



w e v a l u e l i f e

AGP-Sec./ 321  
April 30, 2024

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

**SUBJECT: FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024**

Dear Sir,

We have transmitted the Standalone and Consolidated Financial Statements of the Company for the quarter ended March 31, 2024 and the same are also available on the Company's website.

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

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Umair', is written over a horizontal line.

Umair Mukhtar  
Company Secretary



# A SPIRE ADVANCE CHIEVE



FIRST QUARTERLY REPORT 2024

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# COMPANY INFORMATION

## Board of Directors

Mr. Tariq Moinuddin Khan  
Mr. Zafar Iqbal Sobani  
Mr. Shauzab Ali  
Mr. Kamran Nishat  
Mr. Muhammad Kamran Nasir  
Mr. Mahmud Yar Hiraj  
Mr. Muhammad Kamran Mirza

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

## Audit Committee

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

Chairman  
Member  
Member  
Member

## Human Resource and Remuneration Committee

Mr. Shauzab Ali  
Mr. Muhammad Kamran Nasir  
Mr. Kamran Nishat  
Mr. Mahmud Yar Hiraj  
Mr. Muhammad Kamran Mirza

Chairman  
Member  
Member  
Member  
Member

## Strategy Committee

Mr. Kamran Nishat  
Mr. Muhammad Kamran Nasir  
Mr. Mahmud Yar Hiraj  
Mr. Muhammad Kamran Mirza

Chairman  
Member  
Member  
Member



## Chief Financial Officer

Mr. Junaid Aslam

## Company Secretary

Mr. Umair Mukhtar

## Head of Internal Audit

Syed Shah Hussain Qadri

## Bankers

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

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

## Legal Advisor

Sattar & Sattar

## Website

[www.agp.com.pk](http://www.agp.com.pk)

## Auditors

Grant Thornton Anjum Rahman  
Chartered Accountants

## Email

[info@agp.com.pk](mailto:info@agp.com.pk)

## Share Registrar

CDC Share Registrar Services Limited



### Registered Office & Plant -I

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



### Plant-II

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



### Plant-III

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

# Directors' Review to the Members

On behalf of the Board of Directors, we are pleased to present the Company's unaudited standalone and consolidated condensed interim financial statements for the three months ended March 31, 2024.

## Operating Results of the Company

The year started with an impressive growth momentum whereby the Company achieved highest-ever quarterly sales of PKR 4.2 billion, depicting an increase of 35% over the same period last year. The growth is mainly attributable to domestic retail sales which grew more than 32% on the back of the robust performance of top brands. Supplies to the subsidiary company, OBS AGP (Private) Limited (OBS AGP) also contributed significantly to the topline growth. However, margins remained under pressure due to significant rise in cost of doing business.

The management has effectively controlled the administrative, marketing and selling expenses despite inflationary pressure and significant increase in business volume. Other income has shown an impressive increase on account of dividend income received from OBS AGP, whereas finance cost has witnessed an increase due to syndicate term finance loan for making equity investment in the subsidiary company, OBS Pakistan (Private) Limited [OBS PK]. The additional impact of super tax also suppressed the profitability. Resultantly, on a standalone basis, the Company posted a net profit of PKR 412 million with earnings per share of PKR 1.47, showing an encouraging increase of 27% over the same period last year.

The sales of the subsidiaries, OBS AGP and OBS PK continued its growth trajectory and consequently on a consolidated basis, the Company achieved a remarkable topline performance of PKR 5.9 billion. Building onto this promising performance in sales, consolidated gross profit is recorded at PKR 3.2 billion; the consolidated net profit stands at PKR 467 million; net profit attributable to parent Company at PKR 400 million; and earnings per share at PKR 1.43.

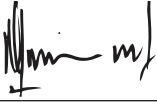
## Strategic Outlook

Despite challenging economic environment, the Company remains steadfast in its pursuit of sustainable growth and market expansion. Through leveraging existing product portfolios and group synergies, AGP is poised to capitalize on existing opportunities while developing new and advanced medications to address both current and emerging therapeutic needs. The Company is making concerted efforts not only to strengthen its presence in the domestic market but also to establish a robust foothold in international markets.

The Company will remain vigilant to potential threats to sustainability, including foreign exchange volatility, high interest rates, and domestic inflation. To counter these challenges, we aim to proactively diversify our supplier base, transitioning towards local supplies, while upholding our commitment to quality standards. AGP is also focused on strengthening its export capabilities, optimizing inventory levels, and driving operational excellence to realize cost efficiencies. The Company aims to invest in expanding its manufacturing capacity to enhance its adaptability and competitiveness.

## Acknowledgement

We extend our heartfelt appreciation to our stakeholders for their continued trust and confidence in our Company. Our gratitude also goes out to our dedicated employees, whose commitment to our vision has played a pivotal role in enhancing access to high-quality healthcare.



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**Muhammad Kamran Nasir**  
Chief Executive Officer



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**Muhammad Kamran Mirza**  
Non-executive Director

## مستقبل کی توقعات

چیلنج بھرے معاشی ماحول کے باوجود، کمپنی پائیدار ترقی اور مارکیٹ کی توسیع کے اپنے عزم میں ثابت قدم ہے۔ موجودہ پروڈکٹ پورٹ فولیو اور گروپ ہم آہنگی سے استفادہ کرتے ہوئے، AGP موجودہ اور ابھرتی ہوئی طبی ضروریات پورا کرنے کے لیے نئی اور جدید ادویات تیار کرتے ہوئے موجودہ مواقع سے فائدہ اٹھانے کے لیے تیار ہے۔ کمپنی نہ صرف مقامی مارکیٹ میں اپنی موجودگی مستحکم کرنے، بلکہ بین الاقوامی مارکیٹس میں بھی مضبوطی سے قدم جمانے کے لیے یکسوئی سے کوششیں کر رہی ہے۔

کمپنی استحکام کے لیے ممکنہ خطرات بشمول غیر ملکی زرمبادلہ کے اتار چڑھاؤ، اعلیٰ شرح سود، اور مقامی افراط زر کے بارے میں چوکس رہے گی۔ ان چیلنجوں کا مقابلہ کرنے کے لیے، اپنے کوالٹی کے معیارات کے لیے اپنا عزم برقرار رکھتے ہوئے اپنا سپلائر بیس فعال طور پر متنوع بنانا اور مقامی سپلائی کی طرف منتقلی ہمارا ہدف ہے۔

AGP اپنی برآمدی صلاحیتیں مستحکم بنانے، انوینٹری کی سطح بہتر بنانے، اور لاگت کی استعداد کو حاصل کرنے کے لیے آپریشنل عمدگی پر بھی توجہ مرکوز کر رہا ہے۔ کمپنی کا مقصد اپنی مینوفیکچرنگ کی صلاحیت بڑھانے میں سرمایہ کاری کرنا ہے تاکہ اپنی مطابقت پذیری اور مسابقت بڑھائی جاسکے۔

## اظہار تشکر

ہم اپنی کمپنی پر مسلسل اعتماد اور بھروسے کے لیے اپنے اسٹیک ہولڈرز کا تہ دل سے شکریہ ادا کرتے ہیں۔ ہم اپنے پُر خلوص ملازمین سے بھی اظہار تشکر کرتے ہیں، جن کی ہمارے نصب العین سے وابستگی نے صحت کی دیکھ بھال کے اعلیٰ معیار تک رسائی بڑھانے میں اہم کردار ادا کیا ہے۔



محمد کامران مرزا

نان ایگزیکٹو ڈائریکٹر



محمد کامران ناصر

چیف ایگزیکٹو آفیسر

## ڈائریکٹرز کا جائزہ برائے ممبران

بورڈ آف ڈائریکٹرز کی طرف سے ۳۱ مارچ ۲۰۲۴ کو ختم ہونے والے تین ماہ کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ انفرادی (standalone) اور اجتماعی (consolidated) مختصر عبوری مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

### کمپنی کے کاروباری نتائج

سال کا آغاز نمو کی متاثر کن رفتار کے ساتھ ہوا جس کے نتیجے میں کمپنی نے ۲۰۲۲ ارب روپے کی اب تک کی سب سے زیادہ سہ ماہی فروخت حاصل کی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں ۳۵ فیصد زیادہ ہے۔ یہ نمو بنیادی طور پر مقامی ریٹیل سیلز کی وجہ سے ہے جس میں ٹاپ برانڈز کی مضبوط کارکردگی کی وجہ سے ۳۲ فیصد سے زیادہ اضافہ ہوا ہے۔ ذیلی ادارے، OBS AGP (پرائیویٹ) لمیٹڈ (OBS AGP) کی سپلائی نے بھی ٹاپ لائن نمو میں نمایاں حصہ ڈالا۔ تاہم کاروبار کرنے کی لاگت میں نمایاں اضافے سے منافع جات دباؤ میں رہے۔

انتظامیہ نے افراط زر کے دباؤ اور کاروباری حجم میں نمایاں اضافے کے باوجود انتظامی، مارکیٹنگ اور فروخت کے اخراجات مؤثر طریقے سے کنٹرول کیے ہیں۔ OBS AGP سے حاصل ہونے والی ڈیویڈنڈ آمدنی کی وجہ سے دیگر آمدنی میں متاثر کن اضافہ دیکھا گیا ہے، جبکہ ذیلی کمپنی، OBS پاکستان (پرائیویٹ) لمیٹڈ [OBS PK] میں ایکویٹی سرمایہ کاری کرنے کے لیے سنڈیکیٹ ٹرم فنانس لون کی وجہ سے سرمایہ کاری کی لاگت میں اضافہ دیکھا گیا ہے۔

