



Un-Audited Financial Statements for the
First Quarter Ended March 31, 2024



Corporate Information

BOARD OF DIRECTORS

Ehsan Ali Malik (Chairman) (Non-Executive Director)

Syed Anis Ahmed (Chief Executive Officer)

Celestino Jacinto Dos Anjos (Non-Executive Director)

Ayla Majid (Independent Director)

Mohsin Ali Nathani (Independent Director)

Muhammad Anjum Latif Rana (Non-Executive Director)

Seema Khan (Executive Director)

AUDIT COMMITTEE

Mohsin Ali Nathani (Chairman)

Ayla Majid

Muhammad Anjum Latif Rana

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mohsin Ali Nathani (Chairman)

Ehsan Ali Malik

Syed Anis Ahmed

RISK MANAGEMENT COMMITTEE

Ayla Majid (Chairperson)

Syed Anis Ahmed

Muhammad Anjum Latif Rana

Seema Khan

Celestino Jacinto Dos Anjos

SHARE TRANSFER COMMITTEE

Syed Anis Ahmed (Chairman)

Muhammad Anjum Latif Rana

Seema Khan

BANKING COMMITTEE

Mohsin Ali Nathani (Chairman)

Syed Anis Ahmed

Seema Khan

Celestino Jacinto Dos Anjos

NOMINATION COMMITTEE

Ehsan Ali Malik (Chairman)

Mohsin Ali Nathani

Syed Anis Ahmed

CHIEF FINANCIAL OFFICER

Syed Tabish Aseem

COMPANY SECRETARY

Muhammad Usama Jamil

CHIEF INTERNAL AUDITOR

Muhammad Ali Shiwani

AUDITORS

EY Ford Rhodes, Chartered Accountants (a member firm of Ernst & Young Global Limited)

LEGAL ADVISORS

Orr, Dignam & Co.

Surridge & Beecheno

BANKERS

Standard Chartered Bank (Pakistan) Limited

Deutsche Bank AG

Habib Bank Limited

National Bank of Pakistan

MCB Bank Limited

Faysal Bank Limited

Habib Metropolitan Bank

Citibank

SENIOR MANAGEMENT TEAM

Syed Anis Ahmed

(Chief Executive Officer)

Syed Tabish Aseem

(Chief Financial Officer)

Shumaila Amir

(Director Operations)

Asim Shafiq

(General Manager, Abbott Nutrition International Pakistan)

Saad Siddique

(Country Manager, Abbott Diagnostics Division Pakistan)

Dr. Shaikh Adnan Lateef

(Head of Abbott Diabetes Care Pakistan)

Asghar Huda

(Director Human Resource)

SHARE REGISTRAR

FAMCO Share Registration Services (Pvt) Limited, 8-F, Next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi.

FACTORY LOCATIONS

Plot No. 258 & 324, Opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi.

Plot No. 13, Sector 20,

Korangi Industrial Area, Karachi.

CITY OFFICE

8th Floor, Faysal House,

St-02, Shahrah-e-Faisal, Karachi.

SALES OFFICES

House No. 25/III/B, Jamrud Lane, University Town, Peshawar, Pakistan.

House No. 187, Aurangzeb Block, Near Garden Town, Lahore, Pakistan.

WAREHOUSES

Plot No. 136, Street # 9, Sector 1-10/3, Industrial Area, Islamabad.

16 KM Shahpur Karjran, Multan Road, Lahore.

Hasanabad Gate # 2, Near Pak Arab Fertilizers, Khanewal Road, Multan..

WEBSITE

www.pk.abbott

Directors' Report

The Directors of your Company are pleased to present the un-audited condensed interim financial statements of your Company, for the first quarter ended March 31, 2024.

FINANCIAL HIGHLIGHTS

Overall sales for the quarter increased by 16% over the same period last year. Pharmaceutical sales increased by 16% driven by the sustained performance of established brands, while Nutritional sales increased by 3%. Diagnostics segment registered a significant growth of 58% mainly driven by new customer acquisitions. As a result, the Company maintained its market share during the current quarter.

