on expanding the product portfolio through the

introduction of innovative, value-added Clinical Nutrition (CN) and Enteral Nutrition (EN) products to address unmet healthcare medical needs.

Strategic priorities including strengthening manufacturing capabilities through massive planned capital expenditures, improving operational systems, enhancing supply-chain efficiency and deepening market penetration will support sustainable growth and further strengthen the Company's position across its key business segments.

We remain committed to creating sustainable value for our stakeholders, particularly patients, while contributing positively to society at large.

Main trends/ developments likely to affect future performance

The pharmaceutical industry continues to benefit from the pricing reforms introduced for non-essential medicines, which have provided manufacturers greater flexibility to align prices with inflation and rising input costs. This has supported improved revenue realization across the sector and is expected to provide a favorable environment for Otsuka Pakistan Limited as well.

Looking ahead, the Company remains mindful of challenges arising from ageing machinery, export ban to Afghanistan, higher freight-outward costs and the evolving cost environment. In response, the Company will continue to strengthen its manufacturing capabilities through massive planned capital expenditures, improve operational efficiency and expand its portfolio with value-added products, particularly in Clinical Nutrition segment. These initiatives will support sustainable growth and enable the Company to create long-term value for all stakeholders.

Loans Obligations

The Company had deferred the repayment of the loans taken from M/s. Otsuka Pharmaceutical Factory, Inc., Japan (related party) which represents a foreign currency denominated loans. All three tranches were roll forward for another one year. The current loan payable position is given below:

Initial Date of Draw down	Loan Amount (JPY)	Loan Payable (PKR)	Latest Repayment date
26-Feb-2015	125,000,000	214,250,000	25-Feb-27
27-Apr-2015	125,000,000	214,250,000	26-Apr-27
17-May-2024	300,000,000	514,200,000	10-Apr-27
Total	550,000,000	942,700,000	

The Company intends to repay above-said all tranches after considering the central bank borrowing rates and internal cash flow of the Company in next 3-5 years.

Auditors

The present auditors, Messrs. Yousuf Adil Chartered Accountants retire at the conclusion of the 38th Annual General Meeting and being eligible, offer themselves for reappointment.

Acknowledgement

The Board wishes to place on record its appreciation for the untiring efforts of all its employees in taking the Company forward.

On behalf of the Board



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director

Karachi

Dated: September 2, 2026

موجودہ قرض کی ادائیگی کی صورتحال درج ذیل ہے:

وصولی کی ابتدائی تاریخ	قرضے کی رقم جاپانی کرنسی	قرضے کی ادائیگی پاکستانی روپے میں	ادائیگی کی آخری تاریخ
26-Feb-2015	125,000,000	214,250,000	25-Feb-2027
27-Apr-2015	125,000,000	214,250,000	26-Apr-2027
17-May-2024	300,000,000	514,200,000	10-Apr-2027
	550,000,000	942,700,000	

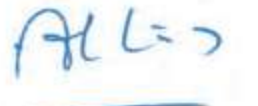
کمپنی کا ارادہ ہے کہ مذکورہ بالا تمام قسطوں کی واپسی مرکزی بینک کے قرضہ نرخوں اور کمپنی کے داخلی نقد بہاؤ کو مد نظر رکھتے ہوئے کی جائے گی۔

آڈیٹر
موجودہ آڈیٹر، میسرز یوسف عدیل چارٹرڈ اکاؤنٹنٹس، 38 ویں سالانہ جنرل میٹنگ کے اختتام پر سبکدوش ہوں گے اور اہل ہونے کے ناطے دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔
اعتراف

بورڈ اس بات کو ریکارڈ پر لانا چاہتا ہے کہ کمپنی کو آگے بڑھانے میں تمام ملازمین کی انتھک محنت کے لیے ان کا شکریہ ادا ہے۔

بورڈ کی جانب سے

معین الرحمن
چیف ایگزیکٹو آفیسر


عابد حسین
ڈائریکٹر
کراچی
2 ستمبر 2026

اندرونی مالیاتی کنٹرول کی موزونیت

کمپنی کے پاس مناسب اندرونی مالیاتی کنٹرول کا نظام موجود ہے جو سال ختم ہونے پر 30 جون 2026 تک مؤثر طور پر کام کرنا رہا۔ کمپنی کے ڈائریکٹر معقول یقین دہانی فراہم کرتے ہیں کہ عملیاتی، رپورٹنگ اور تعمیل سے متعلق مقاصد درج ذیل طریقوں سے حاصل کیے جا رہے ہیں:

کمپنی کی تمام سرگرمیاں مقررہ پالیسیوں اور طریقہ کار کے مطابق انجام دی جا رہی ہیں۔

کمپنی متعلقہ قوانین اور ضوابط کی مکمل پابندی کر رہی ہے۔

کمپنی کے اثاثے اور معلومات کسی بھی غلط استعمال سے محفوظ ہیں۔

ہولڈنگ کمپنی

کمپنی بالواسطہ طور پر سرسزاوٹسوکا فارماسیوٹیکل کمپنی لمیٹڈ کی ذیلی کمپنی ہے، جو جاپان میں رجسٹرڈ ہے۔

بعد از سالانہ واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی بڑی تبدیلی یا عہد نہیں ہوا۔

اہم خطرات اور غیر یقینی صورتحال کی وضاحت

30 جون 2026 کو اختتامی مدت کے مطابق ہمیں کسی بڑے خطرے یا غیر یقینی صورتحال کی توقع نہیں ہے۔

کاروبار کی نوعیت میں تبدیلیاں

ہم قریب مستقبل میں نئی ویلیو ایڈڈ مصنوعات متعارف کرانے کا ارادہ اور منصوبہ رکھتے ہیں، تاہم ہمارا کاروبار کی بنیادی نوعیت بدستور برقرار رہے گی۔

مستقبل کی جھلک

مستقبل پر نظر ڈالتے ہوئے، ہم کمپنی کی ترقی کے امکانات اور اس کے سٹریٹجک اہداف کی جانب مسلسل پیش رفت کے بارے میں پر امید ہیں۔ ہماری توجہ صحت کی دیکھ بھال کی جو پوری طبی ضروریات کو پورا کرنے کے لیے جدید، ویلیو ایڈڈ طبی عداثیت (کلینیکل نیوٹریشن) اور منہ کے ذریعے لی جانے والی عداثیت (اینٹرل نیوٹریشن) کی مصنوعات متعارف کروا کر پروٹیکٹڈ پورٹ فولیو کو وسعت دینے پر مرکوز رہے گی۔

سٹریٹجک ترجیحات بشمول بڑے پیمانے پر منصوبہ بند سرمایہ کاری کے ذریعے مینوفیکچرنگ (پیداواری) صلاحیتوں کو مضبوط بنانا، ایریشنل نظام کو بہتر بنانا، سیلانی چین کی کارکردگی کو بڑھانا اور مارکیٹ میں رسائی کو گہرا کرنا یقیندار ترقی میں معاون ثابت ہوں گے اور اہم کاروباری شعبوں میں کمپنی کی پوزیشن کو مزید مضبوط کریں گے۔

ہم معاصرے میں مثبت کردار ادا کرنے کے ساتھ ساتھ اپنے اسٹیک ہولڈرز، خاص طور پر مریضوں کے لیے یقیندار قدر (ویلیو) پیدا کرنے کے لیے یحزم ہیں۔

مستقبل کی کارکردگی پر اثر انداز ہونے والے اہم رجحانات اور تبدیلیاں

فارماسیوٹیکل صنعت غیر ضروری ادویات کے لیے متعارف کرائی گئی قیمتوں کی اصلاحات سے مسلسل فائدہ اٹھا رہی ہے، جس نے مینوفیکچررز کو افراط زر (مہنگائی) اور بڑھتی ہوئی پیداواری لاگت کے مطابق قیمتوں کو ہم آہنگ کرنے کی زیادہ لچک فراہم کی ہے۔ اس نے پورے شعبے میں محصولات (آمدنی) کی وصولی میں بہتری لانے میں مدد کی ہے اور توقع ہے کہ یہ اوتسوکا پاکستان لمیٹڈ کے لیے بھی ایک سازگار ماحول فراہم کرے گا۔

مستقبل پر نظر ڈالتے ہوئے، کمپنی پرانی مشینری، افغانستان کو برآمدات پر پابندی، بیرونی مال برداری کے زیادہ اخراجات اور بدلتے ہوئے لاگتی ماحول سے پیدا ہونے والے چیلنجوں سے باخبر ہے۔ اس کے جواب میں، کمپنی بڑے پیمانے پر منصوبہ بند سرمایہ کاری کے ذریعے اپنی مینوفیکچرنگ کی صلاحیتوں کو مضبوط بنانا، ایریشنل کارکردگی کو بہتر بنانا اور خاص طور پر کلینیکل نیوٹریشن (طبی عداثیت) کے شعبے میں ویلیو ایڈڈ مصنوعات کے ساتھ اپنے پورٹ فولیو کو وسعت دینا جاری رکھے گی۔ یہ اقدامات یقیندار ترقی میں معاون ثابت ہوں گے اور کمپنی کو تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے قابل بنائیں گے۔

قرضے اور کرانے کی ذمہ داریاں

کمپنی نے جاپان کی کمپنی اوتسوکا فارماسیوٹیکل فیکٹری، انکارپوریٹڈ (متعلقہ فریق) سے لیے گئے قرضوں کی واپسی مؤخر کر دی تھی، جو غیر ملکی کرنسی میں ہیں۔ تمام تین قسطیں ایک اور سال کے لیے بڑھا دی گئی ہیں۔

نام	عہدہ / منصب
جناب عابد حسین (چیئرمین)	آزاد ڈائریکٹر
جناب معین الرحمن	ایگزیکٹو ڈائریکٹر و چیف ایگزیکٹو آفیسر
جناب جون جیہارا	نان ایگزیکٹو ڈائریکٹر
جناب توصیف احمد شیخ (سیکرٹری)	چیف فنانسنگ اور کمپلائنس آفیسر
محترمہ نوین سلیم مرچنٹ	صرف پائیداری کمیٹی کے لیے خاتون ڈائریکٹر

بورڈ، آڈٹ کمیٹی، ہیومن ریسورسز مینجمنٹ، نوٹیفیکیشن کمیٹی اور رسک مینجمنٹ کمیٹی کے اجلاس

ڈائریکٹران کے نام		بورڈ میٹنگ		آڈٹ کمیٹی میٹنگ		رسک مینجمنٹ اینڈ سسٹمز ایبیلیٹی کمیٹی	
سال کے دوران ہونے والی میٹنگ	حاضری	سال کے دوران ہونے والی میٹنگ	حاضری	سال کے دوران ہونے والی میٹنگ	حاضری	سال کے دوران ہونے والی میٹنگ	حاضری
معین الرحمان (ڈائریکٹر اینڈ ای اے)	4	4	4	4	4	1	1
طارق مہتاب فیروز	4	4	4	4	4	1	1
مکیو بانڈو چیئرمین	4	4	4	4	4	نا قابل اطلاق	نا قابل اطلاق
سوپاری کمیٹی	4	4	4	4	4	نا قابل اطلاق	نا قابل اطلاق
کیمینکا ڈائریکٹر	4	2	4	2	4	1	1
عابد حسین آزاد ڈائریکٹر	4	4	4	4	4	1	1
مسز نوین سلیم مرچنٹ آزاد ڈائریکٹر	4	4	4	4	نا قابل اطلاق	1	1
جون جیہارا	4	1	4	1	4	نا قابل اطلاق	نا قابل اطلاق

شیئر ہولڈنگ کا بیٹرن

کمپنی کا شیئر ہولڈنگ بیٹرن مورخہ 30 جون 2026 کو اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹروں، افسران اور ان کے شریک حیات اور کم عمر بچوں کی طرف سے حصص میں لین دین

سال کے دوران ڈائریکٹروں، افسران، ان کے شریک حیات اور کم عمر بچوں کی طرف سے حصص کی خرید و فروخت کی کوئی اطلاع موصول نہیں ہوئی۔

سامانجی ذمہ داری

کمپنی مجموعی کاروباری ماحول کے تناظر میں سامانجی، ماحولیاتی اور اخلاقی معاملات کو اہمیت دیتی ہے اور اپنی سامانجی ذمہ داری کے تحت مختلف اداروں کو مالی اور غیر مالی امداد (ادویات کی صورت میں) فراہم کرتی رہی ہے۔ کمپنی تمام فریقین کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے، خصوصاً اُس برادری کے لیے جس میں ہم رہتے ہیں اور جو ہمارے صارفین کی بنیاد تشکیل دیتی ہے۔

- * جناب جون چہلرا کی بطور ڈائریکٹر تعیناتی جناب کمیٹیکا نائیتو کی جگہ 2026-04-22 سے عمل میں آئی ہے۔
- جناب ہیدیشی سونے زاوا، جناب میکوی بانڈو کے متبادل ڈائریکٹر ہیں۔
- جناب توصیف احمد شیخ، جناب سوہاری مکتی کے آلٹرنیٹ ڈائریکٹر ہیں۔

بورڈ کی ذیلی کمیٹیاں	ممبر کا نام
آڈٹ کمیٹی	جناب عابد حسین (چیئر مین) جناب جون چہلرا جناب طارق مہتاب فیروز جناب جاوید نور (سیکرٹری)
ہومن ریسورسز و معاوضہ اور نامزدگی کمیٹی	مسز نوین سلیم مرچنٹ (چیئر پرسن) جناب معین الرحمن صاحب جناب جون چہلرا جناب طارق مہتاب فیروز مسز ڈیوڈ سنیل (سیکرٹری)
رہسک مینجمنٹ اینڈ سسٹین ایبلٹی کمیٹی	جناب عابد حسین (چیئر مین) جناب معین الرحمن صاحب جناب جون چہلرا مسز نوین سلیم مرچنٹ (جناب توصیف احمد شیخ (سیکرٹری)

