

LEADING
With EFFICIENCY



BL
HEALTHCARE
A **SEARLE** Subsidiary

Annual Report
2022

table of CONTENTS

02 Vision & Mission

03 IBL Values

04 Company Information

06 Notice of Annual General Meeting

16 Business Divisions

25 Chairman's Review Report

27 Directors' Report

37 Directors' Report (Urdu)

40 Operating and Financial Highlights

42 Pattern of Shareholding

52 Statement of Compliance With Listed Companies (Code of Corporate Governance) Regulations, 2019

58 Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

59 Auditors' Report to the Members

66 Financial Statements

VISION

To become the leading healthcare products and service providers of Pakistan.

MISSION

We are committed to contribute in the betterment of society by providing a versatile range of healthcare and nutritional products. We aim to grow by relentlessly providing better products and services to our customers, better returns to our stakeholders and a better quality of life to the employees.





IBL VALUES

PASSION



- Source of energy in the workplace
- Demonstrate entrepreneurial drive
- Shows grit

PARTNERSHIP



- Collaborates selflessly
- Behaves respectfully
- Seeks to create value for IBL Group, its partners and society

- Takes ownership of current role
- Deliver quality work
- Strives for continuous improvement



EXCELLENCE

- Creates transparency
- Acts fairly and honestly



INTEGRITY

Company **INFORMATION**

BOARD OF DIRECTORS

Ms. Aameena Saiyid	Chairperson
Mr. Munis Abdullah	Director
Mr. S. Nadeem Ahmed	Director
Mr. Mufti Zia ul Islam	Chief Executive Officer
Mr. Zubair Palwala	Director
Mr. Mobeen Alam	Director
Mr. Shuja Malik	Director

AUDIT COMMITTEE

Mr. Shuja Malik	Chairman
Mr. Zubair Palwala	Member
Ms. Aameena Saiyid	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Shuja Malik	Chairman
Mr. S. Nadeem Ahmed	Member
Ms. Aameena Saiyid	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Tariq

COMPANY SECRETARY

Mr. Shariq Zafar

AUDITORS

A.F. Ferguson & Co., Chartered Accountants

INTERNAL AUDITORS

Grant Thornton Anjum Rahman

LEGAL ADVISOR

Mohsin Tayabaly & Co.

BANKERS

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
National Bank of Pakistan
Summit Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited
Al-Baraka Bank (Pakistan) Limited

REGISTERED OFFICE

2nd Floor, One IBL Centre,
Block 7&8, DMCHS
Tipu Sultan Road,
Off: Shahrah-e-Faisal, Karachi

SHARE REGISTRAR

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, SMCHS
Shahrah-e-Faisal, Karachi – 74400





Notice of ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th annual general meeting of the shareholders of IBL HealthCare Limited will be held on Friday, October 28, 2022 at 03:30 p.m. through video link facility, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of last annual general meeting held on October 28, 2021.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2022 together with the directors' and auditors' reports thereon.
3. To consider and approve final cash dividend for the financial year ended June 30, 2022, at the rate of Re.1/- per share of Rs.10/- each, equivalent to 10% as recommended by the board of directors.
4. To appoint auditors for the financial year ending June 30, 2023 and to fix their remuneration. The present auditors, A.F. Ferguson & Co., Chartered Accountants, retired, being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2023.

SPECIAL BUSINESS

5. To approve the issue of bonus shares in the ratio of ten shares for every hundred shares held i.e. 10% as recommended by the board of directors and, if thought appropriate, to pass with or without modification(s) the following resolution as ordinary resolution.

RESOLVED that a sum of Rs.64,905,126/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 6,490,512.60 ordinary shares of Rs.10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on October 21, 2022, in the proportion of ten shares for every hundred ordinary shares held and that such new shares shall rank Pari-Passu with the existing ordinary shares but shall not be eligible for the final cash dividend declared for the year ended June 30, 2022.

FURTHER RESOLVED that in the event of any member becoming entitled to a fraction of a share, if any, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds of the sale when realized to a recognized charitable institution as may be selected by the Directors of the Company.

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to take all necessary actions on behalf of the Company for allotment and distribution of the said bonus shares as he think fit."