Gross profit margin of your Company improved to 28% versus 23% during the same period last year mainly driven by price adjustments and various other efficiency measures taken across the Company. Gross margin for the pharmaceutical segment improved to 28% from 25%, whereas the gross margin for Nutritional segment increased to 34% from 21%.

Selling and distribution expenses increased by 16% against the same period last year in line with sales growth. Administrative expenses increased by 7% mainly due to inflation and increments. Net profit as a percentage of sales improved to 10% versus net loss as a percentage of sales of 2% during the same period last year.

FUTURE OUTLOOK

The Company continues to face challenges of inflation and risk of rupee devaluation. A stable exchange and inflation scenario is extremely critical for the sustained operations of the industry. Continued review of current regulations and bringing them in line with international practices is critical for the growth of pharma industry.

Notwithstanding, your Company remains cognizant of the challenges and would continue to make all efforts to mitigate adverse impacts through productivity and cost containment initiatives.



Syed Anis Ahmed
Chief Executive



Ehsan Ali Malik
Director

April 25th, 2024

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ عبوری مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی جھلکیاں

مجموعی سیلز پچھلے سال کی اسی مدت کے مقابلے میں 16 فیصد بڑھی۔ فارماسیٹیکل کی سیلز میں 16 فیصد اضافہ ہوا جس کی وجہ مستحکم برانڈز کی مسلسل کارکردگی ہے۔ جبکہ نیوٹریشنل کی فروخت میں 3 فیصد اضافہ ہوا۔ ڈائینٹائٹک سیگمنٹ نے 58 فیصد کی نمایاں نمو درج کی جس میں بنیادی طور نئے صارفین کا حصول ہے۔ جس کے نتیجے میں، کمپنی نے موجودہ سہ ماہی کے دوران اپنے مارکیٹ شیئر کو برقرار رکھا۔


آپ کی کمپنی کے مجموعی منافع کی شرح پچھلے سال کی اسی مدت میں 23 فیصد کے مقابلے میں 28 فیصد تک بہتر ہوا جو بنیادی طور پر قیمتوں میں ایڈجسٹمنٹ کی وجہ سے اور پوری کمپنی میں کیے گئے مختلف دیگر کارکردگی کے اقدامات کے باعث ہے۔ فارماسیٹیکل کی مجموعی منافع کی شرح 25 فیصد سے بڑھ کر 28 فیصد ہو گئی جبکہ نیوٹریشنل کی مجموعی منافع کی شرح 21 فیصد سے بڑھ کر 34 فیصد ہو گئی۔


فروخت اور تقسیم کے اخراجات میں پچھلے سال کی اسی مدت کے مقابلے میں فروخت میں اضافے کی وجہ سے 16 فیصد اضافہ ہوا۔ انتظامی اخراجات میں 7 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر، تنخواہوں میں اضافہ ہے۔ فروخت کے فیصد کے طور پر خالص منافع 10 فیصد جو کے پچھلے سال کی اسی مدت کے دوران فروخت کے فیصد کے طور پر خالص نقصان 2 فیصد کے مقابلے میں بہتر ہوا۔

مستقبل کا منظر نامہ

کمپنی کو افراط زر کے چیلنجز اور روپے کی قدر میں کمی کے خطرے کا سامنا کرنا پڑتا ہے۔ ایک مستحکم زر مبادلہ اور افراط زر کا منظر نامہ صنعت کے پائیدار آپریشنز کے لیے انتہائی اہم ہے۔ موجودہ قواعد و ضوابط کا مسلسل جائزہ لینا اور انہیں بین الاقوامی طریقوں کے مطابق لانا فارما انڈسٹری کی ترقی کے لیے اہم ہے۔

اس کے باوجود آپ کی کمپنی درپیش دشواریوں سے آگاہ ہے اور پیداواریت اور لاگت پر قابو پانے کے اقدامات کے ذریعے منفی اثرات کو کم کرنے کی تمام کوششیں جاری رکھے گی۔