ڈائریکٹر کی معاوضہ جات

بورڈ نے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق ڈائریکٹر کی معاوضہ کے لیے ایک باضابطہ پالیسی اور شفاف طریقہ کار مرتب کیا ہے۔ فی الحال دو آزاد ڈائریکٹر اور ایک غیر عامل متبادل ڈائریکٹر کو صرف بورڈ میٹنگز میں شرکت کے عوض مقررہ فیس دی جارہی ہے۔ کمپنی کے ہر ڈائریکٹر کو سال کے دوران ادا کی گئی مجموعی معاوضہ کی رقم ذیل میں دی گئی ہے:

عہدے	نام	معاوضے کی تفصیلات	پاکستانی روپے '000
ایگزیکٹو ڈائریکٹر	جناب معین الرحمن (سی ای او)	* * تنخواہیں اور مراعات	24,917
ٹان ایگزیکٹو ڈائریکٹر	جناب میکوی بانڈو (چیئر مین)	قابل اطلاق نہیں	-
	جناب طارق مہتاب فیروز	کنسلٹنسی فیس	300
	جناب جون چہلرا	قابل اطلاق نہیں	-
	جناب سمیتا کاناگو	قابل اطلاق نہیں	-
	جناب سوہاری مکتی	قابل اطلاق نہیں	-
آزاد ڈائریکٹر	جناب عابد حسین	میٹنگ فیس	375
	مسز نوین سلیم مرچنٹ	میٹنگ فیس	375

رہسک مینجمنٹ اینڈ سسٹین ایبلٹی کمیٹی

کمپنی کا رہسک مینجمنٹ انفراسٹرکچر انٹرپرائز رہسک مینجمنٹ فریم ورک پر مبنی ہے جو بڑی رہسک کمیٹیز کو کور کرتا ہے، جن میں اسٹریٹجک، آپریشنل، کمپلائنس اور فنانشل رپورٹنگ رہسک شامل ہیں۔ اس مقصد کے لیے مناسب کنٹرولز تیار کیے گئے ہیں اور عملے تک پالیسیوں اور طریقہ کار کی رہنمائی کے ذریعے پہنچائے گئے ہیں۔

بورڈ نے داخلی آڈٹ کے فنکشن کو آؤٹ سورس کیا ہے تاکہ ان کنٹرولز کے ڈیزائن اور ان کے موثر نفاذ کا جائزہ لیا جاسکے اور نگرانی کی جاسکے۔

بورڈ نے رہسک مینجمنٹ اور پائیداری کمیٹی تشکیل دی ہے جو درج ذیل اراکین پر مشتمل ہے:

ڈیویڈنڈ کا اعلان / یا ڈیویڈنڈ دینے کی وجوہات

کمپنی نے 472.1 ملین پاکستانی روپے کا منافع ریکارڈ کیا ہے، تاہم، ڈائریکٹرز نے سال کے لیے "صفر" منافع بخش حصے (ڈیویڈنڈ) کی تجویز دی ہے۔ یہ فیصلہ بنیادی طور پر تقریباً 942.7 ملین پاکستانی روپے کے غیر ملکی کرنسی قرضے کے بھاری بوجھ کی وجہ سے ہے، جو شروع میں ایک سال کے لیے حاصل کیا گیا تھا لیکن اب اسے متعدد بار آگے بڑھایا (رول اوور کیا) جا رہا ہے۔ مزید برآں، کمپنی مشینوں کی بڑی اوور ہالنگ (مرمت) کے لیے بھاری سرمایہ کاری کر رہی ہے، اس لیے ان ضروریات کو پورا کرنے کے لیے فنڈز کو محفوظ ذخائر (ریزرو) میں رکھا جا رہا ہے۔

حصص فی آمدنی

30 جون 2026 کو ختم ہونے والے سال کے لیے حصص فی آمدنی 39.02 روپے رہی (2025: 2.29 روپے فی حصص)۔

اہم عملی اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے اہم عملی اور مالیاتی اعداد و شمار اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔

پراویڈنٹ اور گریجویٹ فنڈز میں سرمایہ کاری کی مالیت

بینک ڈپازٹس، حکومتی اور منی مارکیٹ سیکیورٹیز میں کی گئی سرمایہ کاری کی مالیت، متعلقہ تازہ ترین آڈٹ شدہ کھاتوں کی بنیاد پر، ذیل میں دی گئی ہے:

پراویڈنٹ اور گریجویٹ فنڈز میں سرمایہ کاری کی مالیت

-/263,430,766 پراویڈنٹ فنڈ

-/158,505,859 گریجویٹ فنڈ

کارپوریٹ گورننس

کارپوریٹ گورننس کے تقاضوں کے مطابق ڈائریکٹرز یہ تصدیق کرتے ہیں کہ:

- کمپنی کے مالی بیانات، جو مینجمنٹ نے تیار کیے ہیں، درست طور پر کمپنی کی مالی حالت، اس کی کارکردگی، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں؛
- کمپنی کی درست اور مکمل کتب حسابات برقرار رکھی گئی ہیں؛
- مناسب اکاؤنٹنگ پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر اپنایا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں؛
- پاکستان میں نافذ القہر بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کو مالی بیانات کی تیاری میں اپنایا گیا ہے اور جہاں انحراف کیا گیا ہے وہاں اس کی وضاحت شامل کی گئی ہے؛
- کمپنی کا داخلی کنٹرول سسٹم موثر ڈیزائن شدہ ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے؛
- کمپنی کی بطور گریڈنگ کنسرن جاری رہنے کی صلاحیت پر کوئی نمایاں شبہ نہیں ہے؛
- کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی نمایاں انحراف نہیں کیا گیا، جیسا کہ لسٹنگ ریگولیشنز میں بیان ہے؛
- کوڈ میں دیے گئے معیار کے مطابق تین ڈائریکٹرز ڈائریکٹرز گریڈنگ پروگرام کی سرٹیفیکیشن رکھتے ہیں۔ بورڈ کے تمام ڈائریکٹرز اپنی ذمہ داریوں اور فرائض سے بخوبی آگاہ ہیں؛ اور
- 30 جون 2026 تک کمپنی پرنسپلز، ڈیویڈنڈ، لیویز اور دیگر واجبات کی کوئی قابل ذکر ادائیگی واجب الادا نہیں ہے، ماسوائے ان کے جو مالی بیانات میں پہلے ہی ظاہر کی جا چکی ہیں۔

بورڈ آف ڈائریکٹرز

کمپنیز ایکٹ 2017 کی دفعہ 159 کے تحت بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی تعداد سات (7) مقرر کی ہے، جن میں دو (2) آزاد ڈائریکٹرز شامل ہیں جو سنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی دفعات کے مطابق اقلیتی حصص یافتگان کی نمائندگی کریں گے۔ ان ڈائریکٹرز کی مدت تین سال کے لیے یکم نومبر 2024 سے شروع ہو چکی ہے۔

بورڈ آف ڈائریکٹرز ("بورڈ") کی تشکیل درج ذیل ہے:

درجہ بندی	نام	جنس
ایگزیکٹو ڈائریکٹر	جناب معین الرحمن (سی ای او)	مرد
نان ایگزیکٹو ڈائریکٹر	جناب میکو ہاندو (چیرمین) جناب طارق مہتاب فیروز جناب کیمینا کاناٹو جناب سوہادی مکتی	مرد
آزاد ڈائریکٹر	جناب عابد مصین مسز نوین سلیم مرچنٹ	مرد خاتون

ڈائریکٹر کی رپورٹ

ڈائریکٹر اوتسوکا پاکستان لمیٹڈ (کمپنی) کی سالانہ رپورٹ برائے سال ختم شدہ 30 جون، 2026ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں، جو کہ کمپنی ایکٹ، 2017ء کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کے مطابق تیار کی گئی ہے۔ یہ رپورٹ کمپنی کے ارکان (ممبران) کے سامنے 28 اکتوبر، 2026ء کو منعقد ہونے والے اڑتیسویں (38ویں) سالانہ اجلاس عام میں پیش کی جائے گی۔

صنعت کا جائزہ

(IQVIA) آئی اے سلوشنز پاکستان (پرائیویٹ) لمیٹڈ کے مطابق، صحت کی بڑھتی ہوئی ضروریات اور قیمتوں کے بہتر استحکام کی بدولت سال کے دوران پاکستان کی ادویات کی مارکیٹ نے مضبوط ترقی کا سلسلہ برقرار رکھا۔ مارکیٹ کا یہ پھیلاؤ ادویات کے شعبے کی اندرونی صلاحیت 2025-26 اور لچک کی عکاسی کرتا ہے۔

عبر ضروری مصنوعات کی قیمتوں کو کنٹرول سے مقتدرہ (آزاد) کرنے سے ادویات ساز کمپنیوں کو زیادہ لچک ملی ہے اور یابدار ترقی کے مواقع پیدا ہوئے ہیں۔ آگے بڑھتے ہوئے، ادویات کی صنعت کی یابدار ترقی کے لیے قیمتوں کے تعین، فروخت کے حجم میں اضافے اور مریضوں کی استطاعت کے درمیان توازن برقرار رکھنا اہم رہے گا۔

کاروباری جائزہ

مالیاتی سال 2025-2026 کے لیے، کمپنی نے 4.11 ارب روپے کی خالص فروخت حاصل کی، جو گزشتہ سال کے مقابلے میں فروخت میں 8.77% کی بنیادی نمو کو ظاہر کرتی ہے۔ یہ ترقی بنیادی طور پر طبی عذائیت (کلیٹیکل نیوٹریشن) میں مسلسل تیزی اور مارکیٹ میں بہتر رسائی کی بدولت ممکن ہوئی، باوجود اس حقیقت کے کہ گزشتہ تین سہ ماہیوں سے افغانستان کو برآمدات پر پابندی عائد ہے۔ مجموعی منافع کا مارجن 22.84% سے نمایاں طور پر بڑھ کر 35.49% ہو گیا، جس کی اہم وجہ اس کے ذریعے دی جانے والی اور منہ کے ذریعے لی جانے والی عذائی مصنوعات اور مصنوعات کا سازگار امتزاج ہے۔

آپریٹنگ منافع نمایاں طور پر بڑھ کر 782.96 ملین روپے ہو گیا جو پہلے 162.91 ملین روپے تھا، جبکہ ٹیکس سے قبل منافع 157.0 ملین روپے سے بڑھ کر 771.76 ملین روپے ہو گیا۔ اسی مناسبت سے، ٹیکس کے بعد منافع گزشتہ سال کے 27.68 ملین روپے کے مقابلے میں بڑھ کر 472.13 ملین روپے ہو گیا۔ فروخت اور تقسیم کے اخراجات میں 28.30% کا اضافہ ہوا، جس کی بنیادی وجہ منہ کے ذریعے لی جانے والی عذائیت کی دو نئی مصنوعات، نیو-میون اور ونس-ڈائلٹنز کی لانچنگ سے متعلق تشہیر اور فروغ کے زیادہ اخراجات اور کمپنی کے ڈسٹری بیوٹرز کو مخصوص سیلائڈز کی اضافی لاگت تھی جس کے نتیجے میں مصنوعات کی شکایات میں کمی آئی۔ کمپنی کی دیگر آمدنی میں 127.35% کا نمایاں اضافہ ہوا ہے جبکہ دیگر اخراجات میں 45.82% کی نمایاں کمی آئی ہے، خاص طور پر مقامی کرنسی کی قدر میں اضافے کی وجہ سے جس کے نتیجے میں گروپ کمپنی کے غیر ملکی کرنسی قرض پر 30 جون، 2026ء کو ختم ہونے والے سال کے لیے 140.8 ملین روپے کا خالص ایکسچینج گین (تبادلے کا منافع) حاصل ہوا۔

مالیاتی کارکردگی میں یہ نمایاں بہتری کمپنی کے سٹریٹجک اقدامات، بہتر آپریشنل افادیت، سٹریٹجک کلیٹیکل نیوٹریشن (طبی عذائیت) کی مصنوعات پر مسلسل توجہ، اور دانشمندانہ مالیاتی انتظام کے مثبت اثرات کی عکاسی کرتی ہے۔ ان کامیابیوں نے کمپنی کی مالی پوزیشن کو مضبوط کیا ہے اور یابدار ترقی اور حصص یافتگان (شیئر ہولڈرز) کی قدر میں اضافے کے لیے ایک ٹھوس بنیاد فراہم کی ہے۔

مالیاتی نتائج

2026	2025
(روپے ملین میں)	
472,125	(27,677)
(6,935)	(7,593)
465,190	20,084
1,039,969	574,779

سال کے بعد از ٹیکس منافع

دیگر جامع (تقصان)

سال کے لئے مجموعی جامع آمدنی

آگے منتقل شدہ جمع شدہ منافع

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Otsuka Pakistan Limited

Year ended: June 30, 2026

The Company, has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 (seven) as per the following:

- a) Male: 6 (six)
- b) Female: 1 (one)

2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent directors*	Mr. Abid Hussain Mrs. Navin Salim Merchant
Non-executive directors	Mr. Mikio Bando - Chairman Mr. Tariq Mehtab Feroz Mr. Jun Chihara Mr. Suhari Mukti
Executive director	Mr. Moin ur Rehman - Chief Executive Officer

* The requirement of Independent Directors is at least two or one-third of members of the Board whichever is higher, two independent directors were appointed / elected on the Company's Board and the fraction of 0.33 was not rounded up as one since the Board considers that the two independent Directors have adequately protected the interests of the minority shareholders.

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 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 Board / shareholders as empowered by the relevant provisions of the Companies Act 2017, and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act 2017 and these Regulations;
9. The following directors have acquired the prescribed Directors' Training Program (DTP) certification:
 - a. Ms. Navin Salim Merchant
 - b. Mr. Moin ur Rehman
 - c. Mr. Tariq Mehtab Feroz

One director is exempt from Directors Training Program as they have the requisite education and experience.