سپرنٹیکس نے منافع بھی دبا دیا، جس کے نتیجے میں، انفرادی بنیاد پر، کمپنی نے ۱.۴۷ روپے فی شیئر آمدنی کے ساتھ ۲۱۲ ملین روپے کا خالص منافع درج کرایا، جس سے گزشتہ اسی عرصے کے مقابلے میں ۲۷ فیصد سے زائد کے حوصلہ افزا اضافے کی عکاسی ہوتی ہے۔

ذیلی اداروں OBS AGP اور OBS PK ترقی کی راہ پر پیش قدمی جاری رکھی اور نتیجتاً اجتماعی بنیاد پر، کمپنی نے ۵.۹ بلین روپے کی بے مثال ٹاپ لائن کارکردگی حاصل کی۔ سیلز میں امید افزا کارکردگی کو بنیاد بناتے ہوئے، اجتماعی مجموعی منافع ۳۲.۲ بلین روپے ریکارڈ کرایا گیا، اجتماعی خالص منافع ۲۶.۷ بلین روپے پر موجود ہے، پیرنٹ کمپنی نے خالص منافع میں ۴۰۰ ملین روپے حصہ ڈالا اور فی شیئر آمدنی ۱.۴۷ روپے رہی۔

**UNCONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE QUARTER ENDED  
31 MARCH 2024**

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		31 March 2 0 2 4 (Unaudited)	31 December 2 0 2 3 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	3,488,525	3,464,465
Intangible assets	5	5,437,251	5,441,839
Long-term investments	6	3,074,211	3,064,629
Long-term deposits and receivables		27,751	22,841
		<b>12,027,738</b>	11,993,774
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		11,045	11,050
Stock-in-trade	7	2,878,821	2,526,624
Trade debts	8	1,569,112	1,449,939
Advances	9	295,724	400,498
Trade deposits, prepayments and other receivables	10	152,921	257,973
Taxation – net		405,634	308,724
Cash and bank balances	11	143,493	137,783
		<b>5,456,750</b>	5,092,591
<b>TOTAL ASSETS</b>		<b>17,484,488</b>	17,086,365
<b>EQUITY AND LIABILITIES</b>			
Issued, subscribed and paid-up capital			
Share capital		2,800,000	2,800,000
Revenue reserve – unappropriated profits		7,766,131	8,053,471
		<b>10,566,131</b>	10,853,471
<b>NON-CURRENT LIABILITIES</b>			
Long-term financings	12	2,097,296	2,092,998
Gas infrastructure development cess		6,996	6,996
Deferred tax liabilities – net		192,982	191,075
		<b>2,297,273</b>	2,291,069
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,356,064	2,496,656
Unclaimed dividends		62,348	1,853
Accrued interest		70,000	76,540
Short-term borrowings	14	1,698,612	937,954
Current maturity of non-current liabilities		434,060	428,822
		<b>4,621,084</b>	3,941,825
<b>CONTINGENCIES AND COMMITMENTS</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,484,488</b>	17,086,365

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 March 2023
	Note	----- (Rupees in '000) -----	
Revenue from contracts with customers – net	16	4,275,437	3,165,029
Cost of sales	17	(2,492,239)	(1,695,369)
<b>Gross profit</b>		<b>1,783,198</b>	1,469,660
Administrative expenses	18	(155,736)	(121,411)
Marketing and selling expenses	19	(879,427)	(779,973)
Other expenses	20	(59,569)	(145,161)
Other income	21	121,684	14,479
Finance costs	22	(212,653)	(31,003)
		<b>(1,185,701)</b>	(1,063,069)
<b>Profit before taxation</b>		<b>597,497</b>	406,591
Taxation	23	(184,837)	(81,427)
<b>Profit for the period</b>		<b>412,660</b>	325,164
<b>Earnings per share – basic and diluted</b>		<b>Rs. 1.47</b>	Rs. 1.16

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024	31 March 2023
	----- (Rupees in '000) -----	
<b>Profit for the period</b>	<b>412,660</b>	325,164
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income for the period</b>	<b>412,660</b>	<b>325,164</b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	Share capital	Revenue reserve - Unappropriated profits	Total
----- Rupees in '000-----			
<b>Balance as at 31 December 2022 - Audited</b>	2,800,000	7,423,285	10,223,285
Profit for the period	-	325,162	325,162
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	325,162	325,162
<b>Balance as at 31 March 2023</b>	<b>2,800,000</b>	<b>7,748,447</b>	<b>10,548,447</b>
<b>Balance as at 31 December 2023 - Audited</b>	<b>2,800,000</b>	<b>8,053,471</b>	<b>10,853,471</b>
Profit for the period	-	412,660	412,660
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	412,660	412,660
Final dividend for the year ended 31 December 2023 @ Rs. 2.5 per share	-	(700,000)	(700,000)
<b>Balance as at 31 March 2024</b>	<b>2,800,000</b>	<b>7,766,131</b>	<b>10,566,131</b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 March 2023
	Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows generated from operations	24	366,114	382,180
<b>Payments for:</b>			
Finance costs		(82,977)	(46,790)
Income tax		(279,838)	(191,456)
<b>Net cash flows generated from operating activities</b>		<b>3,298</b>	<b>143,934</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(101,012)	(183,095)
Dividend received from subsidiary company		97,500	-
Proceeds from disposal of operating fixed assets		17,277	4,711
Deposits and receivables - paid		(4,910)	(1,574)
Interest income received		8,999	6,753
<b>Net cash flows generated from / (used in) investing activities</b>		<b>17,854</b>	<b>(173,205)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(639,505)	-
Lease liability - obtained		7,784	-
Lease liability - repaid		(147)	-
Lien released on bank balances		-	52,416
Long-term financings - repaid		(144,232)	(37,436)
<b>Net cash flows used in financing activities</b>		<b>(776,100)</b>	<b>14,980</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(754,948)</b>	<b>(14,291)</b>
Cash and cash equivalents at the beginning of the period		(878,794)	(670,474)
<b>Cash and cash equivalents at the end of the period</b>	25	<b>(1,633,742)</b>	<b>(684,765)</b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 1. THE COMPANY AND ITS OPERATIONS

- 1.1** AGP Limited (the Company) was incorporated as a public limited company in May 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company got listed on Pakistan Stock Exchange Limited on 05 March 2018. The registered office of the Company is situated at B-23C, S.I.T.E, Karachi. The principal activities of the Company include import, marketing, export, dealership, distribution, wholesale and manufacturing of all kinds of pharmaceutical products.
- 1.2** As of reporting date, Aitkenstuart Pakistan (Private) Limited (parent company) holds 55.80% (31 December 2023: 55.80%) of the share capital of the Company and West End 16 Pte Limited, Singapore is the ultimate parent company.
- 1.3** The Company holds 65% shareholding of OBS AGP (Private) Limited (OBS AGP) as of reporting date by virtue of which it became the subsidiary company.
- 1.4** The Company holds 91.82% shareholding of OBS Pakistan (Private) Limited (OBS PK) as of reporting date by virtue of which it became the subsidiary company.
- 1.5** These are separate condensed interim financial statements of the Company in which investment in subsidiary is stated at cost less accumulated impairment losses, if any.
- 1.6** The consolidated condensed interim financial statements are separately prepared and presented by the Company.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements of the Company for the period ended 31 March 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) - 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

### 2.2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 2.3 Functional and presentation currency

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

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

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

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

## 2.4.2 Right-of-use assets

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

## 2.4.3 Lease liabilities

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

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

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

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

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

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

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 December 2023
		(Unaudited)	(Audited)
	Note	----- (Rupees in '000) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	<b>2,923,359</b>	2,975,399
Capital work-in-progress	4.2	<b>565,166</b>	489,066
		<b>3,488,525</b>	<b>3,464,465</b>

4.1 Details of additions and disposals are as follows:

		Additions (at cost)		Disposals (NBV)	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Note	----- (Rupees in '000) -----			
Buildings - factory / office sites		-	140,931	-	-
Plant and machinery		<b>984</b>	79,828	-	16
Furniture and fixtures		<b>1,506</b>	2,959	-	-
Motor vehicles		<b>110</b>	155,550	<b>9,330</b>	6,733
Office equipment		<b>175</b>	6,164	-	89
Gas and electrical fittings		-	13,010	-	-
Refrigerator and air conditioner		<b>3,940</b>	73,669	-	-
Laboratory equipment		<b>1,978</b>	97,003	-	-
Computers and related accessories		<b>7,570</b>	28,426	<b>43</b>	102
Right-of-use assets - Leased	12.4	<b>8,649</b>	-	-	-
		<b>24,912</b>	<b>597,540</b>	<b>9,373</b>	<b>6,940</b>