6. To approve the remuneration of the Chief Executive Officer of the Company, and, if thought appropriate, to pass with or without modification(s) the following resolution as ordinary resolution:

"RESOLVED THAT the company be and hereby approves and authorizes the payment of remuneration to the Chief Executive Officer for a total sum not exceeding Rs. 20.17 million per annum inclusive of perquisites and retirement benefits, admissible under the Company's Rules.

7. To ratify and approve transactions conducted with related parties for the year ended June 30, 2022 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with related parties as disclosed in the note 30 of the financial statements for the year ended June 30, 2022 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed."

8. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2023 by passing the following special resolution with or without modification:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the period up to the conclusion of next AGM."

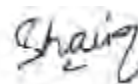
"RESOLVED FURTHER that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

OTHER BUSINESS

9. To transact any other business of the company with the permission of the Chair.

(Attached to this notice is a statement of Material Facts covering the above-mentioned Special Business, as required under section 134(3) of the Companies Act, 2017.

By the order of the board



Shariq Zafar
Company Secretary

October 07, 2022

NOTES:

A. Book closure:

- i. The share transfer books will remain closed from October 22, 2022 to October 28, 2022 (both days inclusive) for entitlement of 10% final cash dividend & 10% bonus shares. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Shahrah-e-Faisal, Karachi-74400 by close of the business on October 21, 2022 will be treated in time for the purpose of attending the annual general meeting and entitlement of cash dividend & bonus shares.

B. Participation in General Meeting through Video Link Facility:

The Company intends to convene the Annual General Meeting (AGM) through video link facility managed from the 3rd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi for the safety and well-being of all its stakeholders. Meeting through video link facility is being held in line with Company's austerity cum safety measures in the wake of the current macroeconomic situation and devastating floods in the country and the outbreak of Dengue fever in Karachi. For the foregoing reasons, the Company plans to convene the AGM electronically which, without compromising the safety and well-being of its stakeholders, shall allow accommodation of a large number of members across the country. Needless to mention that Corona SOPs are largely irrelevant in the given circumstances and their observance cannot alleviate the above concerns of the Company.

Shareholders interested in attending the AGM through video link facility are hereby advised to get themselves registered with the Company by providing the following information through email shariq.zafar@iblhc.com earliest but not later than 48 hours before the time of the AGM i.e. before 3:30 p.m. on October 26, 2022.

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of shares	Cell No.	Email address

Online meeting link and login credentials will be shared with only those members who provide their intent to attend the meeting containing all the required particulars as mentioned above on or before October 26, 2022 by 3:30 p.m.

All members are entitled to attend, speak and vote at the annual general meeting. A member may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 2nd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi-75530 not less than 48 hours before the meeting.

An individual beneficial owner of the shares must bring his/her original CNIC or Passport, Account and Participant's ID numbers to prove his / her identity. In case of corporate entity, the Board of Directors' Resolution and/or Power of Attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

C. Payment of Cash Dividends through electronic mode:

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend

to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, IBL HealthCare Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the requirement of providing their International Bank Account Number (IBAN).

Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 (in case of shareholding in Physical Form).

i.	Shareholder's Details	
	Name of the shareholder (s)	
	Folio # / CDS Account No. (s)	
	CNIC No. (copy attached)	
	Mobile / Landline No.	
ii.	Shareholder's Bank Detail	
	Title of Bank Account	
	International Bank Account No. (IBAN)	
	Bank's Name	
	Branch's Name and Address	

D. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:

- a. Pursuant to the provisions of the Finance Act 2020 effective July 1, 2020, the rate of deduction of income tax from dividend payments are as follows:
 - i. Rate of tax deduction for filers of income tax return – 15%
 - ii. Rate of tax deduction for non-filers of income tax return – 30%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

- b. Withholding tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.
- c. According to clarification received from FBR, withholding tax will be determined separately on "Filer/Non-filer" status of principle shareholder as well as joint-holder(s) based on their shareholding proportions.

In this regard, all shareholders who hold company's shares jointly are requested to provide shareholding proportions or principle shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

- d. The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

E. Request for Video conference facility:

In term of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

I/We, _____ of _____ being a member of the IBL HealthCare Limited, holder of _____ordinary shares as per registered folio # _____ hereby opt for video conference facility at

Signature of Member (s)

The company will intimate members regarding venue of video conference facility at least five days before the date of annual general meeting along with the complete information necessary to enable them to access the facility.