10. During the period, there was a change in the Company Secretary, with the new Company Secretary appointed effective January 1, 2026. No further changes were made to the Head of Internal Audit and Chief Financial Officer of the Company during the year ended June 30, 2026. The Board has approved the appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit, along with their remuneration and terms of employment, in compliance with the relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer had duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below:
 - a) **Audit Committee:**

Mr. Abid Hussain	Chairman
Mr. Jun Chihara	Member
Mr. Tariq Mehtab Feroz	Member
Mr. Jawaid Noor	Secretary
 - b) **Human Resource Remuneration & Nomination Committee:**

Mrs. Navin Salim Merchant	Chairperson
Mr. Jun Chihara	Member
Mr. Tariq Mehtab Feroz	Member
Mr. Moin ur Rehman	Member
Mr. David Sunil	Secretary
 - c) **Risk Management & Sustainability Committee:**

Mr. Abid Hussain	Chairman
Mr. Jun Chihara	Member
Mrs. Navin Salim Merchant	Female Member
Mr. Moin ur Rehman	Member
Mr. Tauseef Ahmed Shaikh	Secretary
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 the following:
 - a) **Audit Committee:** Quarterly
 - b) **Human Resource Remuneration & Nomination Committee:** Yearly
 - c) **Risk Management & Sustainability Committee:** As and when needed
15. The Board has outsourced the internal audit function to M/s. M. M. Hussain & Co., Chartered Accountants, who 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 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 Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director 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.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. All the directors of the Company had attended the Annual General Meeting.



20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	Directors' Training Program (DTP) It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19	Currently three directors attained DTP certification and one Director is exempt from it and we have obtained his exemption certificate. The Company is encouraging and planning to arrange DTP certification for the remaining directors.
	Female Executive & Head of Department Under the Directors' Training Program (DTP) Companies are encouraged to arrange training for at least one female executive and at least one head of department every year under the Directors' Training program from year July 2020 and July 2022 respectively.	19.3	Since this requirement is non-mandatory and only recommended for best practice, the Company did not conduct any training under the Directors' Training Program for a female executive or department head during the year.
2.	Maintenance and Circulation of Board Meeting Minutes. The Company is required to circulate the draft minutes of Board meetings to all Directors within the prescribed timeline and maintain proper records of Board resolutions and minutes of meetings in accordance with the applicable requirements.	178.4	Management has taken note of the observation and will ensure that the draft minutes are circulated to all Directors within the prescribed timeframe and that approved minutes and Board resolutions are properly maintained and documented. The Company will also strengthen the monitoring mechanism to ensure timely compliance with the applicable requirements going forward.

For and behalf of the board



Moin ur Rehman
Chief Executive Officer
Chairman



Mikio Bando



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PLACE: KARACHI
DATE: SEPTEMBER 22, 2026
UDIN: CR2026100571C47DbISk

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OTSUKA PAKISTAN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Otsuka Pakistan Limited** (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give 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 June 30, 2026 and of the profit, other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial 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.

Key Audit Matters

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

Following are the key audit matters.

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Valuation of stock-in-trade (Refer notes 4.4 and 10 to the Company's financial statements) As at June 30, 2026 the Company held stock-in-trade of Rs. 1,300.45 million, which is 43.03% of total assets and is net of provision for slow moving, obsolete and damaged stock of Rs. 41.84 million.	Our audit procedures in relation to valuation of stock-in-trade, amongst others, include the following: • Obtained an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade;





S. No.	Key audit matter	How the matter was addressed in our audit
	We focused on stock-in-trade as it is a significant portion of Company's total assets and it requires significant estimates and management judgement with respect to determination of net realisable value and obsolescence of stock, therefore, it has been considered as key audit matter.	- Assessed appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policies with accounting and reporting standards as applicable in Pakistan; - On a sample basis, verified supporting documents for purchases of stock-in-trade and the production costs; - Tested on a sample basis, management's assessment of the net realizable value of stock-in-trade by comparing to its subsequent sales prices; and - Tested provision recorded for obsolete stock-in-trade to ensure that whether it was as per the policy of the Company.
2.	Revenue recognition (Refer notes 4.13 and 24 to the Company's financial statements). The Company's revenue is primarily generated from sales of pharmaceutical products. The Company recognised revenue of Rs. 4,111.11 million from the sale of goods to customers during the year. Revenue recognition includes determination of sales prices in accordance with the regulated price regime of the Government and transfer of control of products sold to customers. Further, discounts and claims in respect of revenue recognised are provided to customers. Taking into account that revenue recognition is a key performance indicator for the Company and significant risk area, we considered this as a key audit matter.	Our audit procedures, in relation to revenue recognition, amongst others, include the following: - Obtained an understanding of determination of sales prices in accordance with policies of Drug Regulatory Authority of Pakistan (DRAP); - Tested on sample basis selling prices of regulated pharmaceutical products to ensure compliance with DRAP pricing policies; - Obtained an understanding of and testing the design and effectiveness of controls designed to ensure that revenue is recognised in the appropriate accounting period as per the contract terms with the customers; - Tested the discounts and claims offered by the Company to its customers on sample basis; - Inspected contracts on sample basis to obtain an understanding of contract terms particularly relating to timing and the customer's acceptance of the products and assessing the Company's accounting policies for recognition of revenue with reference to the requirements of the prevailing accounting standards; and - Tested on sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation, including the customer's acknowledgement of acceptance to assess whether revenue had been recognised in the appropriate period.

Information Other than the 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 of the Company for the year ended June 30, 2026, which have not been provided to the date. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 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 public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.

Young & Adie
Chartered Accountants

PLACE: KARACHI

DATE: SEPTEMBER 09, 2026

UDIN: AR202610057pHfIBKvd

OTSUKA PAKISTAN LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

AS AT JUNE 30, 2026		June 30, 2026	June 30, 2025
	Note	(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	661,792	614,178
Intangible assets	6	1,150	446
Loan to employees	7	6,366	6,860
Long-term deposits		1,497	1,463
Deferred tax asset - net	8	60,698	87,113
		<u>731,503</u>	<u>710,060</u>
Current assets			
Stores and spares	9	82,307	63,555
Stock-in-trade	10	1,300,451	1,039,093
Trade debts	11	183,452	89,744
Loans and advances	12	28,976	86,853
Trade deposits, short-term prepayments and other receivables	13	32,316	31,931
Sales tax refundable	14	47,172	47,172
Prepaid levies		-	49,463
Advance tax - net		64,344	51,797
Short-term investment	15	464,610	264,610
Bank balances	16	87,144	114,207
		<u>2,290,772</u>	<u>1,838,425</u>
Total assets		<u>3,022,275</u>	<u>2,548,485</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	121,000	121,000
Revenue reserves		1,039,969	574,779
Total equity		<u>1,160,969</u>	<u>695,779</u>
Liabilities			
Non-current liabilities			
Lease liability	18	-	-
Current liabilities			
Short-term loan from a related party	19	942,700	1,083,500
Trade and other payables	20	890,958	764,912
Current portion of lease liability	18	22,513	-
Unclaimed dividend		1,908	1,955
Short-term running finance	21	-	-
Mark-up accrued	22	3,227	2,339
		<u>1,861,306</u>	<u>1,852,706</u>
Total equity and liabilities		<u>3,022,275</u>	<u>2,548,485</u>
Contingencies and commitments	23		

The annexed notes from 1 to 49 form an integral part of these financial statements.



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

OTSUKA PAKISTAN LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 -----
Revenue from contract with customers	24	4,111,107	3,779,518
Cost of sales	25	(2,652,203)	(2,916,119)
Gross profit		<u>1,458,904</u>	<u>863,399</u>
Selling and distribution expenses	26	(652,001)	(508,196)
Administrative and general expenses	27	(220,564)	(195,141)
Reversal against expected credit loss on trade debts	11.2	-	49,989
		<u>586,339</u>	<u>210,051</u>
Other income	28	291,669	128,290
		<u>878,008</u>	<u>338,341</u>
Other expenses	29	(95,043)	(175,435)
Operating profit		<u>782,965</u>	<u>162,906</u>
Finance cost	30	(11,199)	(5,903)
Profit before levies and taxation		<u>771,766</u>	<u>157,003</u>
Levies	31	-	(49,463)
Profit before taxation		<u>771,766</u>	<u>107,540</u>
Taxation	32	(299,641)	(79,863)
Profit for the year		<u><u>472,125</u></u>	<u><u>27,677</u></u>
		----- (Rupees) -----	
Earnings per share	33	<u><u>39.02</u></u>	<u><u>2.29</u></u>

The annexed notes from 1 to 49 form an integral part of these financial state



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

OTSUKA PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

		Issued, subscribed and paid-up capital	Revenue reserves			Total equity
			General reserve	Unappropriated profit	Sub-total	
Note		(Rupees in '000)				
Balance as at July 01, 2024		121,000	491,980	62,715	554,695	675,695
Income for the year ended June 30, 2025		-	-	27,677	27,677	27,677
Other comprehensive income for the year						
Remeasurement gain on defined benefit plan	36.1.5	-	-	(10,694)	(10,694)	(10,694)
Tax on remeasurement of defined benefit plan	8.1	-	-	3,101	3,101	3,101
		-	-	(7,593)	(7,593)	(7,593)
Total comprehensive income for the year		-	-	20,084	20,084	20,084
Transfer to general reserve		-	-	-	-	-
Balance as at June 30, 2025		121,000	491,980	82,799	574,779	695,779
Income for the year ended June 30, 2026		-	-	472,125	472,125	472,125
Other comprehensive income for the year						
Remeasurement gain on defined benefit plan	36.1.5	-	-	(9,767)	(9,767)	(9,767)
Tax on remeasurement of defined benefit plan	8.1	-	-	2,832	2,832	2,832
		-	-	(6,935)	(6,935)	(6,935)
Total comprehensive income for the year		-	-	465,190	465,190	465,190
Balance as at June 30, 2026		121,000	491,980	547,989	1,039,969	1,160,969

The annexed notes from 1 to 49 form an integral part of these financial statements.



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

OTSUKA PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
Income for the year		472,125	27,677
Other comprehensive income / (loss) for the year			
Items that will not be subsequently reclassified to statement of profit or loss			
Components of comprehensive income reflected in equity			
Remeasurement loss on defined benefit plan	36.1.5	(9,767)	(10,694)
Tax on remeasurement of defined benefit plan	8.1	2,832	3,101
		(6,935)	(7,593)
Total comprehensive income for the year		<u>465,190</u>	<u>20,084</u>

The annexed notes from 1 to 49 form an integral part of these financial statements.



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

OTSUKA PAKISTAN LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

		June 30, 2026	June 30, 2025
Note	(Rupees in '000)		
Profit before levies and taxation		771,766	157,003
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets and right of use asset	5.4 & 5.8	127,968	82,584
Amortisation on intangible assets	6	520	315
Provision against obsolete stores and spares	9	1,888	2,223
Reversal of provision against slow moving and obsolete stock-in-trade - net	10	(15,892)	(12,046)
Provision for employees short-term compensated absences	20	11,928	7,200
Provision for workers' welfare fund, workers' profit participation fund and central research fund	20	65,572	13,367
Gain on disposal of operating fixed asset - net	28	(7,763)	(3,875)
Provision against expected credit losses on trade debtors		-	(49,989)
Unrealised exchange (gain) / loss on related party loan	28 & 29	(140,800)	146,554
Finance cost	30	11,199	5,903
Provision for staff retirement benefit fund	36.1.4	15,535	11,804
Operating cash flows before working capital changes		841,921	361,043

(Increase) / decrease in current assets

Stores and spares	(20,640)	(21,230)
Stock-in-trade	(245,466)	(67,842)
Trade debts	(93,708)	120,709
Loans and advances	57,877	(22,158)
Trade deposits, short-term prepayments and other receivables	(385)	2,890

Increase / (decrease) in current liabilities

Trade and other payables	67,050	99,695
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Cash generated from operations

Taxes paid	(233,478)	(95,172)
(Increase) / Decrease in long-term deposits	(34)	2,237
Decrease in long-term loans	494	568
Staff retirement benefit and compensation absences paid	(33,645)	(14,931)
Workers' welfare fund, workers' profit participation fund and central research fund paid	(10,162)	(1,281)

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(155,416)	(260,136)
Additions to intangible assets	(1,224)	-
Proceeds from disposal of operating fixed assets	14,369	7,194
Net cash used in investing activities	(142,271)	(252,942)

CASH FLOWS FROM FINANCING ACTIVITIES

Finance cost paid	(9,322)	(19,094)
Lease rentals paid	(5,247)	(25,322)
Dividend paid	(47)	-

Net cash used in financing activities

Net increase in cash and cash equivalents	172,937	67,171
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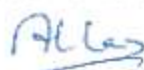
Cash and cash equivalents at the beginning of the period	378,817	311,646
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Cash and cash equivalents at the end of the period	551,754	378,817
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The annexed notes from 1 to 49 form an integral part of these financial statements.



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

OTSUKA PAKISTAN LIMITED
NOTES COMPRISING OF MATERIAL ACCOUNTING POLICY AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Otsuka Pakistan Limited (the Company) was incorporated in Pakistan in the month of February 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited (PSX). The Company is engaged in the manufacturing, marketing and distribution of intravenous infusions and trading in pharmaceutical products, nutritional foods and medical equipment. The Company is an indirect subsidiary of Otsuka Pharmaceutical Company Limited, Japan.

Registered Office in Karachi	Purpose	Hub	Purpose
30-B, S.M.C.H. Society, Karachi	Head office	F/4-9, H.I.T.E., Hub, Baluchistan, Hub Industrial And Trading Estates, Hub, Lasbella, Baluchistan	Factory

2. BASIS OF PREPARATION AND MEASUREMENT

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Act differ from the IFRS Standards, 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 that obligations in respect of certain staff retirement benefits are carried at present value less fair value of plan assets.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupee in thousand, which is the Company's functional and presentation currency.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Information about the judgements made by management in the application of the accounting policies, that have the most significant effect on the amount recognised in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

	Note
- Impairment of trade debts and other receivables	4.7 & 11.1
- Residual values, useful lives and depreciation rates of operating fixed assets	4.1 & 5.1
- Provision against slow moving and obsolete stock-in-trade and stores and spares	4.3, 4.4, 9 & 10
- Estimate of liabilities in respect of staff retirement benefits	4.9 & 36
- Provision for taxation and realisability of deferred tax asset	4.11, 8 & 32
- Provisions and contingencies	4.8 & 23
- Revenue recognition	4.13 & 24

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

3.1 New amendment that is effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. This amendment is not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

- Lack of Exchangeability (Amendments to IAS 21) January 1, 2025

3.2 New accounting standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures except those mention in note 3.2.1

Effective from accounting period beginning on or after

- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) January 01, 2026
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) January 01, 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures January 01, 2027

3.2.1 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 – Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets - owned

These are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss as and when these are incurred.