ڈائریکٹر


چیف ایگزیکٹو

کراچی: 25 اپریل 2024ء

Condensed Interim Statement of Financial Position

As at March 31, 2024

	Note	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
----- Rupees in '000 -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	13,411,872	13,375,186
Intangible assets		9,291	12,678
Long-term loans and advances		99,967	95,423
Long-term deposits		7,513	7,513
Long-term prepayments		4,115	3,427
Total Non-current Assets		13,532,758	13,494,227
CURRENT ASSETS			
Stores and spares		434,415	462,670
Stock-in-trade	7	12,692,184	12,826,865
Trade debts		2,305,929	1,649,512
Loans and advances	8	720,783	349,762
Trade deposits and short-term prepayments	9	522,409	443,372
Other receivables		1,750,414	2,036,432
Taxation - net		726,737	386,071
Short-term investments	10	502,264	502,822
Cash and bank balances	11	2,920,989	4,541,712
Total Current Assets		22,576,124	23,199,218
TOTAL ASSETS		36,108,882	36,693,445
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		2,000,000	2,000,000
200,000,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital	12	979,003	979,003
Reserves			
Capital		1,519,646	1,437,162
Revenue		17,339,941	15,821,181
		18,859,587	17,258,343
Total Equity		19,838,590	18,237,346
NON-CURRENT LIABILITIES			
Deferred taxation		583,679	519,569
Staff retirement benefits		1,071,714	1,049,089
Long-term lease liabilities	13	54,268	52,228
Total Non-current Liabilities		1,709,661	1,620,886
CURRENT LIABILITIES			
Trade and other payables	14	14,235,103	15,483,144
Current maturity of lease liabilities	13	108,984	105,990
Unclaimed dividends		64,644	64,676
Unpaid dividend		-	1,029,503
Provision against GIDC		151,900	151,900
Total Current Liabilities		14,560,631	16,835,213
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		36,108,882	36,693,445

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-Audited)

For the three Months Ended March 31, 2024

	Jan - Mar 2024	Jan - Mar 2023
Note	----- Rupees in '000 -----	
SALES - NET		
Local	15,238,729	13,049,014
Export	790,199	756,904
	<u>16,028,928</u>	<u>13,805,918</u>
Cost of sales	(11,578,125)	(10,598,608)
	<u>4,450,803</u>	<u>3,207,310</u>
GROSS PROFIT		
Selling and distribution expenses	(2,397,568)	(2,061,812)
Administrative expenses	(268,735)	(251,939)
Other charges	(177,275)	(1,473,937)
Other income	255,541	837,514
	16 17	
	<u>(2,588,037)</u>	<u>(2,950,174)</u>
	<u>1,862,766</u>	<u>257,136</u>
Finance costs	(6,661)	(9,066)
	<u>1,856,105</u>	<u>248,070</u>
PROFIT BEFORE TAXATION		
TAXATION		
- Current	(273,235)	(604,507)
- Deferred	(64,110)	136,916
	<u>(337,345)</u>	<u>(467,591)</u>
NET PROFIT / (LOSS) FOR THE PERIOD	<u>1,518,760</u>	<u>(219,521)</u>
BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE (Rs. per share)		
	<u>15.51</u>	<u>(2.24)</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the three Months Ended March 31, 2024

	Jan - Mar 2024	Jan - Mar 2023
	----- Rupees in '000 -----	
Profit / (Loss) for the period	1,518,760	(219,521)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>1,518,760</u>	<u>(219,521)</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

For the three Months Ended March 31, 2024

		March 31, 2024	March 31, 2023
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	368,584	21,542
Income taxes paid		(613,901)	(1,134,423)
Long-term loans and advances - net		(4,544)	(14,287)
Long-term prepayments - net		(688)	(922)
Net cash outflow from operating activities		(250,549)	(1,128,090)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(472,497)	(689,057)
Sale proceeds from disposal of property, plant and equipment		24,448	29,929
Interest income received		109,037	190,388
Net cash outflow from investing activities		(339,012)	(468,740)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid		(1,627)	(1,559)
Dividends paid		(1,029,535)	(1,125)
Net cash outflow from financing activities		(1,031,162)	(2,684)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,620,723)	(1,599,514)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		5,036,712	8,791,829
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	18.2	3,415,989	7,192,315