F. Electronic transmission of financial statements & notice of annual general meeting

Members who desire to receive financial statements & notice of annual general meeting through email are requested to send their consent on Standard Request Form available on company's website www.iblhc.com in order to avail the facility. The financial statements & notice of annual general meeting are also available on company's website.

G. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations 2018, for the purpose of approval of any agenda item, members will be allowed to exercise their vote through postal ballot i-e, by post or e-voting, in the manner and subject to conditions contained in aforementioned regulations.

H. Deposit of Physical Shares in CDC Account

As per section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert the shares into book entry.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

1. Item Number 6 of the notice – Approval of the remuneration of Chief Executive Officer

The approval is being sought for fixing the remuneration of Chief Executive Officer of the company in accordance with their terms and condition of service.

None of the Directors of the company have any, direct or indirect, interest in the aforementioned special business, except that mentioned therein.

2. Item Number 7 of the notice – Ratification and approval of the related party transactions

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies. These transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 30 to the financial statements for the year ended June 30, 2022. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000
International Brands (Private) Limited	Corporate service charges	21,000
	Dividend paid	173
	SAP maintenance fee	1,798
The Searle Company Limited	Dividend paid	39,009
	Purchase of goods	327,258
	Claims	565
	Reimbursement of expenses	34,062
	Utilities	2,501
	Rent expense	3,529
	Bank guarantee margin	350
	Sale of goods	1,497
IBL Operations (Private) Limited	Sale of goods	1,795,327
	Shared costs	2,640
	Sale of assets	6,515
United Brands Limited	Sales of goods	63,602
	Purchase of goods	16
United Retail (Private) Limited	Rental income	436
	Other income	1,405
IBL Logistics (Private) Limited	Cartage and freight charges	21,034
Employees' provident fund	Contribution paid	8,525
Key management personnel	Salaries and other benefits	79,584
	Directors' fee and conveyance	2,005
	Sale of goods	26

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

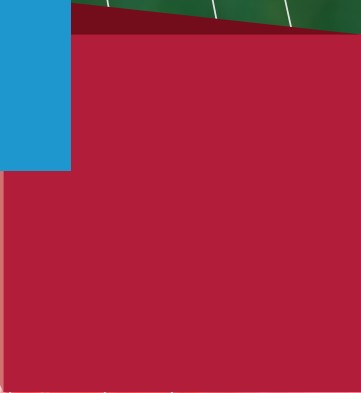
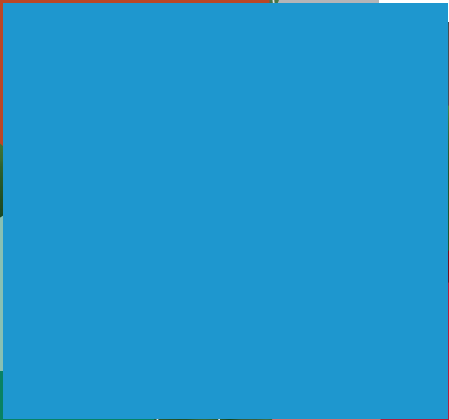
Transactions entered into with the related parties include, but are not limited to, sale of goods, rental income, shared cost, dividends paid, (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel.

The nature of relationship with these related parties has also been indicated in the note 30 to the financial statements for the year ended June 30, 2022. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

3. Item number 8 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2023

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the holding / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the period up to the conclusion of next AGM, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their common directorships in such related parties.