Depreciation is charged to statement of profit or loss using straight line method whereby the depreciable amount of an asset is written off over its estimated useful life, in accordance with the rates specified in note 5.1 after taking into account residual values, if significant. Assets residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on additions is charged from the day the assets become available for use, while no depreciation is charged on the day of disposal.

Gains or losses on the disposal or retirement of operating fixed assets are taken to the statement of profit or loss in the month in which the disposal is made.

4.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses (if any). All expenditures connected to the specific assets incurred during installation and construction period (i.e. the period till the related asset become available for use) are carried under capital work-in-progress. These are transferred to the relevant category of operating fixed assets as and when the assets are available for use.

4.1.3 Leases - Lease liabilities and right-of-use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. From July 01, 2020, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease, or if this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured (at amortised cost) by increasing the carrying amount to reflect interest on the lease liability using the effective interest method and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the shorter of lease-term or assets economic life as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Administrative and general expenses" in the statement of profit or loss.

4.2 Intangible assets

An intangible asset is recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such an asset can be measured reliably.

Intangible assets mainly comprise computer software which are initially recognised at cost. Cost represents the purchase cost of software (license fee). After initial recognition, these are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation on assets with finite useful life is charged at the rate specified in note 6.1 using the straight line method over the useful life of the asset. Amortisation begins from the month the asset is available for use and ceases in the month of disposal / retirement. The amortisation period and amortisation method are reviewed at each reporting date and are adjusted, if appropriate, to reflect the current best estimate.

Costs associated with maintaining the computer software programmes are recognised as an expense when incurred.

4.3 Stores and spares

These are valued at lower of cost, determined using weighted average method, and net realisable value, less provision for obsolete items (if any). Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.

4.4 Stock-in-trade

Stock-in-trade comprises of raw and packing materials, work in process and finished goods. These are valued at the lower of cost (determined using weighted average cost method) and the net realisable value (except for those in transit).

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the costs necessary to be incurred to make the sale. Provision against obsolete and slow moving stock in trade is determined based on management's best estimate regarding their future usability.

Items in transit are stated at cost comprising invoice value and other charges incurred. Cost in relation to work in process includes material cost and a portion of labour and other overheads incurred. Cost in relation to finished goods includes cost of direct materials, direct labour, an appropriate portion of production overheads and the related duties.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of bank balances, short-term investments and short-term running finance, if any.

4.6 Financial instruments

4.6.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4.6.2 Financial liabilities

Financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are extinguished, discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

4.6.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

4.7 Impairment

4.7.1 Financial assets

The Company recognises a loss allowance for expected credit loss on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade debts, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4.7.2 Non - financial assets

The carrying amounts of non-financial assets (except for deferred tax asset and stock-in-trade) are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognised and are disclosed when:

- there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control on the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are not recognised unless an inflow of economic benefits is virtually certain.

4.9 Employee benefit schemes

The Company operates:

- a) an approved funded gratuity scheme covering all its permanent management and non-management staff. Employees become eligible upon completing the minimum qualifying period of service. Annual contributions are made to the scheme based on actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Method; Amounts arising as a result of 'remeasurements', representing the actuarial gains and losses, and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the year in which these occur; and
- b) an approved contributory provident fund for all its permanent employees. Equal monthly contributions are made to the Fund by the Company and the employees in accordance with the rules of the Fund. Benefits are payable to eligible employees on completion of the prescribed qualifying period of service under the scheme.

4.10 Employees' compensated absences

The Company accounts for its liability in respect of accumulated absences of employees on unavailed balance of leaves in the period in which these leaves are earned.

4.11 Taxation

i. Current tax

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001 (ITO).

ii. Deferred tax

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax as determined in approach (b) to the guide issued by Institute of Chartered Accountants of Pakistan (ICAP).

4.12 Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the statement of profit or loss as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

(a) Revenue tax

Revenue tax include levies as per IFRIC 21, minimum tax on imported goods and export sales under ITO. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid levies'.

iii. Final tax

Final tax includes tax charged / withheld / paid on certain income streams under various provisions of ITO. Final tax is charged / computed under the ITO, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the ITO.

4.13 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

For sales of products, the performance obligation is judged to have been satisfied and revenue is therefore recognised upon delivery of the products because legal title, physical possession, significant risk and rewards of ownership of the product are transferred to customer upon delivery, and the customer obtains control over the products.

A contract liability is the obligation to transfer goods or services 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 or services 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 Company performs under the contract.

Other income is recognised on an accrual basis and includes certain reversals, gains and other items. The particular recognition criteria of these items is disclosed in the individual policy statements associated with these items.

4.14 Borrowing costs

Borrowing costs are recognised as an expense in the year in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets. Such borrowing costs, if any, are capitalised as part of the cost of the relevant assets.

4.15 Earnings / (loss) per share

The Company presents basic and diluted earnings / (loss) per share data for its ordinary shares. Basic earnings / (loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings / (loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.16 Proposed dividends and transfers between reserves

Dividends, if any, declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividends are declared and transfers are made.

4.17 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

4.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses that relates to transactions with any of the other components of the Company.

The Board of Directors (the Board) and the Chief Executive Officer of the Company have been identified as the chief operating decision-makers (CODM), who are responsible for allocating resources and assessing the performance of the operating segments. The management has determined that the Company has a single reportable segment as the CODM views the Company's operations as one reportable segment.

4.19 Commitments

Commitments for capital expenditure contracted for but not incurred are disclosed in the financial statements at committed amounts. Commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at committed amounts.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	601,238	565,482
Capital work-in-progress	5.6	39,360	41,271
Right-of-use asset	5.8	21,194	7,425
		<u>661,792</u>	<u>614,178</u>

5.3 Included in operating fixed assets are fully depreciated assets which are in use having cost of Rs. 1,273.47 million (June 30, 2025: Rs. 1,224.55 million).

Particulars	June 30, 2025										Rate (%)
	Cost			Accumulated depreciation							
	As at July 01, 2024	Transfers / Additions during the year	Disposals during the year	As at June 30, 2025	As at July 01, 2024	Depreciation for the year	Depreciation on disposals	As at June 30, 2025	Written down value at June 30, 2025		
							(Rupees in '000)				
Lease-hold land	3,953	-	-	3,953	1,429	40	-	1,469	2,484	1.01%	
Building on lease-hold land	355,622	37,733	-	393,355	337,688	5,060	-	342,747	50,608	5% - 10%	
Plant and machinery	1,102,827	184,771	-	1,287,598	892,618	41,370	-	933,988	353,610	10% - 50%	
Furniture, fixtures and equipment	101,611	32,330	(100)	133,841	64,112	10,977	(100)	74,989	58,852	10% - 50%	
Vehicles	66,138	64,116	(8,489)	121,765	18,304	11,488	(5,170)	24,623	97,142	20%	
Fork lifters	17,586	2,118	-	19,704	15,149	1,769	-	16,918	2,786	10% - 50%	
	1,647,737	321,068	(8,589)	1,960,216	1,329,300	70,704	(5,270)	1,394,734	565,482		

Location	Usage of immovable property	Covered Area (In sq. meters)
a) Plot no. F/4-9, Hub Industrial Trading Estate, District Lasbela (Balochistan)	Manufacturing facility	26,825

		June 30, 2026	June 30, 2025
Note		(Rupees in '000)	
5.4	The depreciation charge for the year has been allocated as follows:		
	Cost of sales	25	95,085
	Selling and distribution expenses	26	14,103
	Administrative and general expenses	27	5,778
			4,239
			114,966
			70,704

5.5 The details of operating fixed assets disposed during the year having net book value above Rs 500,000 are as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposals / settlement	Particulars of buyers / purchasers
	(Rupees '000)						
Vehicles							
Suzuki Cultus	3,764	1,405	2,359	1,882	(477)	Company policy	Mr. Mehboob Ali - Ex - Employee
Toyota Yaris	3,550	1,799	1,751	1,775	24	Company policy	Mr. Arshad Khan - Ex - Employee
June 30, 2026	7,314	3,204	4,110	3,657	(453)		
June 30, 2025	5,810	3,026	2,784	2,811	27		

		June 30, 2026	June 30, 2025
Note		(Rupees in '000)	
5.6	Capital work-in-progress		
	Stores and spares held for capital expenditure	19,771	37,251
	Plant and machinery	19,589	4,020
		39,360	41,271

5.6.1 Movement in capital work in progress

		June 30, 2026			
	Note	Opening Balance	Additions during the year	Transfers during the year	Closing Balance
		(Rupees '000)			
Stores and spares held for capital expenditure		37,251	72,688	(90,168)	19,771
Plant and machinery	5.6.2	4,020	44,481	(28,912)	19,589
		41,271	117,169	(119,080)	39,360
		June 30, 2025			
		Opening Balance	Additions during the year	Transfers during the year	Closing Balance
		(Rupees '000)			
Stores and spares held for capital expenditure		21,094	75,323	(59,166)	37,251
Plant and machinery	5.6.2	75,449	90,717	(162,146)	4,020
		96,543	166,040	(221,312)	41,271

5.7 These are kept as collateral with a bank under pari-passu charge for obtaining short-term financing. Details are provided in note 21.1.

5.8 Right-of-use asset

The Company has right-of-use assets in respect of head office building.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
5.8.1 Movement of right-of-use assets			
Opening balance		7,425	24,965
Additions during the year	5.8.2	26,771	-
Vehicles transferred to operating fixed asset		-	(5,660)
Depreciation expense	5.8.3	(13,002)	(11,880)
Closing balance		<u>21,194</u>	<u>7,425</u>

5.8.2 This includes head office building acquired on lease by the Company for a period of 24 months starting from February 16, 2024, which expired on Feb 15, 2026 and the Company has renewed lease agreement for another period of 24 months starting from February 16, 2026. The Company has made advance payment of lease rentals for 5 months and remaining lease rentals for 19 months will be paid subsequently.

5.8.3 The depreciation charge for the year has been allocated as follows:

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
Administrative and general expenses	27	<u>13,002</u>	<u>11,880</u>
		<u>13,002</u>	<u>11,880</u>

6. INTANGIBLE ASSETS

Computer software	6.1	<u>1,150</u>	<u>446</u>
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6.1 Movement in intangible assets

Opening net book value		446	761
Additions (at cost)		1,224	-
Amortisation	27	(520)	(315)
Closing net book value		<u>1,150</u>	<u>446</u>
Closing value - gross amount			
Cost		6,275	5,051
Accumulated amortisation		(5,125)	(4,605)
Net book value		<u>1,150</u>	<u>446</u>

		June 30, 2026	June 30, 2025
		----- (%) -----	
Amortisation rate per annum		<u>20 - 33</u>	<u>20 - 33</u>

		June 30, 2026	June 30, 2025
	Note	(Rupees in '000)	(Rupees in '000)
7. LOAN TO EMPLOYEES			
Loans to employees	7.1	12,471	13,693
Current portion	12	(6,105)	(6,833)
		<u>6,366</u>	<u>6,860</u>

7.1 These are interest-free loans given to the employees as per the terms of employment for purchase of cars, motor cycles and other general purposes. The loans are repayable in 10 to 60 monthly installments depending upon the type of loan. These are recovered through monthly deductions from salaries and are secured against the provident fund balances of the employees. As at June 30, 2026, none of these loans were past due or impaired.

		June 30, 2026	June 30, 2025
		(Rupees in '000)	(Rupees in '000)
8. DEFERRED TAX ASSET - NET			
Deductible / (taxable) temporary differences			
Operating fixed assets		(7,801)	(1,444)
Employees' short-term compensated absences		10,145	8,809
Impairment of trade debts		10,041	13,152
Minimum tax		-	35,374
Lease liability		6,242	-
Intangible assets		105	-
Other provisions		41,966	31,222
	8.1	<u>60,698</u>	<u>87,113</u>

8.1 Deferred tax asset / (liability) comprises deductible / (taxable) temporary differences in respect of the following:

	Opening balance	Deferred tax recognised in Profit and loss (Note 32)	Other comprehensive income	Closing balance
				(Rupees in '000)
Movement for the year ended June 30, 2026				
Deductible / (taxable) temporary difference arising in respect of:				
- Operating fixed assets	(1,444)	(6,357)	-	(7,801)
- Intangible assets	-	105	-	105
- Employees' short-term compensated absences	8,809	1,336	-	10,145
- Impairment of trade debts	13,152	(3,111)	-	10,041
- Lease liability	-	6,242	-	6,242
- Minimum tax	35,374	(35,374)	-	-
- Other provisions	31,222	7,911	2,832	41,966
	<u>87,113</u>	<u>(29,248)</u>	<u>2,832</u>	<u>60,698</u>

	Opening balance	Deferred tax recognised in Profit and loss (Note 32)	Other comprehensive income	Closing balance
				(Rupees in '000)
Movement for the year ended June 30, 2025				
Deductible / (taxable) temporary difference arising in respect of:				
- Operating fixed assets	14,795	(16,239)	-	(1,444)
- Employees' short-term compensated absences	8,326	483	-	8,809
- Impairment of trade debts	32,529	(19,377)	-	13,152
- Minimum tax	39,661	(4,287)	-	35,374
- Other provisions	31,751	(3,630)	3,101	31,222
	<u>127,062</u>	<u>(43,050)</u>	<u>3,101</u>	<u>87,113</u>

		June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
9. STORES AND SPARES	Note		
Stores		46,411	38,952
Spares			
- in hand		35,442	42,023
- in transit		19,798	36
		55,240	42,059
		101,651	81,011
Provision against slow moving and obsolete stores and spares	9.1	(19,344)	(17,456)
		82,307	63,555

9.1 Movement of provision against slow moving and obsolete stores and spares is as follows:

		June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
Opening balance		17,456	15,233
Charge for the year		4,406	3,557
Reversal during the year		(2,518)	(1,334)
Charge during the year	29	1,888	2,223
Closing balance		19,344	17,456

10. STOCK-IN-TRADE

Raw and packing materials			
- in hand		283,366	318,258
- in transit		162,777	121,648
	25	446,143	439,906
Work-in-progress	25	8,130	9,259
Finished goods			
- in hand	10.1	881,092	628,153
- in transit		6,929	19,510
	25	888,021	647,663
		1,342,294	1,096,828
Provision against:			
Slow moving and obsolete stock-in-trade	10.2	(41,843)	(48,293)
Stents held with hospitals	10.3	-	(9,442)
		(41,843)	(57,735)
		1,300,451	1,039,093

10.1 These include items costing Rs. 282.6 million (June 30, 2025: Rs. 232.23 million) that have been valued at their net realisable value amounting to Rs. 247.98 million (June 30, 2025: Rs. 187.60 million).