		31 March 2024	31 December 2023
		(Unaudited)	(Audited)
	Note	---- (Rupees in '000) ----	
<b>4.2</b> The following is the movement in capital work-in-progress during the period / year:			
Opening balance		<b>489,066</b>	378,770
Additions during the period / year	4.2.1	<b>101,012</b>	707,836
Transferred during the period / year to:			
- operating fixed assets	4.1	<b>(24,912)</b>	(597,540)
Closing balance	4.2.1	<b>565,166</b>	489,066

		Additions (at cost)		Closing Balance	
		31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Note	----- (Rupees in '000) -----			
Buildings - factory / office sites		<b>46,395</b>	285,131	<b>409,838</b>	363,443
Plant and machinery		<b>20,228</b>	29,352	<b>44,797</b>	25,553
Furniture and fixtures		<b>1,717</b>	2,959	<b>211</b>	-
Motor vehicles		<b>110</b>	107,077	-	-
Office equipment		<b>175</b>	6,164	-	-
Gas and electrical fittings		-	13,010	-	-
Refrigerator and air conditioner		<b>13,325</b>	138,714	<b>109,455</b>	100,070
Laboratory equipment		<b>1,978</b>	97,003	-	-
Computers and related accessories		<b>7,570</b>	28,426	-	-
Right-of-use assets - Leased		<b>9,514</b>	-	<b>865</b>	-
	4.2	<b>101,012</b>	<b>707,836</b>	<b>565,166</b>	<b>489,066</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	Note	31 March	31 December
		2024 (Unaudited)	2023 (Audited)
-----(Rupees in '000)----			
<b>5. INTANGIBLE ASSETS</b>			
Goodwill	5.1	743,226	743,226
Trademarks - indefinite	5.1	4,641,087	4,641,087
Computer software	5.2	52,938	49,051
Capital work-in-progress		-	8,475
		<b>5,437,251</b>	<b>5,441,839</b>

- 5.1** Goodwill of Rs. 743.23 million and intangible assets (trademarks) of Rs. 4,701.52 million arose due to business acquisition of AGP (Private) Limited in the year 2014 by the Holding Company [the then Appollo Pharma Limited, the parent company at that time], which were later amalgamated into the parent company (surviving entity i.e. the Holding Company) under the approved scheme of arrangement. Later, Apollo Pharma Limited changed its name to AGP Limited.
- 5.2** During the period, an addition of Rs. 7.67 million (Dec 2023: Rs. 35.83 million) were made to computer softwares.

	Note	31 March	31 December
		2024 (Unaudited)	2023 (Audited)
-----(Rupees in '000)----			
<b>6. LONG-TERM INVESTMENTS</b>			
<b>Investment in OBS AGP (Private) Limited - subsidiary company</b>			
Investment - at cost	6.1	715,000	715,000
Corporate guarantee - at fair value	12.5	14,531	14,531
		<b>729,531</b>	<b>729,531</b>
<b>Investment in OBS Pakistan (Private) Limited - subsidiary company</b>			
Investment - at cost	6.2	2,324,048	2,324,048
Corporate guarantee - at fair value	12.5	20,632	11,050
		<b>2,344,680</b>	<b>2,335,098</b>
		<b>3,074,211</b>	<b>3,064,629</b>

- 6.1** OBS AGP (Private) Limited (OBS AGP) was incorporated in Pakistan as a private limited company in November 2020 under Companies Act, 2017. OBS AGP is in the business of trading pharmaceutical products. Since incorporation, OBS AGP was a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited. On 14 July 2021, the Company subscribed 65% shareholding of OBS AGP i.e. 6.5 million ordinary shares having face value of Rs 10 each, issued at Rs. 110 each.
- 6.2** OBS Pakistan (Private) Limited (OBS PK) was incorporated in Pakistan as a private limited company in December 2021 under Companies Act, 2017. OBS PK is in the business of trading pharmaceutical products. Since incorporation, OBS PK was a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited. During the year from April 2023 to September 2023, the Company subscribed 91.82% shareholding of OBS PK i.e. 10.20 million ordinary shares having face value of Rs. 10 each, issued at Rs. 115.88 each, 10.20 million ordinary shares having face value of Rs 10 each, issued at Rs. 92.36 each, and 20 million ordinary shares issued at face value of Rs. 10 each.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

7.	STOCK-IN-TRADE	Note	31 March	31 December
			2024 (Unaudited)	2023 (Audited)
			----(Rupees in '000)----	
	<b>Raw and packing materials</b>			
	In hand		2,108,372	1,765,496
	In transit		73,131	14,252
			2,181,503	1,779,748
	<b>Work-in-process</b>		286,509	200,205
	<b>Finished goods</b>			
	- Manufacturing		413,012	552,693
	- Trading		28,271	24,452
		7.1	441,283	577,145
	<b>Provision for obsolescence and slow moving stock</b>		(30,474)	(30,474)
			<u>2,878,821</u>	<u>2,526,624</u>

7.1 Included herein items having value of Rs. 460.23 million (31 December 2023: Rs. 480.79 million), representing stock held by third parties.

	Note	31 March	31 December
		2024 (Unaudited)	2023 (Audited)
		----(Rupees in '000)----	
Provision for obsolescence and slow moving stock is as follows:			
Opening balance		30,474	39,738
Provision made during the period / year - net		-	40,756
Written off during the period / year		-	(50,020)
		<u>30,474</u>	<u>30,474</u>

## 8. TRADE DEBTS - unsecured

### Related parties

- Muller & Phipps Pakistan (Private) Limited
- OBS AGP (Private) Limited
- OBS Pharma (Private) Limited
- Aspin Pharma (Private) Limited

	1,227,761	1,019,009
	188,214	341,067
	9,607	-
	5,152	2,842
	<u>1,430,734</u>	<u>1,362,918</u>
	140,316	91,068
	<u>1,571,050</u>	<u>1,453,986</u>
	(1,938)	(4,047)
	<u>1,569,112</u>	<u>1,449,939</u>

### Others than related parties

Less: Allowances for expected credit losses

8.1

8.1 The movement in allowance for expected credit losses is as follows:

Opening balance	4,047	1,205
Allowance for expected credit losses for the period / year	(2,109)	2,842
Closing balance	<u>1,938</u>	<u>4,047</u>

## 9. ADVANCES - unsecured, Considered good

- suppliers
- employees

9.1

	288,936	393,469
	6,788	7,029
	<u>295,724</u>	<u>400,498</u>

9.1 These are interest free and adjustable within the period of 6 months from the date of issuance.



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Note	----- (Rupees in '000) -----	
<b>10. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b>Trade deposits – considered good, unsecured</b>		
Security deposits	22,111	31,921
Margin on letters of credit	<b>10,804</b>	172,577
	<b>32,915</b>	204,498
<b>Prepayments – insurance</b>	<b>42,946</b>	1,027
<b>Other receivables – considered good</b>		
Current portion of receivables from employees – secured	<b>8,584</b>	8,584
Receivable from Workers’ Profit Participation Fund	–	2,750
Receivable from a subsidiary company – unsecured	<b>29,740</b>	4,645
Receivable from related parties – unsecured	<b>36,455</b>	32,845
Others	<b>2,281</b>	3,624
	<b>77,060</b>	52,448
	<b>152,921</b>	257,973

**10.1** Represent shared services charged by the Company to OBS AGP (Private) Limited (a subsidiary) amounting Rs. 22.73 million (2023: Rs. 4.65 million) and OBS Pakistan (Private) Limited (a subsidiary) amounting Rs. 7.01 million (2023: NIL)

**10.2** Represent expenditure incurred on behalf of OBS Pharma (Private) Limited (a related party) amounting Rs. 33.09 million (2023: Rs. 32.85 million), Aitenstuart Pakistan (Private) Limited (a related party) amounting Rs. 2.46 million (2023: NIL) and Aspin Pharma (Private) Limited (a related party) amounting Rs. 0.90 million (2023: Nil).

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Note	----- (Rupees in '000) -----	
<b>11. CASH AND BANK BALANCES</b>		
<b>Cash in hand</b>	<b>3,407</b>	3,959
<b>Balances held with banks</b>		
Current accounts		
– local currency	<b>6,664</b>	32,890
– foreign currency	<b>619</b>	620
	<b>7,283</b>	33,510
Deposit accounts	<b>132,803</b>	100,314
11.1	<b>143,493</b>	137,783

**11.1** The amount included Rs. 78.62 million (Dec 2023: Rs. 78.62 million) marked as lien against the bank guarantee given.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>12. LONG-TERM FINANCINGS - secured</b>			
SBP financing scheme for renewable energy		28,002	28,077
Syndicate term finance (net of transaction cost Rs. 23.5 million)	12.3	2,468,927	2,474,909
Lease liability	12.4	7,637	-
Corporate guarantee contract	12.5	25,225	17,269
	12.1	2,529,791	2,520,255
Less: current maturity		(432,495)	(427,257)
		<u>2,097,296</u>	<u>2,092,998</u>

**12.1** The movement in long-term financings is as follows:

Balance at beginning of the period / year		2,520,255	93,055
Proceeds received during the period / year	12.3	-	2,363,976
Related transaction cost	12.3	-	(23,449)
Disbursement against lease liability		7,784	-
Repayment of lease liability		(147)	-
Corporate guarantee recognized	12.5	9,582	11,050
Corporate guarantee amortized		(1,625)	(4,195)
Finance cost for the period		138,174	351,405
Financings repaid during the period / year		(144,232)	(271,587)
Balance at end of the period / year		<u>2,529,791</u>	<u>2,520,255</u>

**12.2** The Company had obtained financing facility under SBP financing scheme for Renewable Energy of Rs. 75 million for a period of 7 years including 3 months grace period. The repayment will be made in 81 equal monthly installments after grace period. It carries mark-up at the SBP rate (i.e. 2%) + 4% per annum. The facility is secured against first parri passu hypothecation charge of Rs. 100 million over present and future plant and machinery of the Company. As of reporting date, Rs. 25.7 million (2022: Rs. 25.7 million) of the facility remained unutilised.