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the three Months Ended March 31, 2024

Share Capital	Reserves					Total	Total Equity
	Capital Reserves		Revenue Reserves		Total		
	Reserve Arising on Merger	Other	General Reserve	Un-appropriated Profit			

----- Rupees in '000 -----

Balance as at January 1, 2023 (Audited) 979,003 46,097 1,012,542 5,338,422 9,729,965 16,127,026 17,106,029

Transactions with owners, recorded directly in equity

Employee benefit cost under IFRS 2- 'Share based payments' - - 67,623 - - 67,623 67,623

Total comprehensive income for the period ended March 31, 2023

Net loss for the period	-	-	-	-	(219,521)	(219,521)	(219,521)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	(219,521)	(219,521)	(219,521)

Balance as at March 31, 2023 (Un-audited) 979,003 46,097 1,080,165 - 5,338,422 9,510,444 15,975,128 16,954,131

Balance as at January 01, 2024 (Audited) 979,003 46,097 1,391,065 5,338,422 10,482,759 17,258,343 18,237,346

Transactions with owners, recorded directly in equity

Employee benefit cost under IFRS 2- 'Share based payments' - - 82,484 - - 82,484 - 82,484

Total comprehensive income for the period ended March 31, 2024

Net profit for the period	-	-	-	-	1,518,760	1,518,760	1,518,760
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	1,518,760	1,518,760	1,518,760

Balance as at March 31, 2024 (Un-audited) 979,003 46,097 1,473,549 5,338,422 12,001,519 - 18,859,587 19,838,590

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three Months Ended March 31, 2024

1. THE COMPANY AND ITS OPERATIONS

Abbott Laboratories (Pakistan) Limited (the Company) is a public limited Company incorporated in Pakistan on July 02, 1948, and its shares are quoted on Pakistan Stock Exchange. The address of its registered office is Plot No. 258 & 324, opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi. The Company is principally engaged in the manufacture, import and marketing of branded generic pharmaceutical, nutritional, diagnostic, diabetes care, molecular devices, hospital and consumer products.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2023, except for the adoption of new standards, amendments and improvements to International Financial Reporting Standards (IFRSs) as disclosed in note 4.

4. NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

There are no amendments, interpretations or improvements to International Financial Reporting Standards (IFRSs) which became effective during the current period except for:

- IAS 1 - Classification of Liabilities as Current or Non-Current (Amendments)
- IFRS 16 - Lease Liability in a Sale and Leaseback (Amendments)
- IFRS 10 / IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter.

The adoption of the above amendments to accounting standards did not have any material effect on these condensed interim financial statements.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2023.

	Note	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
		---- Rupees in '000 ----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1 & 6.2	11,945,847	10,423,061
Capital work-in-progress	6.1	1,338,589	2,803,504
Right-of-use assets [ROUA]	6.3	127,436	148,621
		<u>13,411,872</u>	<u>13,375,186</u>

- 6.1** Following were the additions, disposals and transfers of operating fixed assets and capital work-in-progress during the period:

	Additions	Disposals	
	Cost	Cost	Accumulated Depreciation
		----- Rupees in '000 -----	
Plant and Machinery	1,825,111	443	395
Vehicles	9,810	23,125	17,116
Service equipment	102,491	-	-
Capital work-in-progress - net additions	(1,464,915)	-	-
	<u>472,497</u>	<u>23,568</u>	<u>17,511</u>

- 6.2** Depreciation charge for the period ended March 31, 2024 amounted to Rs. 408.569 million (March 31, 2023: Rs. 361.091 million).

6.3 Right-of-use assets

	Note	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
		---- Rupees in '000 ----	
Warehouses, sales offices and city office	6.3.1	127,436	148,621
		<u>127,436</u>	<u>148,621</u>

- 6.3.1** Depreciation charge on right-of-use assets for the period ended March 31, 2024 amounted to Rs. 21.185 million (March 31, 2023: Rs. 21.705 million).