10.2 Movement of provision against slow moving and obsolete stock-in-trade is as follows:

		June 30, 2026	June 30, 2025
	Note	------(Rupees in '000)-----	
Opening balance		48,293	55,780
Reversal for the year	28	(6,450)	(7,487)
Closing balance		<u>41,843</u>	<u>48,293</u>

10.3 This represents stents held with various hospitals for sale on consignment, the revenue from which is recorded on consumption basis. The Company has recorded a full provision against such unsold stents.

		June 30, 2026	June 30, 2025
	Note	------(Rupees in '000)-----	
Opening balance		9,442	14,001
Reversal for the year	28	(9,442)	(4,559)
Closing balance		<u>-</u>	<u>9,442</u>

11. TRADE DEBTS

Receivable from customers	11.2.1	218,076	135,094
Provision for expected credit loss	11.2	(34,624)	(45,350)
		<u>183,452</u>	<u>89,744</u>

The maximum aggregate amount outstanding from related party at any time during the year calculated by reference to month-end balance was Rs. Nil (June 30, 2025: Rs. Nil).

11.1 Expected lifetime credit losses for trade debts are recognised using the simplified approach. This is based on loss rates calculated from historical and forward-looking data, taking into account the business model, the respective customer and the economic environment of the geographical region.

The Company writes off trade debts when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Trade receivables amounting to Rs 10.73 million have been written off during the year.

The following table shows the movement in provision against trade debts during the year:

	Collectively assessed	Individually assessed	Amount
	------(Rupees in '000)-----		
11.2 Movement of loss allowance			
Balance as at July 1, 2024	53,902	58,266	112,168
Reversal - net of provision	(8,552)	(41,437)	(49,989)
Write-off	-	(16,829)	(16,829)
	(8,552)	(58,266)	(66,818)
Balance as at June 30, 2025	<u>45,350</u>	<u>-</u>	<u>45,350</u>
Write-off	(10,726)	-	(10,726)
	(10,726)	-	(10,726)
Balance as at June 30, 2026	<u>34,624</u>	<u>-</u>	<u>34,624</u>

		June 30, 2026	June 30, 2025
	Note	------(Rupees in '000)-----	
11.2.1	The age analysis of trade debts is as follows:		
		119,306	52,995
	Not yet due		
	Past due 1-30 days	45,250	13,963
	Past due 31-60 days	32,012	16,902
	Past due 61-90 days	7,371	7,740
	Past due more than 90 days	14,137	43,494
		<u>218,076</u>	<u>135,094</u>
12.	LOANS AND ADVANCES		
	-CONSIDERED GOOD		
	Loans to employees - current portion	7	6,105
	Advance to:		
	- employees	12.1	3,068
	- suppliers		5,525
		<u>19,803</u>	<u>74,495</u>
		<u>22,871</u>	<u>80,020</u>
		<u>28,976</u>	<u>86,853</u>
12.1	These are non-interest bearing advances given to employees to meet business expenses and are settled as and when expenses are incurred.		
		June 30, 2026	June 30, 2025
	Note	------(Rupees in '000)-----	
13.	TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES		
	Trade deposits	13.1	13,305
	Short-term prepayments		12,817
	Sales tax adjustable		6,994
	Other receivables		10,726
		<u>7,913</u>	<u>4,957</u>
		<u>4,104</u>	<u>3,431</u>
		<u>32,316</u>	<u>31,931</u>
13.1	These represents non-interest bearing earnest money placed with various parties.		
		June 30, 2026	June 30, 2025
	Note	------(Rupees in '000)-----	
14.	SALES TAX REFUNDABLE		
		14.1	47,172
14.1	Through Finance Act, 2022, effective from July 1, 2022, a special regime for pharmaceutical sector was introduced where by manufacture or import of substances registered as drugs under Drug Act, 1976 shall be subject to 1% sales tax with the condition that such tax will be final discharge of tax in the supply chain and no input tax shall be allowed to the importer and manufacturer of such goods.		47,172

However, this refundable pertains to prior years where sales tax was imposed at standard rate of 17% on purchase / import of Active Pharmaceuticals Ingredients (API). As a result, the pharmaceutical sector was allowed claim sales tax refund on all purchases including APIs and provincial sales tax on services. During the year ended June 30, 2025 sales tax refund amounting to Rs 39.56 million has been processed by the refund division, LTO Karachi through Refund Payment Orders (RPOs) dated June 05, 2025. The said refund order was subsequently rolled back by CSTRO, FBR Islamabad. However, the admissibility of the refund order will be re-examined by DCIR LTO, and it is expected that latter will pass order upon admissibility or inadmissibility of said refund in due course of time.

			June 30, 2026	June 30, 2025
	Note		------(Rupees in '000)-----	
15. SHORT TERM INVESTMENT				
Term Deposit Receipts (TDRs)				
-Bank Alfalah Limited	15.1		114,610	264,610
-Meezan Bank Limited	15.2		350,000	-
			464,610	264,610

15.1 This carries interest rates range between 10% to 11% per annum (June 30, 2025 : 8% to 9.65%). TDRs of Rs. 14.61 million (June 30, 2025 : Rs. 14.61 million) kept as a 100% Cash Margin security against the outstanding bank guarantees in favor of Collector of Customs.

15.2 This carries interest rate at 10.95% (June 30, 2025: Nil) per annum.

			June 30, 2026	June 30, 2025
	Note		------(Rupees in '000)-----	
16. BANK BALANCES				
In current accounts			26,737	37,802
In saving accounts	16.1		60,407	76,405
			87,144	114,207

16.1 The return on these balances range between 7% to 8% (June 30, 2025: 6% to 8%) per annum.

17. SHARE CAPITAL

	June 30, 2026	June 30, 2025		June 30, 2026	June 30, 2025
----- (Number of shares) -----			Authorised share capital:	----- (Rupees in '000) -----	
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000	200,000	
17.1	------(Number of shares)-----	Issued, subscribed and paid-up capital			
10,000,000	10,000,000	Ordinary shares of Rs. 10 each fully paid in cash	100,000	100,000	
2,100,000	2,100,000	Ordinary shares of Rs. 10 issued as bonus shares	21,000	21,000	
12,100,000	12,100,000		121,000	121,000	

17.2 The following shares were held by the holding company, associated companies and other related parties of the Company:

Name of the Company	Note	June 30, 2026		June 30, 2025	
		Shares held ---(Number)---	Percentage -----(%)-----	Shares held ---(Number)---	Percentage -----(%)-----
Otsuka Pharmaceutical Company Limited, Japan	17.2.1	5,420,248	44.80	5,420,248	44.80
P. T. Otsuka Indonesia, Indonesia	17.2.1	1,204,499	9.95	1,204,499	9.95
Otsuka Pharmaceutical Factory, Inc.		1,589,940	13.14	1,589,940	13.14
Directors, their spouses and minor children		100,483	0.83	100,483	0.83
Executives		121	-	121	-

17.2.1 These include shares held by directors nominated by Otsuka Pharmaceutical Company Limited, Japan and P. T. Otsuka Indonesia, Indonesia. The nominated directors hold only minimum number of shares required to become a director.

	Note	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 -----
18. LEASE LIABILITY			
Opening		-	24,826
Additions during the year	5.8	26,771	-
Accretion of interest		989	496
Lease rentals paid		(5,247)	(25,322)
Balance at year end		22,513	-
Current portion of lease liability	18.1	(22,513)	-
		<u>-</u>	<u>-</u>

18.1 The future payments of lease liabilities are as follows:

	June 30, 2026		June 30, 2025	
	Future minimum lease payments	Principal repayments	Future minimum lease payments	Principal repayments
	----- (Rupees in '000) -----			
Not later than 1 year	(22,513)	21,524	-	-
Later than 1 year and not later than 5 years	-	-	-	-
	<u>(22,513)</u>	<u>21,524</u>	<u>-</u>	<u>-</u>

18.2 Reconciliation of lease liability

	June 30, 2026					
	July 1, 2025	Cash inflow	Cash outflow	New Lease arrangement	Finance cost	June 30, 2026
	----- (Rupees in '000) -----					
Lease liability	-	-	(5,247)	26,771	989	22,513

	June 30, 2025					
	July 1, 2024	Cash inflow	Cash outflow	New Lease arrangement	Finance cost	June 30, 2025
	----- (Rupees in '000) -----					
Lease liability	24,826	-	(25,322)	-	496	-

	Note	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 -----
19. SHORT-TERM LOAN FROM A RELATED PARTY - UNSECURED			
In foreign currency			
Loan from Otsuka Pharmaceutical Factory, Inc.	19.1	942,700	1,083,500

19.1 This represents foreign currency denominated loan. The loan was obtained in three tranches (two tranches JPY 125 million each and one tranche of JPY 300 million) drawn down on February 26, 2015, April 27, 2015 and May 17, 2024 respectively, repayable on or before February 25, 2016, April 26, 2016 and April 10, 2025 respectively. Out of these two tranches of JPY 125 million each were rolled forward annually multiple times however JPY 300 million was rolled forward annually twice. During the financial year ended June 30, 2026 all the tranches have been rolled forward and are now repayable on or before February 25, 2027, April 26, 2027 and April 10, 2027 respectively.

Mark-up is charged at TIBOR (fixed at the time of receipt of loan) + 0.1% (2025: TIBOR + 0.1%) per annum and is payable semi-annually in arrears.

	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
19.2 Movement of the loan is as follows:			
Opening balance		1,083,500	951,390
Exchange loss / (gain)		(140,800)	132,110
		(140,800)	132,110
Closing balance		942,700	1,083,500

20. TRADE AND OTHER PAYABLES

Creditors		129,998	157,071
Bills payable	20.1	151,475	198,249
Gas infrastructure development cess payable		45,094	45,094
Accrued liabilities	20.2	187,943	152,281
Payable to Employees provident fund		4,972	4,777
Payable to Staff retirement benefit fund	36.1.2	12,007	13,028
Provision for employees short-term compensated absences		34,982	30,375
Sales tax payable	20.3	19,849	24,378
Retention money		868	868
Security deposits		2,790	3,889
Workers' welfare fund	20.4	19,139	3,389
Workers' profit participation fund	20.5	41,448	8,458
Central research fund		8,374	1,704
Contract liabilities	20.6	194,341	73,440
Other liabilities	20.7	37,678	47,911
		890,958	764,912

20.1 These are foreign payables which include payable to the related parties as at the end of the year aggregating to Rs. 33.62 million (June 30, 2025: Rs. 99.85 million) as disclosed in note 37.1.1.

20.2 The Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 ("GIDC Judgment") declared the Gas Infrastructure Development Cess Act, 2015 ("GIDC Act 2015") as valid. The Company filed a review petition on the verdict of Supreme Court of Pakistan over GIDC announced on August 13, 2020, on which no relief was granted. The Company has recorded a full provision in the financial statements. However, the Company is party to the joint legal suit in the Sindh High Court (SHC) on which SHC granted the Company an interim stay. The Company has followed the relevant accounting standards and guidelines issued by the ICAP in this regard.