NUTRITION PAEDS





NUTRITION



HEALTH AND WELLNESS



OPHTHALMIC



MEDICAL DISPOSABLES



PHARMACEUTICAL

Infant
Formula

Baby
Cereals

Medical
Nutrition

Lifestyle
Nutrition

Consumer Health

Hygiene and Safety

Vision Care

Pharma

Renal
Care

Critical Care
& Anesthesia

Medical
Gloves

Blood
Transfusion

IV
Administration

Gastroenterology

General
Medicine

Uro-
Gynecology

Urology



NUTRITION





PHARMACEUTICAL



OPHTHALMIC





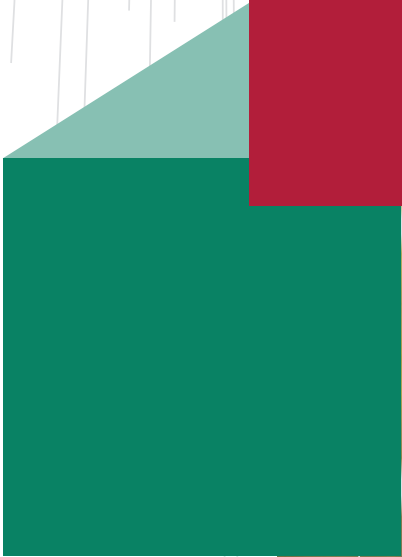
HEALTH AND WELLNESS





M E D I C A L D I S P O S A B L E S





NUTRITION ADULT



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Chairman's REVIEW REPORT

The board of IBL HealthCare is committed in operating with highest standards of Corporate Governance and best practices as set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of IBL HealthCare Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the Purpose of Board evaluation, criteria have been developed. The overall performance of the Board measured on the basis of approved criteria was satisfactory. The overall assessment is based on an evaluation of the following components, which have a direct bearing on the Board's role in achievement of Company's objectives:

Vision, mission and values: The Board members are familiar with the vision, mission and values presently set for the company and support them. The Board revisits the same from time to time keeping in view the business need.

Strategic planning: The Board has a clear understanding of the stakeholders to whom the Company serves. The Board sets the organization's long-term goals and also the annual goals and targets for the management in all major areas of performance.

Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, plans, budgets and financial statements. The Board adequately discharge its responsibilities.

Monitoring: The Board continuously monitor the business of the company such as objectives, goals and financial performance through regular presentations by the management, oversight by the auditors and other financial indicators. The board provide appropriate directions on a timely basis.

Diversity: The Board constitute a mix of independent and non-executive directors. The non-executive directors and independent director are fully involved in all key matters and board decisions.

Governance: The Board has effective transparent and robust system of governance which reflect control environment, compliance with best practices of Corporate Governance and by promoting ethical and fair behavior across the Company.



Chairman

Date: September 29, 2022

Your HealthCare Shop



 **DELIVERY**
ALL ACROSS **PAKISTAN**

 **HealthCare**
Shop

IBL
HEALTHCARE

**SHOP ONLINE AND GET
EXCLUSIVE DISCOUNTS AND GIFTS**



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[healthcareshop.pk](#)



[hcsshop.com.pk](#)

Directors' REPORT

The Board of Directors of IBL HealthCare Limited (IBLHL) are pleased to present the audited financial statements for the year ended June 30, 2022.

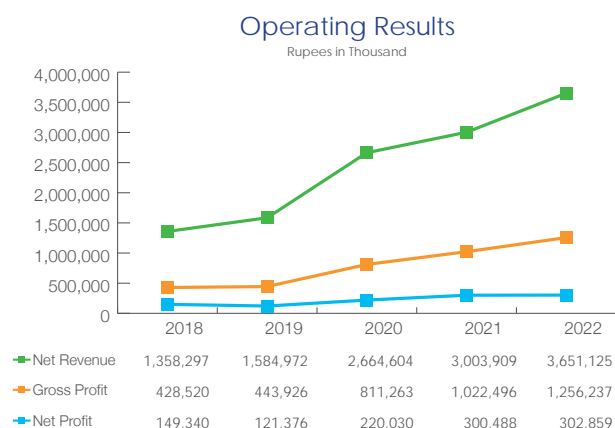
The Directors' report is prepared under section 227 of the Companies Act, 2017 and chapter XII clause 34 (Reporting & Disclosure) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

SUMMARY OF FINANCIAL PERFORMANCE

	2022	2021
	(Rupees in Thousand)	
Revenue	3,651,125	3,003,909
Gross profit	1,256,237	1,022,496
Gross profit as % of revenue	34.41%	34.04%
Profit before taxation	483,270	409,147
Profit after taxation	302,859	300,488

PRINCIPAL ACTIVITIES

The principal activities of the Company include marketing, selling and distribution of healthcare and pharmaceutical products.