**12.3** The Company has obtained long-term finance of Rs. 2,364 million (out of total facility of Rs. 2,400 million) through the syndicate term finance agreement repayable in quarterly instalments commencing from July 06, 2024 including grace period of 12 months over the term of 5 years. These carry profit rate of 3 months KIBOR + 1.45% per annum and are secured against the present and future property, plant and equipment of the Company to the extent of Rs. 3,000 million. The facility has been used to inject equity in its associated company, OBS Pakistan (Private) Limited in order to acquire certain pharmaceutical products of Viatrix Inc, which are commercialized in Pakistan primarily under the brands previously owned by Pfizer Pakistan Limited.

**12.4** The Company entered into an auto finance facility agreement with various banks amounting Rs. 300 million under the payment terms of 05 years carrying the markup rate of 06 month KIBOR plus 1% per annum. Accordingly, under the terms of the agreement, the Company obtained vehicles under the finance lease.

**12.5** The Company has provided corporate guarantee to JS Bank Limited being the investment agent of its subsidiaries. This is in relation to secure all payment obligations and liabilities i.e principal repayment and principal along with profit repayments for OBS AGP and OBS PK respectively, in respect of sukuk issued by the subsidiaries to the investment agent for the benefit of certificate holders of the subsidiaries (also see note 6 to these condensed interim financial statements).

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>13. TRADE AND OTHER PAYABLES</b>			
Creditors	13.1	1,349,914	1,144,004
Accrued liabilities		365,048	573,925
Payable to Aitkenstuart Pakistan (Private) Limited - related party		-	31,160
Payable to OBS AGP (Private) Limited - related party		-	3,836
Compensated absences		56,611	55,906
Contract liabilities (advances from customers)		301,829	581,286
Other payables:			
- Provident fund		13,042	10,840
- Infrastructure Cess		13,801	13,801
- Workers' Profit Participation Fund		29,045	-
- Workers' Welfare Fund		25,634	17,512
- Central Research Fund		24,867	18,445
- Withholding tax		124,978	18,139
- Sales tax		46,607	23,259
- Others		4,688	4,543
		<u>2,356,064</u>	<u>2,496,656</u>

13.1 Included herein Rs. 20.80 million (December 2023: Rs. 13.31 million) payable to Aspin Pharma (Private) Limited, a related party.

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>14. SHORT TERM BORROWINGS - Secured</b>			
Running finance from commercial banks		1,082,630	212,000
Running musharakah form Islamic banks		615,982	725,954
	14.1	<u>1,698,612</u>	<u>937,954</u>

14.1 The terms and conditions are same as disclosed in the annual financial statements of the Company for the year ended 31 December 2023, except for the following:

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 CONTINGENCIES

15.1.1 There is no material change in the status of contingencies as disclosed in note 23 to the annual financial statements of the Company for the year ended 31 December 2022 except as disclosed below:

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
		----- (Rupees in '000) -----	
<b>15.1.2 Guarantees</b>			
<b>Bank guarantees</b>			
- total limit		492,000	492,000
- unutilized portion		364,333	361,145
- utilized portion		127,667	130,855

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 15.2 COMMITMENTS

15.2.1 As at 31 March 2024, capital expenditure contracted for but not incurred amounted to Rs. 464.69 million (31 December 2023: Rs. 442.45 million).

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	----- (Rupees in '000) -----	
15.2.2 Corporate guarantee issued on behalf of subsidiary companies		
- OBS AGP (Private) Limited	2,600,000	2,600,000
- OBS Pakistan (Private) Limited	6,500,000	6,500,000

## 15.3 Letters of credit

Letters of credit		
- total limit	4,500,000	4,500,000
- unutilized portion	4,217,593	3,452,365
- utilized portion	282,407	1,047,635

## 16. REVENUE FROM CONTRACT WITH CUSTOMERS - net

**Sale of goods** (disaggregation by timing - at a point in time)

Local (disaggregation by types of products)

- Manufacturing	4,155,292	2,788,092
- Trading	44,413	32,937
	4,199,705	2,821,029
Export	488,235	575,887
Less: Trade discounts	(340,834)	(188,162)
Sales returns	(8,069)	(7,086)
Sales tax	(63,600)	(36,639)
	(412,503)	(231,887)
	4,275,437	3,165,029

Note ----- (Rupees in '000) -----

16.1 & 16.2

16.1 The geographical markets disaggregation of the Company's revenue from contract with customers are disclosed in note 27.2 to these condensed interim financial statements.

16.2 Included herein sales made to related parties amounting to Rs. 3,739 million (31 March 2023: Rs 2,620 million).

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

31 March      31 March  
2024      2023  
----- (Rupees in '000) -----

## 17. COST OF SALES

### Cost of sales – manufacturing

#### Raw and packing materials consumed

Opening stock	1,765,496	1,123,154
Purchases	2,192,216	1,489,957
Available for consumption	3,957,712	2,613,111
Closing stock	(2,108,372)	(1,340,617)
Raw and packing material consumed	1,849,340	1,272,494

#### Manufacturing cost

Salaries, wages and other benefits	302,358	243,838
Stores and spares consumed	14,568	8,869
Processing charges	38,900	8,100
Freight	7,189	1,094
Fuel, gas and electricity	87,380	51,233
Repairs and maintenance	40,848	28,701
Travelling and conveyance	10,279	437
Insurance	4,465	3,868
Laboratory expenses	25,609	11,561
Rates and taxes	1,134	432
Depreciation	38,161	33,820
Amortisation	2,022	2,303
Postage, telegraph and telephones	1,942	1,086
Printing and stationery	2,926	2,890
	577,781	398,232
	2,427,121	1,670,726

#### Work-in-process

Opening stock	200,205	185,087
Closing stock	(286,509)	(166,864)
	(86,304)	18,223
	2,340,817	1,688,949

#### Cost of goods manufactured

#### Finished goods

Opening stock	552,693	444,008
Closing stock	(413,012)	(470,099)
	139,681	(26,091)
	2,480,498	1,662,858

#### Cost of samples for marketing and sales promotion

(14,549)      (14,579)

#### Cost of sales – trading

Opening stock	24,452	69,583
Purchases	30,109	437
Closing stock	(28,271)	(22,930)
	26,290	47,090
	2,492,239	1,695,369

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

31 March      31 March  
2024      2023  
----- (Rupees in '000) -----

## 18. ADMINISTRATIVE EXPENSES

Salaries and other benefits	74,361	68,496
Travelling and conveyance	313	24
Printing and stationery	4,590	680
Directors' remuneration	1,750	1,750
Meeting and conferences	795	209
Postage, telegrams and telephones	197	445
Legal and professional	19,785	7,062
Research cost	3,001	3,553
Repairs and maintenance	3,765	6,834
Software license renewals and maintenance fee	21,136	11,152
Subscription and fee	252	390
Advertisement	40	230
Donations	7,186	4,821
Insurance	404	377
Depreciation	9,441	9,302
Amortisation	1,764	1,045
Corporate social responsibility	6,795	4,903
Vehicle running expenses	161	138
	<u>155,736</u>	<u>121,411</u>

## 19. MARKETING AND SELLING EXPENSES

Salaries and other benefits	433,097	375,202
Travelling and conveyance	126,455	125,923
Repairs and maintenance	2,646	3,246
Insurance	3,617	2,950
Depreciation	19,983	20,385
Printing and stationery	1,107	1,902
Samples	14,549	14,579
Sales promotion expenses	193,335	146,851
Meeting and conferences	49,433	37,088
Communication	6,416	6,022
Subscription	6,469	6,589
Product registration fee	5,709	7,724
Freight, handling and transportation	16,611	31,512
	<u>879,427</u>	<u>779,973</u>

## 20. OTHER EXPENSES

Workers' Profit Participation Fund	31,795	21,609
Workers' Welfare Fund	8,123	4,744
Central Research Fund	6,423	4,365
Exchange loss - net	13,228	114,416
Charge of allowances for expected credit loss	-	27
	<u>59,569</u>	<u>145,161</u>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024	31 March 2023
Note	----- (Rupees in '000) -----	
<b>21. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Markup on deposit accounts	8,999	6,753
<b>Income from non-financial assets</b>		
Gain on sale of operating fixed assets (net)	7,904	2,236
Dividend income	97,500	-
Government grant	-	55
Reversal of charge of allowances for expected credit loss	2,109	-
Scrap sales	3,547	4,708
Amortization of corporate guarantee	1,625	727
	<b>112,685</b>	<b>7,726</b>
	<b>121,684</b>	<b>14,479</b>
<b>22. FINANCE COSTS</b>		
Mark-up on:		
- long-term financings	138,456	1,451
- short term borrowings	68,772	26,295
	<b>207,228</b>	<b>27,746</b>
Bank charges	5,425	3,257
	<b>212,653</b>	<b>31,003</b>
<b>23. TAXATION</b>		
Current	182,931	80,392
Deferred	1,906	1,035
23.1	<b>184,837</b>	<b>81,427</b>