20.3 This includes provision for sales tax in respect of imported and local packaging materials (for IV solutions) amounting to Rs. 9.97 million (June 30, 2025: Rs. 9.97 million). The Company filed a suit in the Sindh High Court (SHC) on May 17, 2016 against the imposition of sales tax under the Sales Tax Act, 1990 with respect to packing material being imported and purchased locally by the Company for manufacturing pharmaceutical products. The SHC had passed an interim order in favour of the Company maintaining that items fetching customs duty lesser than ten percent ad valorem, may not be subject to the levy of sales tax. Later on, the case was referred by Customs to the Supreme Court of Pakistan (SCP) and final judgement was announced by SCP on June 27, 2018 in favor of the industry. However, the Customs has taken up this case into their Tribunal and Appellate and the Company is attending the hearings through its appointed lawyer. The case is still opened and being fought on argument basis.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
20.4 Workers' welfare fund			
Opening balance		3,389	184
Allocation for the year	29	15,750	3,205
Closing balance		19,139	3,389
20.5 Workers' Profit Participation Fund			
Opening balance		8,458	1,066
Allocation for the year	29	41,448	8,458
		49,906	9,524
Interest on funds utilised in the Company's business	30	167	60
		50,073	9,584
		(8,625)	(1,126)
Paid during the year		41,448	8,458
Closing balance			

20.6 During the year, the performance obligations underlying the opening contract liability of Rs. 73.44 million (2025: Rs. 114.06 million) were satisfied in full. Accordingly, the said liability was recorded as revenue during the year. Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 194.3 million (2025: Rs. 73.44 million) is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

20.7 This includes regulatory duty payable in respect of imported pharmaceutical products as are required for manufacturing purposes. On October 16, 2017, the Federal Board of Revenue (FBR) imposed regulatory duty on import of specified pharmaceutical products vide SRO 1035 (I)/2017. In this regard, the Company has filed constitutional petitions in the SHC on April 13, 2018, April 26, 2018, May 9, 2018 and June 27, 2018 against the levy of aforementioned duty. An interim relief has been granted by the SHC. As per the interim relief, the Company is required to pay half of the regulatory duty. For the remaining half, the Company was required to give security by way of bank guarantee / pay order, either to the satisfaction of the Collectorate concerned or the Nazir of the Court. The Company has paid half of the regulatory duty and has submitted bank guarantees for the remaining half to the Collectorate concerned. Management, as a matter of prudence, has recorded full provision for the amount of regulatory duty given as bank guarantee amounting to Rs. 10.90 million (June 30, 2025: Rs. 10.90 million) in these financial statements. From January 2020 onwards, the Company is paying full regulatory duty on these imported products.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
21. SHORT-TERM RUNNING FINANCE			
From banking companies - secured			
Short-term running finance facilities utilised under mark-up arrangements - secured	21.1	-	-

21.1 Particulars of short-term running finance - secured

Bank	Limit in as at June 30, 2026	Limit in as at June 30, 2025	Mark up rate	Current security	Frequency of mark-up payment	Facility expiry date	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----		(%)				----- (Rupees in '000) -----	
Citi Bank	625,000	925,000	1 month KIBOR	(a) SECP Registered Joint Pari-passu Charge on Fixed Assets of Plant & Machinery for Rs. 432 million.	Quarterly	March 31, 2027	-	-
			+					
			0.65% p.a.	b) SECP Registered Joint Pari-passu Charge on Current Assets for Rs. 778 million.				
	625,000	925,000					-	-

21.2 Details of import letters of credit (sight / usance / acceptance) and letters of guarantee

- 21.2.1** The Company is availing the sub-limit facilities relating to the import letter of credit (sight / usance / acceptance) and letter of guarantee available from the banks as at June 30, 2026 amounting to Rs. 289.61 million (June 30, 2025: Rs. 289.61 million) out of which Rs. 171.29 million (June 30, 2025: Rs. 178.68 million) are available for utilisation of import letter of credit and letter of guarantee.

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
22. MARK-UP ACCRUED		
- Short-term loan from a related party - unsecured	<u>3,227</u>	<u>2,339</u>

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

- 23.1.1** On March 05, 2014, a notice of demand was served on the Company by the Additional Commissioner Inland Revenue (ACIR) for an amount of Rs. 164.77 million (June 30, 2025: Rs. 164.77 million) under Section 122 (5A) of the ITO. The ACIR added back certain items such as exchange loss, claims against provisions and write-offs of inventory, discounts and rebates on sales and trade debts and disallowed finance cost in the income returned for tax year 2012. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] who upheld the action of ACIR on certain items against which the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) to review the action of the CIR(A). On January 19, 2017 ATIR's hearing was held and on April 10, 2017 an order was served in which the decision of certain items was given in favour of the Company and certain items were remanded back to the ACIR for further examination.

On December 28, 2017, an appeal effect order was passed by the ACIR under Section 124/122(5A) of the ITO. Through the said order of ACIR (which is in context of the earlier decision by the ATIR dated April 10, 2017 mentioned above) a demand of Rs. 21.41 million was determined. Furthermore, in respect of the matters decided by the ATIR in favour of the Company, the ACIR has filed an appeal in the SHC and consequently appeal effect has not been allowed on matters agitated in the SHC.

The Company filed another appeal against the above order of Rs. 21.41 million before the Commissioner Inland Revenue (Appeals-II) [CIR(A)] along with the stay application. Upon request, the CIR(A) acceded to grant stay against recovery till February 15, 2018. On April 13, 2018 an appeal effect order was passed by the ACIR under Section 124/122(5A) of the ITO whereby relief has been allowed in respect of certain matters whereas disallowance has been maintained in respect of certain other matters. As a result, a demand of Rs. 12.70 million has been raised by the ACIR which has been settled by the Company in previous years under protest through adjustment of refund relating to the tax year 2015. As a matter of caution, management has recorded a provision of Rs. 12.70 million with corresponding adjustment to refund liability to tax year 2015.

- 23.1.2** During the year ended June 30, 2020, electricity charges were increased by Rs. 6.80 million through the imposition of Industrial Support Package Adjustment (ISPA) for the off peak hours with retrospective application from July 01, 2019. The case was filed through a joint Constitutional Petition no. 2581 of 2020 before the High Court of Sindh, at Karachi through the association of M/s. Lasbella Chamber of Commerce and Industry (LCCI) located in LIEDA to challenge the above-said charges. During the financial year ended June 30, 2021, the Company has issued an undated cheque amounting to Rs. 6.80 million in favour of Nazir of Sindh High Court as per the interim directives issued by the High Court of Sindh, thereafter a judgment has been passed by the High Court of Sindh in favour of the Company which has been challenged by K-Electric in the Supreme Court of Pakistan. Management has assessed favorable outcome of the case, however, as a matter of abundant caution a provision of Rs. 6.80 million has been made in the financial statements.
- 23.1.3** During 2019, the return of income for tax year 2018 was selected for audit under Section 177 of the Income Tax Ordinance (ITO), 2001 by the Deputy Commissioner Inland Revenue (DCIR). Under the notice, certain information was required to be furnished, which was duly submitted by the Company.

23.1.4 During 2020, the return of income for tax year 2019 was selected for audit under Section 177 of the ITO by the Deputy Commissioner Inland Revenue (DCIR). Under the notice, certain information was required to be furnished, which was duly submitted by the Company.

During the year ended 30 June 2025, two orders were passed for Tax year 2019 - one dated June 24, 2025 issued by Deputy Commissioner Inland Revenue (the DCIR) under section 122(1) of the Income Tax Ordinance, 2001 determining refund of Rs. 18.11 million based on findings made in audit of return filed. Other one dated June 29, 2025 issued by Additional Commissioner Inland Revenue (the ADCIR) under section 122(5A) of the Income Tax Ordinance, 2001. The ADCIR has created tax demand of Rs. 66.11. Both of the above tax demanded due to disallowance of various expenses. The company identified certain errors in the ADCIR order and requested rectification under section 221 of the ordinance. The company has filed an appeal against the orders with the Commissioner Inland Revenue Appeals (CIRA). Furthermore the commissioner (appeals) has granted the stay against recovery of demand.

23.1.5 During the year ended 30 June 2025, the company received a sales tax demand of Rs 6.9 million with a penalty of Rs 0.34 from Deputy Commissioner Inland Revenue (DCIR) for the tax year 2020 due to inadmissible input tax and short payments of withholding sales tax. The Company filed an appeal with the Commissioner Inland Revenue Appeals (CIRA) who heard the appeal instantly and reserved for order by CIRA.

23.2 Commitments	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
Commitments in respect of:			
Letters of credit		-	63,755
Letters of guarantee		71,030	47,173

24. REVENUE FROM CONTRACT WITH CUSTOMERS

Gross sales	24.1	4,533,007	4,180,475
Sales tax		(89,942)	(87,502)
		4,443,065	4,092,973
Discounts		(331,958)	(313,455)
		4,111,107	3,779,518

24.1 Gross sales are net of sales return amounting to Rs 55.46 million (2025: Rs. 6.32 million).

25. COST OF SALES

Raw and packing material consumed:	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
Opening stock		439,906	548,301
Purchases		1,184,138	1,262,588
Closing stock	10	(446,143)	(439,906)
		1,177,901	1,370,983
Stores and spares consumed		189,304	172,557
Salaries, wages and benefits	25.1	615,123	550,673
Rent, rates and taxes		15,868	18,872
Insurance		6,422	5,031
Fuel and power		370,857	396,869
Repairs and maintenance		24,535	16,102
Travelling and vehicle running expenses		84,739	70,853
Communication and stationery		908	818
Depreciation	5.4	95,085	61,233
Other expenses		21,345	12,119
		1,424,186	1,305,125
		2,602,087	2,676,108

		June 30, 2026	June 30, 2025
Note		(Rupees in '000)	
	Work-in-progress (WIP)		
	Opening WIP	9,259	16,112
10	Closing stock (WIP)	(8,130)	(9,259)
	Cost of goods manufactured	2,603,216	2,682,961
	Opening finished goods	647,663	464,573
	Finished goods purchased	316,035	429,354
	Cost of samples shown under selling and distribution expenses	(26,690)	(13,106)
10	Closing finished goods	(888,021)	(647,663)
		(914,711)	(660,769)
		2,652,203	2,916,119

- 25.1** Salaries, wages and benefits include Rs. 7.91 million (2025: Rs. 7.05 million) and Rs. 12.06 million (2025: Rs. 9.29 million) in respect of staff retirement benefits and provident fund respectively.

		June 30, 2026	June 30, 2025
Note		(Rupees in '000)	
26. SELLING AND DISTRIBUTION EXPENSES			
	Salaries, wages and benefits	176,966	151,022
	Advertising samples and promotional expenses	198,918	159,182
	Outward freight and handling	223,594	159,119
	Travelling and vehicle running expenses	20,091	20,089
5.4	Depreciation	14,103	5,232
	Insurance	10,555	7,746
	Communication and stationery	5,444	3,286
	Rent, rates and taxes	1,584	2,268
	Repairs and maintenance	746	253
		652,001	508,196

- 26.1** Salaries, wages and benefits include Rs. 4.95 million (2025: Rs. 3.53 million) and Rs. 5.5 million (2025: Rs. 4.96 million) in respect of staff retirement benefits and provident fund respectively.

		June 30, 2026	June 30, 2025
Note		(Rupees in '000)	
27. ADMINISTRATIVE AND GENERAL EXPENSES			
	Salaries, wages and benefits	135,102	107,618
	Rent, rates and taxes	111	65
	Insurance	3,391	3,535
	Fuel and power	3,971	4,152
	Repairs and maintenance	4,206	4,302
	Travelling and vehicle running expenses	11,488	10,183
	Communication and stationery	2,962	2,352
	Subscription	2,401	3,934
	Legal and professional charges	11,345	18,550
5.4	Depreciation	5,778	4,239
5.8.3	Depreciation right-of-use asset	13,002	11,880
6.1	Amortisation	520	315
	General expenses	26,287	24,017
		220,564	195,141

27.1 Salaries, wages and benefits include Rs. 2.67 million (2025: Rs. 1.23 million) and Rs. 3.47 million (2025: Rs. 2.82 million) in respect of staff retirement benefits and provident fund respectively.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
28. OTHER INCOME			
Exchange gain			
- unrealised		142,996	-
Scrap sales		84,943	100,525
Gain on disposal of operating fixed assets - net		7,763	3,875
Reversal of provision against stents held with hospitals	10.3	9,442	4,559
Income from TDRs		19,334	8,051
Reversal of provision against slow moving and obsolete stock-in-trade	10.2	6,450	7,487
Others		20,741	3,793
		<u>291,669</u>	<u>128,290</u>

29. OTHER EXPENSES			
Exchange loss			
- realised		8,360	14,444
- unrealised		-	132,110
Auditor's remuneration and other professional services	29.1	3,815	3,200
Donations	29.2 & 29.3	1,348	91
Workers' welfare fund		15,750	3,205
Workers' profit participation fund	20.5	41,448	8,458
Central research fund		8,374	1,704
Provision against slow moving and obsolete stores and spares	9.1	1,888	2,223
Bank charges and commission		7,183	3,095
Others		6,877	6,905
		<u>95,043</u>	<u>175,435</u>

29.1 Auditor's remuneration			
Statutory audit fee		1,668	1,516
Review of condensed interim financial statements		740	673
Tax advisory services		777	438
Special certifications		354	322
Out-of-pocket expenses		276	251
		<u>3,815</u>	<u>3,200</u>

29.2 Recipients of donations do not include any donee in whom Chief Executive Officer, directors or their spouse had any interest.

29.3 Donation to a single party does not exceeds Rs. 500,000 therefore, name of donee is not disclosed and none of the director and his spouse has interest in donees.

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
30. FINANCE COST			
On:			
-Short-term loan from a related party	19	10,043	5,347
-Utilising Worker's profit participation fund	20.5	167	60
-Unwinding of finance cost on lease liability	18.2	989	496
		<u>11,199</u>	<u>5,903</u>

			June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 -----
31. LEVIES	Note			
Final tax on:				
- export sales	31.1	-	-	
- minimum tax	31.2	-	49,463	
		-	<u>49,463</u>	
31.1	These represent final taxes paid on export sales and dividend income as per section 154 and section 5 of the ITO respectively, and are recognised as levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.			
31.2	These represents minimum tax provision under section 113 and super tax charged under section 4C of the ITO. The provision for minimum tax and super tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.			
32. TAXATION - NET	Note		June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 -----
Current				
- for the year		191,437	7,505	
- for prior years		(533)	29,308	
		<u>190,904</u>	<u>36,813</u>	
Super tax		79,489	-	
Deferred tax expense / (income)	8.1	29,248	43,050	
		<u>299,641</u>	<u>79,863</u>	
32.1	Relationship between income tax expense and accounting profit			
Profit before levies and taxation		771,766	107,540	
Tax charge @ 29% (2025: 29%)		223,812	31,187	
Super tax		79,489	-	
Tax effect of:				
-Prior year tax adjustments		(533)	29,308	
-Expenses that are not deductible in determining taxable profit		29,248	33,644	
-Others		(32,375)	(14,276)	
		<u>299,641</u>	<u>79,863</u>	
33. EARNINGS PER SHARE	Note		June 30, 2026	June 30, 2025
33.1 Basic				
Income for the year (Rupees in '000)		472,125	27,677	
Weighted average ordinary shares outstanding during the year (Number of shares)	17.1	12,100,000	12,100,000	
Earnings per share - basic and diluted (Rupees)		<u>39.02</u>	<u>2.29</u>	
33.2 Diluted				

The impact of dilution on earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2026 and June 30, 2025 which would have had any effect on the earnings per share if the option to convert had been exercised.