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three Months Ended March 31, 2024

7. STOCK-IN-TRADE	March 31, 2024 ---- Rupees in '000 ---- (Un-audited)	December 31, 2023 (Audited)
Raw and packing materials	6,663,852	5,490,651
Work-in-process	813,984	803,969
Finished goods	<u>5,829,262</u>	<u>7,065,124</u>
	<u>13,307,098</u>	<u>13,359,744</u>
Less: provision for slow moving and obsolete items	<u>(614,914)</u>	<u>(532,879)</u>
	<u><u>12,692,184</u></u>	<u><u>12,826,865</u></u>

8. LOANS AND ADVANCES

Represent loans and advances amounted to Rs. 46.462 million and Rs. 674.321 million (December 31, 2023: Rs. 43.423 million and Rs. 306.339 million), respectively, net of allowance.

9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Represent trade deposits and short-term prepayments amounted to Rs. 186.830 million and Rs. 335.579 million (December 31, 2023: Rs. 164.309 million and Rs. 279.063 million), respectively, net of allowance.

Note	March 31, 2024 ---- Rupees in '000 ---- (Un-audited)	December 31, 2023 (Audited)
10. SHORT-TERM INVESTMENTS		
At amortised cost		
Term deposit receipts	10.1 <u>495,000</u>	495,000
Accrued profit thereon	<u>7,264</u>	<u>7,822</u>
	<u><u>502,264</u></u>	<u><u>502,822</u></u>
10.1 Term deposit receipts		
Having less than three months maturity period	<u>495,000</u>	495,000
Having more than three months maturity period	<u>-</u>	<u>-</u>
10.1.1	<u><u>495,000</u></u>	<u><u>495,000</u></u>

10.1.1 Represents term deposit receipts up to maturity of less than six months with a commercial bank under conventional banking relationship carrying profit at the rate of 20.60% (December 31, 2023: 20.60%) per annum.

	Note	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
11. CASH AND BANK BALANCES			
With banks			
Saving accounts:			
- local currency	11.1	1,439,597	3,131,102
Current accounts:			
- local currency		45,370	4,107
- foreign currency		1,429,175	1,400,229
		1,474,545	1,404,336
In hand			
- local currency		2,490	5,214
- foreign currency		4,357	1,060
		6,847	6,274
		<u>2,920,989</u>	<u>4,541,712</u>

11.1 These saving accounts carrying mark-up at the rate of 20.5% (December 31, 2023: 20.50%) per annum.

12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at March 31, 2024, Abbott Asia Investments Limited, UK (the Holding Company) held 76,259,454 (December 31, 2023: 76,259,454) shares. The ultimate Holding Company is Abbott Laboratories, USA.

13. LEASE LIABILITIES

Following is the maturity analysis of lease liabilities recognised by the Company:

	Note	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
Not later than one year		108,984	105,990
Later than one year but not later than five years		54,268	52,228
	13.1	<u>163,252</u>	<u>158,218</u>
13.1 Movement of lease liabilities			
Balance at beginning of the period / year		158,218	247,287
Accretion of interest		5,034	22,175
Payments		-	(111,244)
Balance at end of the period / year		<u>163,252</u>	<u>158,218</u>

14. TRADE AND OTHER PAYABLES

Includes accrued liabilities amounted to Rs. 4,913.910 million (December 31, 2023: Rs. 4,404.080 million), bills payable of Rs. 7,221.389 million (December 31, 2023: Rs. 7,888.745 million).

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three Months Ended March 31, 2024

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 The Company is defending various minor suits filed against it in various courts in Pakistan related to its business operations as at reporting date, which are not material to disclose as contingencies. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in the Company's favour.

15.2 Commitments

15.2.1 Commitments for capital expenditure as at March 31, 2024 aggregated to Rs. 762.673 (December 31, 2023: Rs. 793.963 million).