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

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 March 2023
Note		----- (Rupees in '000) -----	
<b>24. CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		597,497	406,589
<b>Adjustments for:</b>			
Depreciation		67,585	63,506
Amortisation		3,786	3,348
Charge of allowances for expected credit losses		(2,109)	28
Gain on disposal of operating fixed assets - net		(7,904)	(2,236)
Stock written off during the period		-	(24,704)
Mark-up on deposits accounts		(8,999)	(6,753)
Reversal of GIDC		-	(728)
Amortisation of government grant		-	(55)
Amortisation of corporate guarantee		(1,625)	(727)
Finance costs		212,653	31,003
Dividend income		(97,500)	-
Workers' Profit Participation Fund		31,795	21,609
Workers' Welfare Fund		8,123	4,744
Central Research Fund		6,423	4,365
		<u>212,228</u>	<u>93,400</u>
<b>Operating profit before working capital changes</b>		<b>809,725</b>	<b>499,989</b>
<b>Working capital changes</b>			
<b>Decrease / (increase) in current assets</b>			
Stores, spares and loose tools		5	(136)
Stock-in-trade		(352,197)	(157,083)
Trade debts		(117,064)	(19,308)
Loans and advances		104,774	(184,656)
Trade deposits, prepayments and other receivables		105,052	(40,800)
		<u>(259,430)</u>	<u>(401,983)</u>
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		(184,181)	284,174
		<u>366,114</u>	<u>382,180</u>
<b>25. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	11	143,493	173,858
Lien on bank balance		(78,623)	(78,623)
Short-term borrowings	14	(1,698,612)	(780,000)
		<u>(1,633,742)</u>	<u>(684,765)</u>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 26. TRANSACTIONS WITH RELATED PARTIES

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

Name and country of Incorporation	Basis of relationship	% of shares held by related parties	Nature of transactions	31 March 2024	31 March 2023
				(Un-audited)	
				----(Rupees in '000)----	
<b>Parent Company</b>					
Aitken Stuart Pakistan (Private) Limited - Pakistan	Parent Company	55.80%	Expenditure incurred / paid by the Company on behalf of parent	2,458	23
			Expenditure incurred / paid by parent on behalf of the Company	2,960	-
			Dividend paid	390,626	-
<b>Subsidiary Companies</b>					
OBS AGP (Private) Limited -	Subsidiary Company	65%	Sale of goods	873,957	421,157
			Expenditure incurred by the Company on behalf of subsidiary	23,458	8,363
			Expenditure incurred / paid by the subsidiary on behalf of the Company	-	3,614
			Dividend received	97,500	-
OBS Pakistan (Private) Limited - Pakistan	Subsidiary Company	91.82%	Expenditure incurred / paid by the Company on behalf of subsidiary	6,436	7,603
			Interest charged	1,198	-
<b>Group Companies</b>					
Aspin Pharma (Private) Limited - Pakistan	Common directorship	4.79%	Sale of goods	2,294	11,545
			Expenditure incurred / paid by the Company on behalf of associate	881	2,804
			Expenditure incurred / paid by the associate on behalf of the Company	7,479	6,054
			Dividend paid	33,500	-
OBS Pharma (Private) Limited - Pakistan	Common directorship	-	Sale of goods	8,133	-
			Expenditure incurred / paid by the Company on behalf of associate	2,676	-
			Expenditure incurred / paid by the associate on behalf of the Company	2,405	-
<b>Associated Company</b>					
Muller and Phipps Pakistan (Private) Limited - Pakistan	Common directorship	13.54%	Sale of goods	2,854,735	2,187,436
			Settlement of discounts and expenses given/incurred on behalf of the Company	218,844	90,812
			Dividend paid	94,800	-
<b>Staff retirement benefits - AGP Limited staff provident fund</b>					
			Contribution paid	14,008	8,512
<b>Key management personnel</b>					
			Remuneration and other benefits	157,036	133,289
			Dividend paid	15	-
<b>Directors</b>					
			Board and other meeting fee	1,750	1,750
			Dividend paid	1,578	-
<b>Others (due to common directorship)</b>					
Muller and Phipps Express Logistics (Private) Limited - Pakistan			Services incurred	7	38

26.1 The related parties status of outstanding receivables / payables as at 31 March 2024 and 31 December 2023 are disclosed in respective notes to these condensed interim financial statements.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 27. INFORMATION ABOUT OPERATING SEGMENTS

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

	31 March 2024	31 March 2023
	----- (Rupees in '000) -----	
- Muller & Phipps Pakistan (Private) Limited	<u>2,854,735</u>	2,187,436
- Al - Haj Malem Khan Mangal	<u>397,679</u>	475,663
- OBS AGP (Private) Limited - Subsidiary Company	<u>873,957</u>	421,157

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

## 28. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 26 April 2024 by the Board of Directors of the Company.

## 29. SUBSEQUENT EVENTS

- 29.1** The Board of Directors in its meeting held on 26 April 2024 has proposed a interim cash dividend for the period ended March 2024 of Rs. Nil per share (March 2023: Nil), aggregating to Rs. Nil million (March 2023: Nil).

## 30. GENERAL

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



Chief Financial Officer



Chief Executive Officer



Director

**CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE QUARTER ENDED  
31 MARCH 2024**

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	3,849,253	3,655,592
Intangible assets	5	17,532,866	17,540,245
Long-term deposits and receivables		41,772	37,605
		<b>21,423,891</b>	<b>21,233,442</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		11,045	11,050
Stock-in-trade	7	3,600,250	3,074,862
Trade debts	8	2,515,429	1,912,795
Advances	9	662,386	434,079
Trade deposits, prepayments and other receivables	10	166,998	297,263
Taxation – net		216,135	156,446
Short-term investments		239,234	652,518
Cash and bank balances	11	203,167	202,305
		<b>7,614,644</b>	<b>6,741,318</b>
<b>TOTAL ASSETS</b>		<b>29,038,535</b>	<b>27,974,760</b>
<b>EQUITY AND LIABILITIES</b>			
Issued, subscribed and paid-up capital			
Share capital		2,800,000	2,800,000
Reserve arising on reorganisation of group		(128,765)	(128,765)
Revenue reserve – unappropriated profits		8,470,117	8,769,782
		<b>11,141,352</b>	<b>11,441,017</b>
Non-controlling interest		933,454	919,165
		<b>12,074,806</b>	<b>12,360,182</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financings	12	9,793,593	9,593,747
Gas infrastructure development cess		6,996	6,996
Deferred tax liabilities – net		203,585	199,101
		<b>10,004,175</b>	<b>9,799,844</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	3,472,599	2,851,827
Unclaimed dividends		62,348	1,853
Accrued interest		88,893	103,160
Short-term borrowings	14	2,219,121	1,535,666
Current maturity of non-current liabilities		1,116,593	1,322,228
		<b>6,959,554</b>	<b>5,814,734</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,038,535</b>	<b>27,974,760</b>

The annexed notes 1 to 30 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 March 2023
	Note	----- (Rupees in '000) -----	
Revenue from contracts with customers – net	16	5,920,390	3,898,626
Cost of sales	17	(2,759,135)	(1,862,723)
<b>Gross profit</b>		<b>3,161,255</b>	<b>2,035,903</b>
Administrative expenses	18	(248,372)	(154,426)
Marketing and selling expenses	19	(1,429,926)	(1,098,162)
Other expenses	20	(59,571)	(145,161)
Other income	21	50,315	21,969
Finance costs	22	(730,027)	(142,673)
		<b>(2,417,581)</b>	<b>(1,518,453)</b>
<b>Profit before taxation</b>		<b>743,674</b>	<b>517,450</b>
Taxation	23	(276,550)	(121,843)
<b>Profit for the period</b>		<b>467,124</b>	<b>395,607</b>
<b>Attributable to:</b>			
Equity holders of the Holding Company		400,335	356,129
Non-controlling interest		66,789	39,478
		<b>467,124</b>	<b>395,607</b>
<b>Earnings per share – basic and diluted</b>		<b>Rs. 1.43</b>	<b>Rs. 1.27</b>

The annexed notes 1 to 30 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME


FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024	31 March 2023
	----- (Rupees in '000) -----	
<b>Profit for the period</b>	<b>467,124</b>	395,607
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income for the period</b>	<b>467,124</b>	<b>395,607</b>
<b><u>Attributable to:</u></b>		
Equity holders of the Holding Company	<b>400,335</b>	356,129
Non-controlling interest	<b>66,789</b>	39,478
	<b>467,124</b>	<b>395,607</b>