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following items included in the statement of financial position:

	Note	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025
- Short term investments	15	464,610	264,610
- Bank balances	16	87,144	114,207
		<u>551,754</u>	<u>378,817</u>

35. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

Particulars	Chief Executive Officer		Directors		Executives	
	2026	2025	2026	2025	2026	2025
	(Rupees in '000)					
Managerial remuneration	16,767	14,216	-	-	121,000	80,120
Bonus	3,912	1,507	-	-	25,686	9,177
Leave fare assistance / encashment	2,378	1,829	-	-	11,593	8,095
Meeting fee	-	-	1,050	700	-	-
Technical advisory fee / Contract fee	-	-	-	-	8,448	17,780
Retirement benefits	1,660	1,330	-	-	10,748	7,341
Others	200	380	-	-	220	1,425
	<u>24,917</u>	<u>19,262</u>	<u>1,050</u>	<u>700</u>	<u>177,695</u>	<u>123,938</u>
	(Number)					
Number of person(s)	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>31</u>	<u>25</u>

35.1 The Chief Executive Officer and certain executives are provided free use of the Company maintained cars and are entitled to certain reimbursable business expenses such as communication charges and fuel expenses as per the terms of employment.

36. EMPLOYEE BENEFIT SCHEMES

36.1 Defined benefit plan - staff retirement benefits

As mentioned in note 4.9 (a) the Company operates an approved funded gratuity scheme for all its management and non-management staff. The latest actuarial valuation of the fund was carried out at June 30, 2026. The Projected Unit Credit Method with the following significant assumptions was used for the valuation of the scheme:

36.1.1 Principal actuarial assumptions	June 30, 2026	June 30, 2025
a) Discount rate	11.75%	11.75%
b) Expected rate of return on plan assets	11.75%	11.75%
c) Expected rate of increase in salary		
- management staff	12.75%	11.75%
- non-management staff	12.75%	11.75%
d) Mortality rates	Adjusted SLIC 2001-	Adjusted SLIC 2001-
e) Withdrawal rates	Moderate	High

		June 30, 2026	June 30, 2025
Note		----- (Rupees in '000) -----	
36.1.2	Amount recognised in the statement of financial position		
	Present value of defined benefit obligation	183,740	173,495
	Fair value of plan assets	(171,733)	(160,466)
		12,007	13,028
20 & 36.1.3			

36.1.3 The movement in net defined benefit liability during the year is as follows:

		June 30, 2026		
		Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Note		----- (Rupees in '000) -----		
As at July 1, 2025		173,495	(160,466)	13,029
Current service cost	36.1.4	15,597	-	15,597
Interest expense / (income)	36.1.4	18,350	(18,412)	(62)
Remeasurements:				
- (Gain)/ loss from the changes in financial assumptions		-	-	-
- experience adjustments		10,162	(395)	9,767
		10,162	(395)	9,767
Contributions made		-	(26,324)	(26,324)
Benefits paid		(33,864)	33,864	-
As at June 30, 2026		183,740	(171,733)	12,007
		June 30, 2025		
		Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Note		----- (Rupees in '000) -----		
As at July 1, 2024		147,698	(147,774)	(76)
Current service cost	36.1.4	12,656	-	12,656
Interest expense / (income)	36.1.4	20,666	(21,518)	(852)
Remeasurements:				
- (Gain) from the changes in financial assumptions		-	-	-
- experience adjustments		10,506	187	10,694
		10,506	187	10,694
Contributions made		-	(9,393)	(9,393)
Benefits paid		(18,032)	18,031	-
As at June 30, 2025		173,495	(160,466)	13,028

	Note	June 30, 2026 ----- (Rupees in '000) -----	June 30, 2025 ----- (Rupees in '000) -----
36.1.4 Amount recognised in the statement of profit or loss			
Current service cost	36.1.3	15,597	12,656
Interest cost	36.1.3	18,350	20,666
Expected return on plan assets		(18,412)	(21,518)
Expense for the year		15,535	11,804
36.1.5 Amount recognised in the statement of comprehensive income		9,767	10,694

	As at June 30, 2026		As at June 30, 2025	
	(Rupees in '000)	(Percentage)	(Rupees in '000)	(Percentage)
36.1.6 Composition of plan assets				
Treasury bills	76,544	44.57%	73,708	45.93%
Defence saving certificates	11,419	6.65%	10,651	6.64%
Cash and cash equivalents	83,770	48.78%	76,107	47.43%
	171,733	100.00%	160,466	100.00%

36.1.7 The gratuity scheme exposes the Company to the following risks:

a) Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

b) Investment risk

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

c) Salary increase risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

d) Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

36.1.8 The sensitivities of the defined benefit obligation to changes in the principal actuarial assumptions are as under:

Particulars	Change in assumption	June 30, 2026		Change in assumption	June 30, 2025	
		Increase / (decrease) in present value of defined benefit obligation			Increase / (decrease) in present value of defined benefit obligation	
		(%)	Rupees in '000		(%)	Rupees in '000
Discount rate	+1%	(4.99)	(9,171)	+1%	(4.40)	(7,641)
	-1%	5.54	10,175	-1%	4.87	8,442
Salary rate	+1%	5.46	10,026	+1%	4.83	8,386
	-1%	(5.01)	(9,207)	-1%	(4.45)	(7,727)
Withdrawal rate	+10%	(0.16)	(302)	+10%	0.00	8
	-10%	0.18	323	-10%	0.00	(9)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability against defined benefit obligation recognised in the statement of financial position.

The weighted average duration of the staff retirement benefits is approximately 5.28 years (2025: 4.64) years.

36.1.9 Expected contribution to gratuity fund for the year ending June 30, 2027 is Rs. 16.99 million.

36.2 Defined contribution plan - staff provident fund

Investments out of provident fund have been made in Defence Savings Certificate and Bank balances and are in accordance with the provisions of section 218 of the Act, and the Rules formulated for this purpose.

37. TRANSACTIONS WITH RELATED PARTIES

Related parties include Otsuka Pharmaceutical Company Limited the holding company, associated companies / undertakings (namely Otsuka Pharmaceutical Factory Incorporation, Japan, Thai Otsuka Pharmaceutical Company Limited, Thailand, P.T. Otsuka Indonesia, Otsuka Pharmaceutical Company, Shanghai Micro port Medical (Group) Company Limited, etc.), staff retirement funds and the key management personnel, entities under common directorship namely Danish Enterprises, Qubittech.

Details of the transactions with the related parties and the balances with them as at period end other than those which have been disclosed elsewhere are as follows:

37.1 Name and nature of relationship

	June 30, 2026		June 30, 2025	
	Shareholding (%)	Shares held (Number)	Shareholding (%)	Shares held (Number)
a) Holding company				
Otsuka Pharmaceutical Company Limited, Japan	44.8	5,420,248	44.8	5,420,248
Ultimate Parent				
b) Directors / Individual shareholders				
	Shareholding (%)	Shares held (Number)	Shareholding (%)	Shares held (Number)
Mr. Tariq Mehtab	0.8254	99,871	0.8254	99,871
Mr. Mikio Bando	0.0000	1	0.0000	1
Mr. Kimitaka Naito	0.0000	0	0.0000	1
Mr. Jun Chihara	0.0000	1	0.0000	0
Mr. Suhari Mukti	0.0000	1	0.0000	1
Mr. Abid Hussain	0.0000	500	0.0000	500
Mrs. Navin Salim Merchant	0.0000	509	0.0000	509
Mr. Moin Ur Rehman	0.0008	100	0.0008	100
c) Associated Companies due to common directorship and undertaking				
Note	Shareholding (%)	Shares held (Number)	Shareholding (%)	Shares held (Number)
P. T. Otsuka Indonesia, Indonesia	9.95	1,204,499	9.95	1,204,499
Otsuka Pharmaceutical Factory, Inc., Japan	13.14	1,589,940	13.14	1,589,940

Name of related party	Relationship with the Company	Nature of transaction	June 30,	June 30,
			2026 ----- (Rupees in '000) -----	2025
Otsuka Pharmaceutical Factory Inc.	Associated undertaking	Mark up on loan	10,042	5,347
Guangdong Otsuka Pharmaceutical Co., Ltd	Associated undertaking	Purchases	23,740	38,031
Otsuka Pharmaceutical Co, Ltd.	Parent Company	Purchases	82,251	167,496
Thai Otsuka Pharmaceutical Co. Ltd.	Associated undertaking	Purchases	140,673	134,483
PT. Otsuka Indonesia	Associated undertaking	Purchases	32,713	14,631
Director	Independent Director and Non Executive director	Meeting fees	1,050	700
Otsuka staff provident fund	Provident fund	Contribution during the year to the fund	20,902	16,680
Otsuka staff gratuity fund	Gratuity fund	Contribution during the year to the fund	26,323	9,393
Key Management Personnel	Key Management Personnel	Remuneration paid	85,379	74,331

37.1.1 Purchases from related parties primarily represent purchase of raw materials and finished goods from Otsuka group companies.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including the Chief Executive Officer and working directors to be its key management personnel.

Name of related party	Relationship with the Company	Nature of balance	June 30,	June 30,
			2026 ----- (Rupees in '000) -----	2025
Otsuka Pharmaceutical Factory Inc.	Associated undertaking	Short term loan payable Markup Payable	942,700 3,227	1,083,500 2,339
Otsuka Pharmaceutical Co, Ltd.	Parent company	Payable against purchases	13,365	59,060
Thai Otsuka Pharmaceutical Co. Ltd.	Associated undertaking	Payable against purchases	20,255	40,793
Shareholders	Shareholders	Payable to shareholders	363	363
Otsuka staff provident fund	Provident fund	Payable to Employees Provident Fund	4,972	4,777
Otsuka staff gratuity fund	Gratuity fund	(Receivable from) / Payable to Staff Retirement Benefit Fund	12,007	13,028
Key Management Personnel	Key Management Personnel	Advance from key management personnel	330	330

37.2 Following are the details of associated undertakings incorporated outside Pakistan:

S. No.	Name of undertaking	Registered address	Country of incorporation	Basis of association	Aggregate % of shareholding, including shareholding through other companies or entities
1	Otsuka Pharmaceutical Company Limited, Japan	Osaka Headquarters 3-2-27, Otedori, Chuo-ku, Osaka 540-0021	Japan	Parent / Holding Company	44.80%
2	P. T. Otsuka Indonesia, Indonesia	Pertkantor Hijau Orkadia, Tower A, Lt.3, Jl. Letjen. TB. Simatupang Kav.88, Jakarta	Indonesia	Other associated undertaking	9.95%
3	Thai Otsuka Pharmaceutical Company Limited, Thailand	15th. Floor, Unit No. 1501-1502, United Center Building, 323 Silom Road, Bangkok	Thailand	Other associated undertaking	N/A
4	Otsuka Pharmaceutical Factory, Inc., Japan	115 Kuguhara, Tateiwa, Muya-cho, Naruto, Tokushima	Japan	Other associated undertaking	13.14%

	June 30, 2026	June 30, 2025
38. NUMBER OF EMPLOYEES	(Number)	
As at	396	408
Average during the year	402	377

39. OPERATING SEGMENTS

39.1 These financial statements have been prepared on the basis of a single reportable segment.

39.2 Sales from Intravenous Solutions represent 88.55% while sales from others represent 11.45% (2025: 86.28% and 13.72%) respectively of the total revenue of the Company.

	June 30, 2026 (%)	June 30, 2025 (%)
39.3 Sales percentage by geographic region is as follows:		
Pakistan	98.15	96.00
Afghanistan	1.85	4.00

39.4 All non-current assets of the Company as at June 30, 2026 are located in Pakistan.

	Note	June 30, 2026	June 30, 2025
40. FINANCIAL INSTRUMENTS BY CATEGORY		(Rupees in '000)	
Financial assets at amortised cost			
Loan to employees	7	12,471	13,693
Long-term deposits		1,497	1,463
Trade debts	11	183,452	89,744
Trade deposits and other receivables		17,409	16,248
Short-term investment	15	464,610	264,610
Bank balances	16	87,144	114,207
		766,583	499,965
Financial liabilities at amortised cost			
Short-term loan from a related party	19	942,700	1,083,500
Trade and other payables	20	515,724	610,140
Unclaimed dividend		1,908	1,955
Mark-up accrued	22	3,227	2,339
Lease liability	18	22,513	-
		1,486,072	1,697,934

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Company, currently finances its operations through equity, borrowing and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk and provide maximum return to shareholders. The Company's risk management policies and objectives are as follows:

41.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk.

41.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist in foreign currencies. As at June 30, 2026, financial liabilities of Rs. 979.55 million (June 30, 2025: Rs. 1,281.75 million) are payable in foreign currencies which have exposed the Company to foreign currency risk. The currency wise details of these liabilities have been provided below:

		June 30, 2026	June 30, 2025
	Note	(Rupees in '000)	
Short-term loan from a related party - unsecured			
Yen	19	942,700	1,083,500
Bills payable			
US Dollar		137,975	174,565
Euro		13,133	15,804
Yen		367	7,880
	20	151,475	198,249

The Company manages currency risk by adjusting its timings of settlement of foreign currency denominated liabilities so as to ensure that transactions are settled on terms that are favourable to the Company.

As at June 30, 2026, if the Pakistani Rupee had weakened / strengthened by 10% against foreign currencies with all other variables held constant, profit before tax for the year would have been lower / higher by approximately Rs. 97.95 million (2025: Rs. 128.17 million), mainly as a result of foreign exchange losses / gains on translation of foreign currency denominated financial liabilities.

41.1.2 Yield / interest rate risk

Yield / 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.

Sensitivity analysis for fixed rate instruments

Presently, the Company has investment in TDRs with a banks. The investment carries fixed return. Since these financial assets are not kept at fair value, it does not expose the Company to any fair value / interest rate risk.

Sensitivity analysis for variable rate instruments

Presently, the Company has TIBOR based JPY financing representing financing arrangements obtained from a related party that expose the Company to cash flow interest rate risk. In case of increase / decrease in TIBOR by 100 basis points on the last repricing date with all other variables held constant, the profit before tax for the year ended June 30, 2026 would have change by Rs. 9.43 million.