15.2.2 Commitments in respect of letters of credit as at March 31, 2024 aggregated to Rs. 1,208.116 million (December 31, 2023: Rs. 1,600.866 million).

15.2.3 The Company has given bank guarantees as at March 31, 2024 of Rs. 1,048.718 million (December 31, 2023: 652.159 million) to the Customs Department, a utility company and other institutions against tenders.

15.2.4 The Company has obtained short-term financing facilities from various commercial banks amounting to Rs. 6,600 million (December 31, 2023: Rs. 6,600 million). These facilities can be utilised for letters of credit, guarantees and running finance / short-term loans. However, the running finance / short-term loan utilisation cannot exceed Rs. 2,290 million (December 31, 2023: Rs. 2,290 million). The running finance / short-term loan carries mark-up at rates ranging from KIBOR minus 0.25% to flat KIBOR (December 31, 2023: KIBOR minus 0.25% to flat KIBOR) per annum and are secured against first joint pari passu hypothecation charge over stocks and book debts of the Company, ranking hypothecation charge over stocks and book debts of the Company, promissory notes, and counter guarantees. The Company has not utilised any amount against running finance / short-term loan facilities neither pledged its inventory at the statement of financial position date.

16. OTHER CHARGES

Three months ended March 31, 2024 (Un-audited)	Three months ended March 31, 2023 (Un-audited)
-------------------------------------------------------------------	---------------------------------------------------------

---- Rupees in '000 ----

Exchange losses- net	-	1,425,650
Workers' Profit Participation Fund	99,430	14,198
Workers' Welfare Fund	33,068	21,692
Central Research Fund	18,749	2,506
Provision for expected credit losses on trade debts	12,472	-
Auditors' remuneration	2,436	2,967
Others	11,120	6,924
	<u>177,275</u>	<u>1,473,937</u>

	Three months ended March 31, 2024	Three months ended March 31, 2023
Note	---- Rupees in '000---- (Un-audited)	(Un-audited)
17. OTHER INCOME		
Income from financial assets		
Term deposit receipts	25,420	30,475
Saving accounts	83,059	184,458
	108,479	214,933
Income from non-financial assets		
Liabilities written off	-	546,366
Gain on disposal of property, plant and equipment - net	18,391	12,286
Reversal of expected credit losses on trade debts	-	8,619
Reversal of expected credit losses on other receivables	40	21
Scrap sales	18,431	18,882
Exchange gain - Net	69,837	-
Others	40,363	36,407
	147,062	622,581
	255,541	837,514
18. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,856,105	248,070
Adjustment for non-cash changes and other items:		
Depreciation of operating fixed assets	6.2 408,569	361,091
Depreciation of right-of-use assets	6.3.1 21,185	21,705
Amortisation of intangible assets	3,387	4,066
Gain on disposal of property, plant and equipment	17 (18,391)	(12,286)
Interest income	17 (108,479)	(190,252)
Expense recognized in profit or loss in respect of equity-settled shared-based compensation	82,484	67,623
Staff retirement benefits - net	22,625	38,419
Finance costs	6,661	9,066
Working capital changes	18.1 (1,905,562)	(525,960)
	368,584	21,542

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three Months Ended March 31, 2024

	Three months ended March 31, 2024	Three months ended March 31, 2023
	---- Rupees in '000----	
	(Un-audited)	(Un-audited)
18.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	28,255	(57,839)
Stock-in-trade	134,681	(2,232,803)
Trade debts	(656,417)	(385,770)
Loans and advances	(371,021)	(129,403)
Trade deposits and short-term prepayments	(79,037)	(270,709)
Other receivables	286,018	(313,825)
	<u>(657,521)</u>	<u>(3,390,349)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(1,248,041)	2,864,389
	<u>(1,905,562)</u>	<u>(525,960)</u>
18.2 Cash and cash equivalents		
Cash and bank balances	2,920,989	6,697,315
Term deposit receipts	495,000	495,000
	<u>3,415,989</u>	<u>7,192,315</u>

19. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise the parent company, ultimate parent company, group companies, employee retirement benefit plans, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Transactions with related parties during the period are as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	----- Rupees in '000-----	
	(Un-audited)	(Un-audited)
Group companies		
Sale of goods	317,781	311,856
Purchase of materials	2,950,891	4,569,571
Technical service fee	76,108	60,420
Reimbursement of expenses - net	72,646	76,283
Other income	40,363	36,407
Retirement fund:		
Contribution to Pension fund	56,887	56,982
Contribution to Provident fund	35,993	33,774
Contribution to Gratuity fund	11,328	8,533
Key management personnel:		
Remuneration and other short-term employee benefits	191,024	164,665
Post-employment benefits	13,576	13,093

20. SEGMENT ANALYSIS

20.1 Segment wise operating results for three months ended (Un-audited):

	Jan to Mar 2024					Jan to Mar 2023				
	Pharmaceutical	Nutritional	Diagnostic	Others	Total	Pharmaceutical	Nutritional	Diagnostic	Others	Total
	Rupees in '000									
Sales	11,550,489	4,092,188	1,685,055	444,671	17,772,403	10,081,105	3,961,422	1,069,344	493,939	15,605,810
Less:										
Sales return	12,926	8,516	-	1,032	22,474	7,772	6,538	-	1,424	15,734
Trade discounts	729,290	215,683	-	11,516	956,489	792,596	221,045	-	28,262	1,041,903
Sales tax and excise duty	94,436	640,119	8,912	21,045	764,512	80,570	603,309	7,514	50,892	742,285
Sales - net	10,713,837	3,227,870	1,676,143	411,078	16,028,928	9,200,167	3,130,530	1,061,830	413,391	13,805,918
Cost of sales	(7,764,555)	(2,142,225)	(1,365,437)	(305,908)	(11,578,125)	(6,893,907)	(2,484,817)	(856,552)	(263,332)	(10,598,608)
Gross profit	2,949,282	1,085,645	310,706	105,170	4,450,803	2,306,260	645,713	105,278	150,059	3,207,310
Selling and distribution expenses	(1,543,252)	(653,435)	(109,641)	(91,240)	(2,397,568)	(1,284,282)	(579,599)	(108,201)	(89,730)	(2,061,812)
Administrative expenses	(216,842)	(43,749)	(8,144)	-	(268,735)	(205,186)	(38,334)	(7,419)	-	(251,939)
Segment result	1,189,188	388,461	192,921	13,930	1,784,500	815,792	27,780	(10,342)	60,329	893,559

20.2 Reconciliation of segment results with profit before taxation (Un-audited)

	Jan to Mar 2024	Jan to Mar 2023
	---- Rupees in '000 ----	
Total segment results	1,784,500	893,559
Other income	255,541	837,514
Other charges	(177,275)	(1,473,937)
Finance costs	(6,661)	(9,066)
Profit before taxation	1,856,105	248,070

20.3 Geographical information (Un-audited)

Sales to external customers, net of returns, discounts, sales tax and excise duty

Pakistan	15,238,729	13,049,014
Afghanistan	446,135	445,048
Bangladesh	26,283	-
Switzerland	317,781	311,856
	16,028,928	13,805,918

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three Months Ended March 31, 2024

20.4 Segment Assets and Liabilities

	UN-AUDITED					AUDITED				
	March 31, 2024					December 31, 2023				
	Pharmaceutical	Nutritional	Diagnostics	Others	Total	Pharmaceutical	Nutritional	Diagnostics	Others	Total
	(Rupees '000)									
Segment assets employed	20,834,131	2,882,300	5,595,412	550,194	29,862,037	19,896,555	4,618,904	5,292,456	352,290	30,160,205
Unallocated corporate assets					6,246,845					6,533,240
Total reported assets					36,108,882					36,693,445
Segment liabilities	8,485,355	2,068,820	2,578,971	62,595	13,195,741	9,780,736	2,993,040	2,567,667	92,140	15,403,583
Unallocated corporate liabilities					3,074,551					3,052,516
Total liabilities					16,270,292					18,456,099

21. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 25, 2024 by the Board of Directors of the Company.