The annexed notes 1 to 30 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	Attributable to owners of the Holding Company					Total equity
	Capital Reserve	Revenue reserve		Non-controlling interest	Total equity	
	Share capital	Reserve arising on reorganisation of group	Unappropriated profits			
-----Rupees in '000-----						
<b>Balance as at 31 December 2022 - Audited</b>	2,800,000	-	7,747,448	10,547,448	583,623	11,131,071
Profit for the period	-	-	356,129	356,129	39,478	395,607
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	356,129	356,129	39,478	395,607
<b>Balance as at 31 March 2023</b>	<b>2,800,000</b>	<b>-</b>	<b>8,103,577</b>	<b>10,903,577</b>	<b>623,101</b>	<b>11,526,678</b>
<b>Balance as at 31 December 2023 - Audited</b>	2,800,000	(128,765)	8,769,782	11,441,017	919,165	12,360,182
Profit for the period	-	-	400,335	400,335	66,789	467,124
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	400,335	400,335	66,789	467,124
Final dividend for the year ended 31 December 2023 @ Rs. 2.5 per share	-	-	(700,000)	(700,000)	-	(700,000)
Final dividend for the year ended 31 December 2023 @ Rs. 10 per share	-	-	-	-	(52,500)	(52,500)
<b>Balance as at 31 March 2024</b>	<b>2,800,000</b>	<b>(128,765)</b>	<b>8,470,117</b>	<b>11,141,352</b>	<b>933,454</b>	<b>12,074,806</b>

The annexed notes 1 to 30 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 March 2023
	Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flows generated from operations	24	934,420	680,750
<b>Payments for:</b>			
Finance costs		(105,288)	(159,645)
Income tax		(331,756)	(210,772)
<b>Net cash flows generated from operating activities</b>		<b>497,376</b>	<b>310,333</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(284,974)	(215,430)
Dividend received		-	1,707
Proceeds from disposal of operating fixed assets		17,277	5,098
Proceeds from sale of short term investments		413,284	106,000
Deposits and receivables - paid / given		(4,167)	(1,661)
Interest income received		14,614	13,164
<b>Net cash flows used in investing activities</b>		<b>156,034</b>	<b>(91,122)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(692,005)	-
Long-term financings - obtained		142,310	-
Lease liability - obtained		7,784	-
Lease liability - repaid		(147)	-
Lien released on bank balances		-	52,416
Repayment of long-term financings		(793,945)	(203,690)
<b>Net cash flows generated from / (used in) financing activities</b>		<b>(1,336,003)</b>	<b>(151,274)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(682,593)</b>	<b>67,937</b>
Cash and cash equivalents at the beginning of the period		(1,411,984)	(603,589)
<b>Cash and cash equivalents at the end of the period</b>	25	<b>(2,094,577)</b>	<b>(535,652)</b>

The annexed notes 1 to 30 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 1. The Group and its operations

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

### 1.2 AGP Limited - the Holding Company

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

### 1.3 OBS AGP (Private) Limited - a subsidiary company

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

### 1.4 OBS Pakistan (Private) Limited - a subsidiary company

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

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

### 2.2 Significant Accounting Judgements, Estimates and Assumptions

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

### 2.3 Functional and presentation currency

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

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

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

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

## **2.4.2 Right-of-use assets**

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

## **2.4.3 Lease liabilities**

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024	31 December 2023
		(Unaudited)	(Audited)
	Note	----- (Rupees in '000) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	3,216,604	3,156,249
Capital work-in-progress	4.2	632,649	499,343
		<u>3,849,253</u>	<u>3,655,592</u>

4.1 Details of additions and disposals are as follows:

	Additions (at cost)		Disposals (NBV)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Note	----- (Rupees in '000) -----			
Buildings - factory / office sites	-	140,931	-	-
Plant and machinery	984	79,828	-	16
Furniture and fixtures	1,506	2,959	-	-
Motor vehicles	124,082	182,981	9,330	6,733
Office equipment	175	6,164	-	89
Gas and electrical fittings	-	13,010	-	-
Refrigerator and air conditioner	3,940	73,669	-	-
Laboratory equipment	1,978	97,003	-	-
Computers and related accessories	10,354	63,810	43	452
Right-of-use assets - Leased	8,649	-	-	-
	<u>151,668</u>	<u>660,355</u>	<u>9,373</u>	<u>7,290</u>

		31 March 2024	31 December 2023
		(Unaudited)	(Audited)
	Note	----- (Rupees in '000) -----	
<b>4.2</b> The following is the movement in capital work-in-progress during the period / year:			
Opening balance		499,343	378,770
Additions during the period / year	4.2.1	284,974	780,928
Transferred during the period / year to:			
- operating fixed assets	4.1	(151,668)	(660,355)
Closing balance	4.2.1	<u>632,649</u>	<u>499,343</u>

	Additions (at cost)		Closing Balance	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Note	----- (Rupees in '000) -----			
<b>4.2.1</b> Capital work-in-progress comprise of:				
Buildings - factory / office sites	46,395	285,131	409,838	363,443
Plant and machinery	20,228	29,352	44,797	25,553
Furniture and fixtures	1,717	2,959	211	-
Motor vehicles	178,468	144,785	64,663	10,277
Office equipment	175	6,164	-	-
Gas and electrical fittings	-	13,010	-	-
Refrigerator and air conditioner	13,325	138,714	109,455	100,070
Laboratory equipment	1,978	97,003	-	-
Computers and related accessories	13,174	63,810	2,820	-
Right-of-use assets - Leased	9,514	-	865	-
	<u>284,974</u>	<u>780,928</u>	<u>632,649</u>	<u>499,343</u>
4.2				

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) -----	
<b>5. INTANGIBLE ASSETS</b>			
Goodwill		743,226	743,226
Trademarks - indefinite		16,665,957	16,665,957
Trademarks - (finite lives)		56,538	58,456
Computer software		67,145	64,131
Capital work-in-progress		-	8,475
		<u>17,532,866</u>	<u>17,540,245</u>
<b>7. STOCK-IN-TRADE</b>			
<b>Raw and packing materials</b>			
In hand		2,108,372	1,765,496
In transit		73,131	14,252
		<u>2,181,503</u>	<u>1,779,748</u>
<b>Work-in-process</b>		286,509	200,205
<b>Finished goods</b>			
- Manufacturing		413,012	552,693
- Trading		762,714	573,510
		<u>1,175,726</u>	<u>1,126,203</u>
<b>Provision for obsolescence and slow moving stock</b>		(43,488)	(31,294)
	7.1	<u>3,600,250</u>	<u>3,074,862</u>
7.1	Included herein items having value of Rs. 1213.90 million (31 December 2023: Rs. 1077.13 million), representing stock held by third parties, out of which stock of Rs. 460.23 million (31 December 2023: Rs. 480.79 million) is held with Muller & Phipps Pakistan (Private) Limited (a related party).		
<b>8. TRADE DEBTS - unsecured</b>		31 March 2024 (Unaudited)	31 December 2023 (Audited)
		----- (Rupees in '000) -----	
<b>Related parties</b>			
- Muller & Phipps Pakistan (Private) Limited		2,040,902	1,797,981
- OBS Pharma (Private) Limited		9,607	-
- Aspin Pharma (Private) Limited		5,152	2,842
		<u>2,055,661</u>	<u>1,800,823</u>
<b>Other than related parties</b>		461,706	116,019
		<u>2,517,367</u>	<u>1,916,842</u>
Less: Allowances for expected credit losses	8.1	(1,938)	(4,047)
		<u>2,515,429</u>	<u>1,912,795</u>
8.1	The movement in allowance for expected credit losses is as follows:		
Opening balance		4,047	1,205
Allowance for expected credit losses for the period / year		(2,109)	2,842
Closing balance		<u>1,938</u>	<u>4,047</u>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

31 March    31 December  
2024        2023  
(Unaudited) (Audited)  
------(Rupees in '000)-----

## 9. ADVANCES – unsecured, Considered good

	Note	31 March 2024 (Unaudited)	31 December 2023 (Audited)
- suppliers	9.1	653,313	424,196
- employees		9,073	9,883
		662,386	434,079

9.1 These are interest free and adjustable within the period of 6 months from the date of issuance.

31 March    31 December  
2024        2023  
(Unaudited) (Audited)  
------(Rupees in '000)-----

## 10. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### Trade deposits – considered good, unsecured

Security deposits		27,116	35,926
Margin on letters of credit		10,804	172,577
		37,920	208,503
<b>Prepayments</b> insurance		53,641	4,875

### Other receivables – considered good

Current portion of receivables from employees – secured		13,844	13,217
Receivable from Workers' Profit Participation Fund		-	2,750
Receivable from related parties – unsecured	10.1	55,313	51,620
Sales tax refundable		1,352	-
Others		4,928	16,298
		75,437	83,885
		166,998	297,263

10.1 Represents expenditure incurred on behalf of OBS Pharma (Private) Limited (a related party) amounting to Rs.50.8 million (2023: Rs. 51.62million), Aspin Pharma (Private) Limited (a related party) amounting to Rs. 0.90 million (2023: Rs. 0.02 million) and Aitkenstuart Pakistan (Private) Limited (Parent Company) amounting to Rs. 3.6 million (2023: Rs. 31.2 million).