41.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Company does not hold any instruments which expose it to price risk.

42. Credit risk

Credit risk represents the risk of loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of its counterparties.

The Company's policy is to enter into financial contracts in accordance with the policies and guidelines approved by the management. Credit risk arises from bank balances, term deposit receipts, trade debts, loans and advances, deposits and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the total financial assets i.e. Rs. 767.69 million (2025: Rs. 499.96 million) of which trade debts amounting to Rs. 183.45 million (2025: Rs. 89.74 million) constitute a significant portion. The trade debts (excluding impaired debts) relate to a number of independent customers for whom there is no recent history of default. Loans and advances to employees are secured against their respective balances maintained under employee benefit schemes. The Company is also exposed to counterparty credit risk on balances with banks which is limited as the counterparties are banks having reasonably high credit ratings. The credit quality of the bank balances maintained by the Company is as follows:

BANK	June 30, 2026		June 30, 2025		Rating agency
	Short-term	Long-term	Short-term	Long-term	
Allied Bank Limited	A1+	AAA	A1+	AAA	PACRA
Bank Alfalah Limited	A1+	AA+	A1+	AA+	PACRA
Habib Bank Limited	A1+	AAA	A1+	AAA	JCR - VIS
MCB Bank Limited	A1+	AAA	A1+	AAA	PACRA
National Bank of Pakistan	A1+	AAA	A1+	AAA	PACRA
The Bank of Punjab	A1+	AA-	A1+	AA-	PACRA
Habib Metro Bank	A1+	AA+	A1+	AA+	PACRA
Citi Bank	A+	A-1	A+	A-1	Standard & Poor's
Bank Al Habib Limited	A1+	AAA	A1+	AAA	PACRA
Meezan Bank Limited	A1+	AAA	A1+	AAA	PACRA

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's total sales are concentrated into one of the distributors which has exposed it to significant risk due to concentration of credit. However, payment pattern exhibits that the risk is maintained at the minimum level.

42.1 Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle its financial obligations in full as they fall due or can do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines open.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	As at June 30, 2026			As at June 30, 2025		
	Maturity upto One year	Maturity After One year	Total	Maturity upto One year	Maturity After One year	Total
	(Rupees in '000)			(Rupees in '000)		
Short-term loan from a related party - unsecured	942,700	-	942,700	1,083,500	-	1,083,500
Trade and other payables	515,724	-	515,724	610,140	-	610,140
Long-term finance	-	-	-	-	-	-
Unclaimed dividend	1,908	-	1,908	1,955	-	1,955
Short-term running finance - secured	-	-	-	-	-	-
Mark-up accrued	3,227	-	3,227	2,339	-	2,339
Lease liability	22,513	-	22,513	-	-	-
Total	1,486,072	-	1,486,072	1,697,934	-	1,697,934

43. FAIR VALUE MEASUREMENT

IFRS 13 'Fair value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

As at June 30, 2026 the Company does not have any assets which are tradable in an open market. The estimated fair values of all assets and liabilities are considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

As at June 30, 2026 and June 30, 2025, the Company did not have any assets or liabilities which were measured at fair values using any of the aforementioned valuation techniques.

44. CAPITAL RISK MANAGEMENT

44.1 The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

44.2 Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Total borrowings	942,700	1,083,500
Less: bank balances	(87,144)	(114,207)
short term investment	(464,610)	(264,610)
Net debt	390,946	704,683
Total equity	1,160,969	695,779
Total capital	1,551,915	1,400,462
Gearing ratio	25.19%	50.32%

As at June 30, 2026, the Company's gearing ratio has decreased due to decrease in running finance obtained to meet working capital requirement. The Company's foreign loan liability increased due to obtaining of a new JPY loan. As a part of the Company's future strategy, management has prepared a business plan which is sensitive to certain key assumptions. The Management believes that the successful implementation of the business plan would help to improve the financial position of the Company.

45. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

Description	June 30, 2026			June 30, 2025		
	Conventional	Shariah compliant	Total	Conventional	Shariah compliant	Total
	----- Rupees in '000' -----					
Statement of financial position						
Liabilities						
Long-term borrowings	-	-	-	-	-	-
Short-term borrowings	942,700	-	942,700	1,083,500	-	1,083,500
Lease liability	22,513	-	22,513	-	-	-
Accrued mark-up / profit on borrowings	3,227	-	3,227	2,339	-	2,339
Assets						
Long term investments	-	-	-	-	-	-
Short term investments - TDR	14,610	450,000	464,610	14,810	250,000	264,610
Cash and bank balances	26,569	60,575	87,144	37,591	76,616	114,207
Statement of comprehensive income						
Revenue from contracts with customers	-	4,111,107	4,111,107	-	3,779,518	3,779,518
Sources and breakup of other income						
Income from financial assets						
Late payments or liquidity damages	-	-	-	-	-	-
Exchange gain on derivative instruments	-	-	-	-	-	-
Others						
Exchange gain - unrealised	142,996	-	142,996	-	-	-
Scrap sales	-	84,943	84,943	-	100,525	100,525
Gain on disposal of operating fixed assets - net	-	7,763	7,763	-	3,875	3,875
Reversal of provision against debts held with hospitals	-	9,442	9,442	-	4,559	4,559
Profit earned from Shariah-compliant bank deposits bank balances, or TDRs	-	25,180	25,180	-	9,555	9,555
Reversal of provision against slow moving and obsolete stock	-	6,450	6,450	-	7,487	7,487
Others	-	14,895	14,895	-	2,289	2,289
Finance cost						
Markup on short-term loan from a related party	10,043	-	10,043	5,347	-	5,347
Markup on utilising Worker's profit participation fund	167	-	167	60	-	60
Markup on unwinding of finance cost on lease liability	989	-	989	496	-	496
Profit paid on Islamic financing	-	-	-	-	-	-
Mark-up / profit paid	10,311	-	10,311	19,094	-	19,094
Relationship with Shariah Compliant financial institutions						

The Company has banking relationship with Shariah compliant banks namely, Bank Alfalah Limited and Meezan Bank Limited.

46. PLANT CAPACITY AND PRODUCTION

	June 30, 2026		30-Jun-25	
	Capacity	Actual Production	Capacity	Actual Production
	(million bottles)		(million bottles)	
I.V. Solutions	28.6	20.9	28.6	18.0
Plastic ampoules	14.1	11.9	14.1	12.1
Sachets	4.9	1.7	4.9	2.7

The actual production was on the lower side due to closure of LINE-II to rGMP requirements and shortage of SPPF caps faced during last two months.

46.1 The actual production was on the lower side due to closure of LINE-II for GMP requirements and shortage of SPPF caps faced during last two months.

46.2 The Company's under-utilised capacity was due to lower than the planned production on account of oversupply situation in the market.

47. SUBSEQUENT EVENT

47.1 The Board in its meeting held on proposed a final cash dividend of Rs. Nil per share (2025: Rs. Nil) amounting to Rs. Nil (2025: Rs. Nil) subject to the approval of the members in the forthcoming annual general meeting of the Company.

48. GENERAL

48.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

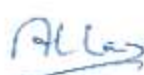
48.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

49. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 2, 2026 by the Board of Directors of the Company.



Moin Ur Rehman
Chief Executive Officer



Abid Hussain
Director



Tauseef Ahmed Shaikh
Chief Financial Officer

OTSUKA PAKISTAN LIMITED
Pattern of Shareholding Report
As of June 30, 2026

Categories of Shareholders		Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children				
	MR. MIKIO BANDO	1	1	0.00
	MR. SUHARI MUKTI	1	1	0.00
	MR. JUN CHIHARA	1	1	0.00
	MR. MOIN UR REHMAN	1	100	0.00
	MRS. NAVIN SALIM MERCHANT	1	509	0.00
	MR. TARIQ MEHTAB FERAZ	1	99,871	0.83
	MR. ABID HUSSAIN	1	500	0.00
Associated Companies, undertakings and related parties		3	8,214,687	67.89
Banks Development Financial Institutions, Non Banking Financial Financial Instit		3	8,621	0.07
Insurance Companies		2	102,240	0.02
Modarabas and Mutual Funds		1	120	0.00
General Public				
	a. Local	1169	2,880,418	24.63
	b. Foreign	43	544,361	4.50
Others		17	248,449	2.05
Executives		2	121	0.00
Total		1247	12,100,000	100.00
Share holders holding 10% or more			Shares Held	Percentage
M/S OTSUKA PHARMACEUTICAL CO. LIMITED			5,420,248	44.80
M/S. OTSUKA PHARMACEUTICAL FACTORY, INC.			1,589,940	13.14

OTSUKA PAKISTAN LIMITED

Pattern of Shareholding

As On 30/06/2026

NO. OF SHAREHOLDERS	<--- HAVING SHARES --->		SHARES HELD	PERCENTAGE
	From	To		
592	1	100	11472	0.0948
355	101	500	79908	0.6604
111	501	1000	85388	0.7057
124	1001	5000	257908	2.1315
25	5001	10000	167930	1.3879
8	10001	15000	97031	0.8019
4	15001	20000	70387	0.5817
2	20001	25000	48213	0.3985
1	25001	30000	25808	0.2133
2	30001	35000	65112	0.5381
3	35001	40000	105843	0.8747
1	40001	45000	40806	0.3372
3	45001	50000	149372	1.2345
2	50001	55000	102557	0.8476
1	70001	75000	73810	0.6100
1	80001	85000	83600	0.6909
1	85001	90000	88000	0.7273
4	95001	100000	394742	3.2623
1	100001	105000	102000	0.8430
1	230001	235000	230737	1.9069
3	395001	400000	1192455	9.8550
1	410001	415000	412235	3.4069
1	1200001	1205000	1204499	9.9545
1	1585001	1590000	1589940	13.1400
1	5420001	5425000	5420247	44.7954
1249		Company Total	12100000	100.0000

COMPARISON OF LAST 6 YEARS RESULTS

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Share Capital (Rs. In '000)	121,000	121,000	121,000	121,000	121,000	121,000
Unappropriated Profit / (Loss) (Rs. In '000)	37,997	250,014	84,543	62,715	82,799	547,989
General Reserve (Rs. In '000)	341,980	341,980	491,980	491,980	491,980	491,980
Capital Employed (Rs. In '000)	532,880	716,086	704,315	688,526	695,779	1,160,969
Long Term Loans/Lease (Rs. In '000)	31,903	3,092	6,792	12,831	-	-
Sales (Rs. In '000)	2,546,276	2,851,733	3,035,085	3,163,868	3,779,518	4,111,107
Profit/(Loss) Before Tax (Rs. In '000)	469,535	364,629	(28,352)	18,972	157,003	771,766
Taxation - net (Rs. In '000)	(83,204)	(132,832)	21,145	(23,085)	(129,326)	(299,641)
Profit/(Loss) After Taxation (Rs. In '000)	386,331	231,797	(7,207)	(4,763)	27,677	472,125
% of Sales	15%	8%	-0.24%	-0.15%	0.73%	11.48%
% of Total Assets	26%	13%	-0.31%	-0.21%	1.09%	15.62%
% of Capital Employed	72%	32%	-1%	-1%	4%	41%
Dividend Amount (Rs. In '000)	18,150	18,150	18,150	18,150	-	-
% of Dividend	15%	15%	15%	15%	0%	0%
Bonus Shares Dividend (Rs. In '000)	-	-	-	-	-	-
% of Bonus Issue	-	-	-	-	-	-
Earnings / (Loss) Per Share	31.93	19.16	(0.60)	(0.39)	2.29	39.02
Fixed Assets less Depreciation (Rs. In '000)	275,096	265,400	210,814	343,402	572,907	622,432
Total Assets (Rs. In '000)	1,485,431	1,845,908	2,288,964	2,293,889	2,548,485	3,022,275
Average Number of Employees	384	374	368	354	377	402

Gender Pay Gap Statement under SECP Circular 10 of 2024

In compliance with applicable disclosure requirements and our commitment to transparency and equality in the workplace, we are submitting below the gender pay gap statistics for the year ended June 30, 2026:

- i. Mean Gender Pay Gap: -14%
- ii. Median Gender Pay Gap: -16%

The mean gender pay gap of -14% indicates that, on average, female employees earned 14% more than male employees during the year ended June 30, 2026. Similarly, the median gender pay gap of -16% indicates that the median pay of female employees was 16% higher than that of male employees during the same year.

The above averages have been computed considering management employees only.

We continue to evaluate and enhance our diversity and inclusion policies to promote fairness and equal opportunities across all levels of the Company.

On behalf of the **Board of Directors**

Otsuka Pakistan Limited



Chief Executive Officer

Dated: June 30, 2026

PROXY FORM 38th Annual General Meeting

The Secretary
Otsuka Pakistan Limited,
30-B S.M.C.H. Society,
Off Shahrah-e-Faisal,
Karachi - 74400.

Please quote Folio No.

I/We.....
of.....Being a member
of Otsuka Pakistan Limited here by appoint.....
of.....
or failing him / her.....
of.....

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the
Thirty-fifth Annual General Meeting of the Company to be held on Wednesday, October 28,
2026 and at any adjournment thereof.

As witness my hand this..... day of2026
Signed by the said.....

in the presence of.....
.....

Witness

Signature on
Revenue stamp of
appropriate value

(Signature should agree with
the SPECIMEN signature
registered with the Company)

Notes:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing. A proxy need not be a Member of the Company.
3. The instrument appointing a proxy, together with the Power of Attorney, if any under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office not less than 48 hours before the time of the meeting.
4. In case of Proxy for any individual beneficial owner of CDC, entitled to attend and vote at this meeting, it is necessary to deposit the attested copies of beneficial owner's national identity card, Account and Participant's ID numbers. The Proxy shall produce his original national identity card at the time of the meeting. Representative of corporate members should bring the usual documents for such purpose.

**AFFIX
CORRECT
POSTAGE**

**The Company Secretary
Otsuka Pakistan Limited
30-B, Sindhi Muslim Co-operative Housing
Society, Karachi - 74400**



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