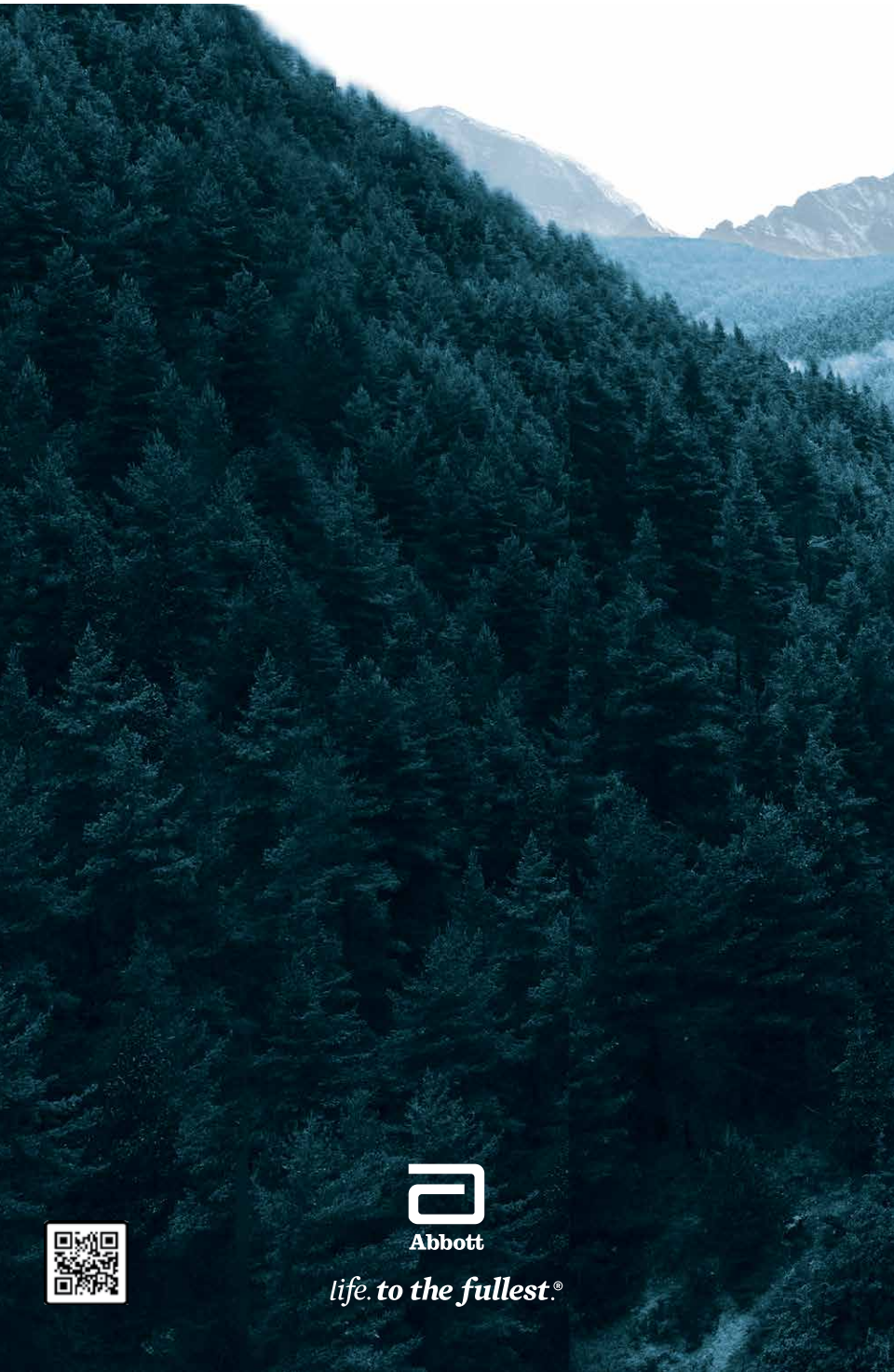
Chief Executive Officer



Director



Chief Financial Officer



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