31 March    31 December  
2024        2023  
(Unaudited) (Audited)  
------(Rupees in '000)-----

## 11. CASH AND BANK BALANCES

<b>Cash in hand</b>		3,451	3,991
<b>Balances held with banks</b>			
Current accounts			
- local currency		9,915	33,069
- foreign currency		619	620
- deposit accounts		189,182	164,625
		199,716	198,314
		203,167	202,305

11.1 The amount included Rs. 78.62 million (Dec 2023: Rs 78.62 million) marked as lien against the bank guarantee given.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

12. LONG-TERM FINANCINGS - secured	Note	31 March	31 December
		2024 (Unaudited)	2023 (Audited)
		----- (Rupees in '000) -----	
SBP financing scheme for renewable energy	12.2	28,002	28,077
Syndicate term finance	12.3	2,468,927	2,474,909
Diminishing musharakah	12.4 & 12.5	158,178	72,351
Sukuk [net of transaction cost of Rs. 116.6 million (2023: Rs. 122.1 million)]	12.6, 12.7 & 12.8	8,245,877	8,339,073
Lease liability	12.9	7,637	-
		<u>10,908,621</u>	<u>10,914,410</u>
Less: current maturity		<u>(1,115,028)</u>	<u>(1,320,663)</u>
		<u>9,793,593</u>	<u>9,593,747</u>

12.1 The movement in long-term financings is as follows:

Balance at beginning of the period / year	10,914,410	2,595,924
Proceeds received during the period / year	142,310	8,813,955
Disbursement against lease liability	7,784	-
Related transaction cost	-	(133,649)
Finance cost for the period / year	638,209	1,270,970
Repayment of lease liability	(147)	-
Financings repaid during the period / year	(793,945)	(1,632,790)
Balance at end of the period / year	<u>10,908,621</u>	<u>10,914,410</u>

12.2 The Holding Company had obtained financing facility under SBP financing scheme for Renewable Energy of Rs. 75 million for a period of 7 years including 3 months grace period. The repayment will be made in 81 equal monthly installments after grace period. It carries mark-up at the SBP rate (i.e. 2%) + 4% per annum. The facility is secured against first parri passu hypothecation charge of Rs. 100 million over present and future plant and machinery of the Holding Company. As of reporting date, Rs. 25.7 million (2023: Rs. 25.7 million) of the facility remained unutilised.

12.3 The Holding Company has obtained long-term finance of Rs. 2,364 million (out of total facility of Rs. 2,400 million) through the syndicate term finance agreement repayable in quarterly instalments commencing from July 06, 2024 including grace period of 12 months over the term of 5 years. These carry profit rate of 3 months KIBOR + 1.45% per annum and are secured against the present and future property, plant and equipment of the Holding Company to the extent of Rs. 3,000 million. The facility has been used to inject equity in its subsidiary company, OBS Pakistan (Private) Limited in order to acquire certain pharmaceutical products of Viatrix Inc, which are commercialized in Pakistan primarily under the brands previously owned by Pfizer Pakistan Limited.

12.4 OBS AGP (Private) Limited (subsidiary company) has obtained diminishing musharikah facility of Rs. 100 million (2023: Rs. 100 million) from BankIslami Pakistan Limited for purchase of vehicles of 5 years. The facility carries profit at the rate of 6 months KIBOR + 0.55% per annum.

12.5 OBS AGP (Private) Limited (subsidiary company) has obtained diminishing musharikah (DM) facility of Rs. 92.4 million from First Habib Modaraba for purchase of vehicles of 5 years. The facility carries profit at the rate of 3 months KIBOR + 1.25% per annum.

12.6 OBS AGP (Private) Limited (subsidiary company) issued sukuk certificates of Rs. 2,600 million, which are repayable in quarterly instalments of Rs. 162.5 million commencing from 15 October 2022, over the term of 5 years including one year grace period. These carry profit rate of 3 months KIBOR + 1.55% per annum and are secured against the present and future fixed assets and corporate guarantee of the Holding Company aggregating to Rs. 2,600 million (2023: Rs. 2,600 million), charge through pledge of shares of Holding Company held by Aitkenstuart Pakistan (Private) Limited to the extent of Rs. 1,400 million (2023: Rs. 1,400 million).

12.7 OBS Pakistan (subsidiary company) has issued sukuk certificates of Rs. 3,600 million, which are repayable in quarterly instalments of Rs. 163.63 million commencing from February 2025, over the term of 7 years including 18 months grace period. These carry profit rate of 3 months KIBOR + 1.60% per annum and are secured against pledge of shares worth Rs. 6,000 million of the Holding Company by Aitkenstuart Pakistan (Private) Limited (parent company of the Group), and Corporate Guarantee issued by the Holding Company.

12.8 OBS Pakistan (subsidiary company) has issued sukuk certificates of Rs. 2,900 million, which are repayable in quarterly instalments of Rs. 131.81 million commencing from August 2025, over the term of 7 years including 18 months grace period. These carry profit rate of 3 months KIBOR + 1.60% per annum and are secured against the present and future fixed assets aggregating to Rs. 3,625 million and corporate guarantee of the Holding Company.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

**12.9** The Holding Company entered into an auto finance facility agreement with various banks amounting Rs. 300 million under the payment terms of 05 years carrying the markup rate of 06 month KIBOR plus 1% per annum. Accordingly, under the terms of the agreement, the Company obtained vehicles under the finance lease.

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
----- (Rupees in '000) -----			
<b>13. TRADE AND OTHER PAYABLES</b>	<b>Note</b>		
Creditors	13.1	1,958,793	1,374,151
Accrued liabilities		804,699	979,880
Payable to Aitkenstuart Pakistan (Private) Limited - related party		-	125,185
Compensated absences		63,814	64,822
Contract liabilities (advances from customers)		310,546	36,299
Other payables:			
- Provident fund		29,704	23,667
- Infrastructure Cess		13,801	13,801
- Workers' Profit Participation Fund		29,045	-
- Workers' Welfare Fund		25,634	17,512
- Central Research Fund		24,867	18,445
- Withholding tax		159,305	168,298
- Sales tax		47,703	25,224
- Others		4,688	4,543
		<u>3,472,599</u>	<u>2,851,827</u>

**13.1** Included herein Rs. 20.80 million (2023: 13.31 million) payable to Aspin Pharma (Private) Limited, a related party.

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
----- (Rupees in '000) -----			
<b>14. SHORT TERM BORROWINGS - Secured</b>	<b>Note</b>		
Running finance from commercial banks		1,553,427	809,712
Running musharakah form Islamic banks		615,982	725,954
Running Finance from Non-Banking Financial Institution (NBFC)		50,000	-
	14.1	<u>2,219,409</u>	<u>1,535,666</u>

**14.1** The terms and conditions are same as disclosed in the annual financial statements of the Company for the year ended 31 December 2023, except for the following:

OBS AGP (subsidiary company) obtained running finance facility from non-banking financial institution upto Rs. 150 million (2023: Rs. Nil) carrying markup at the rate of 1 months KIBOR + 1% per annum which is payable monthly. The facility is secured by way of hypothecation charge over current assets of the subsidiary company. As of reporting date, Rs. 100 million of the facility limits remained unutilised and utilised portion is Rs. 50 million.

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 CONTINGENCIES

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

		31 March 2024 (Unaudited)	31 December 2023 (Audited)
----- (Rupees in '000) -----			
<b>15.1.2 Guarantees</b>			
<b>Bank guarantees</b>			
- total limit		512,522	512,522
- unutilized portion		364,333	361,145
- utilized portion		148,189	151,377

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 15.2 COMMITMENTS

15.2.1 As at 31 March 2024, capital expenditure contracted for but not incurred amounted to Rs. 464.69 million (31 December 2023: Rs. 442.45 million).

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	----- (Rupees in '000) -----	
15.3 Letters of credit		
Letters of credit		
- total limit	4,500,000	4,500,000
- unutilized portion	4,217,593	3,452,365
- utilized portion	282,407	1,047,635

### Ijarah Agreement

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

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	----- (Rupees in '000) -----	
Not later than one year	30,954	30,617
Later than one year but not later than five years	66,853	74,092
	97,807	104,709

## 16. REVENUE FROM CONTRACT WITH CUSTOMERS – net

Sale of goods (disaggregation by timing at a point in time)

Note

Local (disaggregation by types of products)

- Manufacturing
- Trading

Export

Less: Trade discounts

Sales returns

Sales tax

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
	----- (Rupees in '000) -----	
	3,281,335	2,376,765
	2,707,281	1,391,464
	5,988,616	3,768,229
	488,235	575,887
	(484,131)	(388,244)
	(8,069)	(20,586)
	(64,261)	(36,660)
	(556,461)	(445,490)
16.1 & 16.2	5,920,390	3,898,626

16.1 The geographical markets disaggregation of the Company's revenue from contract with customers are disclosed in note 27.2 to these condensed interim financial statements.

16.2 Included herein sales made to related parties amounting to Rs. 5,235 million (31 March 2023: Rs 3,369 million).



# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024	31 March 2023
	----- (Rupees in '000) -----	
<b>17. COST OF SALES</b>		
<b>Cost of sales – manufacturing</b>		
<b>Raw and packing materials consumed</b>		
Opening stock	1,765,496	1,216,893
Purchases	1,331,569	1,028,721
Available for consumption	3,097,065	2,245,614
Closing stock	(2,108,372)	(1,340,617)
Raw and packing material consumed	988,693	904,997
<b>Manufacturing cost</b>		
Salaries, wages and other benefits	302,358	244,326
Stores and spares consumed	14,568	8,869
Processing charges	38,900	8,100
Freight	7,190	1,093
Fuel, gas and electricity	88,635	51,362
Repairs and maintenance	40,848	28,853
Travelling and conveyance	10,279	436
Insurance	4,465	3,868
Laboratory expenses	25,609	11,561
Rates and taxes	1,134	432
Depreciation	38,161	33,820
Amortisation	2,022	2,302
Postage, telegraph and telephones	1,942	1,086
Printing and stationery	2,926	2,890
	579,037	398,998
	1,567,730	1,303,995
<b>Work-in-process</b>		
Opening stock	200,205	185,087
Closing stock	(286,509)	(166,864)
	(86,304)	18,223
<b>Cost of goods manufactured</b>	1,481,426	1,322,218
<b>Finished goods</b>		
Opening stock	552,693	444,008
Closing stock	(413,012)	(470,099)
	139,681	(26,091)
	1,621,107	1,296,127
<b>Cost of sales – trading</b>		
Opening stock	573,510	435,119
Purchases	1,350,176	445,469
Closing stock	(762,714)	(288,343)
	1,160,972	592,245
<b>Direct expenses:</b>		
Amortisation of intangible assets	1,919	1,903
Warehousing charges	15,882	8,071
	17,801	9,974
<b>Cost of samples for marketing and sales promotion</b>	(40,745)	(35,623)
	2,759,135	1,862,723

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2 0 2 4	31 March 2 0 2 3
	----- (Rupees in '000) -----	
<b>18. ADMINISTRATIVE EXPENSES</b>		
Salaries and other benefits	129,011	96,217
Travelling and conveyance	963	620
Printing and stationery	4,975	757
Directors' remuneration	1,750	1,750
Meeting and conferences	795	209
Postage, telegrams and telephones	316	1,160
Legal and professional	28,936	8,478
Research cost	23,642	3,847
Repairs and maintenance	4,705	6,834
Software license renewals and maintenance fee	24,055	11,455
Subscription and fee	1,546	390
Advertisement	40	230
Donations	7,641	5,274
Insurance	708	649
Depreciation	9,850	9,658
Amortisation	2,473	1,703
Corporate social responsibility	6,795	4,903
Vehicle running expenses	171	292
	<b>248,372</b>	<b>154,426</b>
<b>19. MARKETING AND SELLING EXPENSES</b>		
Salaries and other benefits	702,453	548,972
Travelling and conveyance	203,068	165,607
Repairs and maintenance	5,259	4,151
Insurance	5,643	3,814
Depreciation	33,935	30,357
Amortisation	162	161
Printing and stationery	2,919	2,132
Samples	40,745	35,623
Sales promotion expenses	277,581	171,916
Meeting and conferences	101,271	66,808
Communication	12,597	9,547
Subscription	10,743	10,637
Product registration fee	5,709	7,724
Freight, handling and transportation	20,217	32,786
Ijarah rental	7,624	7,927
	<b>1,429,926</b>	<b>1,098,162</b>
<b>20. OTHER EXPENSES</b>		
Workers' Profit Participation Fund	31,795	21,609
Workers' Welfare Fund	8,123	4,744
Central Research Fund	6,423	4,365
Exchange loss - net	13,230	114,416
Charge of allowances for expected credit loss	-	27
	<b>59,571</b>	<b>145,161</b>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024	31 March 2023
Note	----- (Rupees in '000) -----	
<b>21. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Markup on deposit accounts	14,614	10,093
Markup on term deposits	-	3,072
<b>Income from non-financial assets</b>		
Gain on sale of operating fixed assets (net)	7,904	2,334
Reversal of charge of allowances for expected credit loss	2,109	-
Dividend Income from ST Investment	22,116	1,707
Government grant	-	55
Scrap sales	3,547	4,708
Others	25	-
	<b>35,701</b>	<b>8,804</b>
	<b>50,315</b>	<b>21,969</b>
<b>22. FINANCE COSTS</b>		
Mark-up on:		
- long-term financings	638,209	111,865
- short term borrowings	86,285	27,547
	<b>724,494</b>	<b>139,412</b>
Bank charges	5,533	3,261
	<b>730,027</b>	<b>142,673</b>
<b>23. TAXATION</b>		
Current	272,067	118,485
Deferred	4,483	3,358
	<b>276,550</b>	<b>121,843</b>
23.1		

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

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

	31 March 2024	31 March 2023
Note	----- (Rupees in '000) -----	
<b>24. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	743,674	517,450
<b>Adjustments for:</b>		
Depreciation	81,946	73,859
Amortisation	6,576	6,069
(Reversal) / charge of allowances for expected credit losses	(2,109)	27
Gain on disposal of operating fixed assets - net	(7,904)	-
Provision of obsolescence and slow moving stock	12,194	(2,334)
Mark-up on deposits accounts	(14,614)	(10,093)
Reversal of GIDC	-	(728)
Stock written off during the period	-	(26,557)
Markup on term deposit receipts (TDRs)	-	(3,072)
Amortisation of government grant	-	(55)
Finance costs	730,027	142,673
Dividend income	-	(1,707)
Workers' Profit Participation Fund	31,795	21,609
Workers' Welfare Fund	8,123	4,744
Central Research Fund	6,423	4,365
	<b>852,457</b>	<b>208,800</b>
<b>Operating profit before working capital changes</b>	<b>1,596,131</b>	<b>726,250</b>
<b>Working capital changes</b>		
<b>Decrease / (increase) in current assets</b>		
Stores, spares and loose tools	5	(136)
Stock-in-trade	(537,582)	(56,960)
Trade debts	(600,525)	(65,212)
Loans and advances	(228,307)	(162,445)
Trade deposits, prepayments and other receivables	127,515	(50,627)
	<b>(1,238,894)</b>	<b>(335,380)</b>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	577,183	289,880
	<b>934,420</b>	<b>680,750</b>
<b>25. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	11 203,167	322,971
Lien on bank balance	(78,623)	(78,623)
Short-term borrowings	14 (2,219,121)	(780,000)
	<b>(2,094,577)</b>	<b>(535,652)</b>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

## 26. TRANSACTIONS WITH RELATED PARTIES

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

Name and country of Incorporation	Basis of relationship	% of shares held by related parties	Nature of transactions	31 March 2024	31 March 2023
<b>Parent Company</b>					
Aitkenstuart Pakistan (Private) Limited - Pakistan	Parent Company	55.80%	Expenditure incurred / paid by the Group on behalf of parent	2,458	23
			Expenditure incurred / paid by Parent on behalf of the Group	2,960	-
			Transaction fee paid on trademarks by Group to parent	94,025	-
			Dividend paid	432,626	-
<b>Associated Company</b>					
OBS Pharma (Private) Limited - Pakistan	Common directorship		Sale of goods	8,133	-
			Expenditure incurred by the Group on behalf of associate	2,676	-
			Expenditure incurred / paid by the associate on behalf of the Group	2,405	-
Aspin Pharma (Private) Limited - Pakistan	Common directorship	4.79%	Sale of goods	2,294	11,545
			Expenditure incurred / paid by the Group on behalf of associate	881	2,804
			Expenditure incurred / paid by associate on behalf of the Group	7,479	6,054
			Dividend paid	33,500	-
Muller and Phipps Pakistan (Private) Limited - Pakistan	Common directorship	13.54%	Sale of goods	5,224,665	3,357,653
			Settlement of discounts and expenses given/incurred on behalf of the Group	313,672	207,214
			Warehouse and logistic charges	8,942	4,026
			Dividend paid	94,800	-
<b>Staff retirement benefits - AGP Limited staff provident fund</b>				<b>19,658</b>	<b>12,719</b>
<b>Key management personnel</b>				<b>187,379</b>	<b>145,167</b>
			Remuneration and other benefits	187,379	145,167
			Dividend paid	15	-
<b>Directors</b>				<b>1,750</b>	<b>1,750</b>
			Board and other meeting fee	1,750	1,750
			Dividend paid	12,078	-
<b>Others (due to common directorship)</b>				<b>7</b>	<b>38</b>
Muller and Phipps Express Logistics (Private) Limited - Pakistan			Services incurred	7	38

26.1 The related parties status of outstanding receivables / payables as at 31 March 2024 and 31 December 2023 are disclosed in respective notes to these condensed interim financial statements.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024 (UN-AUDITED)

**27. INFORMATION ABOUT OPERATING SEGMENTS**

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

	31 March 2024	31 March 2023
	----- (Rupees in '000)-----	
- Muller & Phipps Pakistan (Private) Limited	<b>5,224,665</b>	3,357,653
- Al - Haj Malem Khan Mangal	<b>397,679</b>	475,663

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

**28. DATE OF AUTHORIZATION**

These consolidated condensed interim financial statements were authorized for issue on 26 April 2024 by the Board of Directors of the Holding Company.

**29. SUBSEQUENT EVENTS**

- 29.1 The Board of Directors in its meeting held on 26 April 2024 has proposed a interim cash dividend for the period ended March 31, 2024 of Rs. Nil per share (March 2023: Nil), aggregating to Rs. Nil million (March 2023: Nil).

**30. GENERAL**


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

  
\_\_\_\_\_  
**Chief Financial Officer**


  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Director**



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