OVERVIEW OF FINANCIAL PERFORMANCE

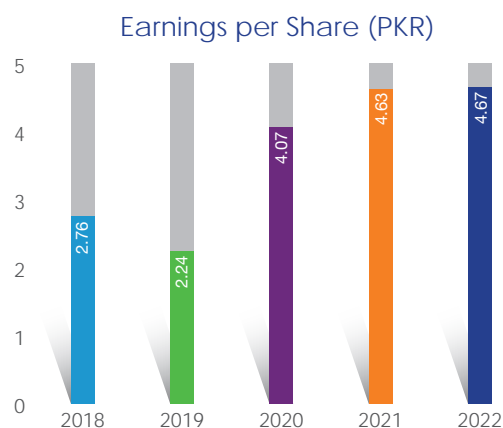
The revenue for the financial year ended June 30, 2022 was Rs.3.6 billion as against Rs.3.0 billion last year thereby registering a growth of 22%. This growth was mainly driven by disposable business & nutrition portfolio. The company managed to maintain gross profit as a percentage of sales at 34.41% as compared to 34.04% last year, despite of drastic devaluation of currency. However, the overall socio-economic condition of the country, devaluation of currency and imposition of super tax with retrospective effect on financial year 2021-22 curtailed the profitability of the company by 70 million, restricted the profit after tax to Rs. 302.8 million.

HOLDING COMPANY

The Searle Company Limited (TSCL) is Holding Company of IBL HealthCare Limited. As at June 30, 2022, TSCL held 46,810,634 shares of Rs.10 each.

BASIC EARNINGS PER SHARE

Basic earnings per share were Rs. 4.67 (2021: Rs. 4.63)



DIVIDEND

The board of directors has recommended 10% (Re.1) cash dividend & 10% bonus shares i-e, 10 shares for every 100 shares held, for the year ended June 30, 2022 (2021: 10% cash dividend & 20% bonus shares).

EVALUATION OF COMPANY'S PERFORMANCE

Various indicators are used by the management to evaluate the performance of the Company which includes comparison with peer companies in relevant divisions, prior year performance and macro-economic indicators. Further, budgets are formulated and actual performance is monitored against the budget on a monthly basis to ensure that any remedial actions required are taken on a timely basis.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors have established effective internal financial controls across all functions of the Company. The Internal Audit function of the Company has been outsourced to a professional firm which regularly monitors the implementation of financial controls and reports to the Audit Committee for their review.

PRINCIPAL RISKS AND THEIR MANAGEMENT

The Company's risk management system aims to ensure that any potential risks which may have an adverse impact on the Company are identified on timely basis to minimize its potential impact. The exercise carried out by the Company's senior management under overall guidelines for the Group. This activity encompasses identifying Strategic, Operational, Financial and Compliance risks being faced by the Company.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

IBL HealthCare has a firm commitment to ethical and responsible behavior with all its employees, customers, suppliers and shareholders which has been reinforced through a number of policies in place at IBL HealthCare. There is a code of conduct in place which has been communicated to all employees.

COMPOSITION OF THE BOARD

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company encourages representation of independent and non-executive directors along with gender diversity on its board. Our current board composition is as follows:

Total number of directors

a) Male	06
b) Female	01

Composition

I Independent Director	01
II Non-Executive Director	04
III Executive Director	01
IV Female Director	01

MEETINGS OF THE BOARD OF DIRECTORS

A summary of meetings held and attended by directors during the year ended June 30, 2022 is as follows:

Name of Director	Meetings attended
Ms. Ameena Saiyid	4
Mr. Munis Abdullah	4
Mr. S. Nadeem Ahmed	4
Mr. Mufti Zia ul Islam	4
Mr. Zubair Palwala	4
Mr. Mobeen Alam	4
Mr. Shuja Malik	3

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

MEMBERS

Mr. Shuja Malik – Chairman
Ms. Ameena Saiyid
Mr. Zubair Palwala

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MEMBERS

Mr. Shuja Malik – Chairman
Mr. Syed Nadeem Ahmed
Ms. Ameena Saiyid

DIRECTORS' TRAINING PROGRAM

As recommended by the Listed Companies (Code of Corporate Governance) Regulations, 2019, all the directors have obtained training from SECP approved institutions for directors' training program. All directors on board are fully conversant with the duties as directors of a board of a corporate body.

PERFORMANCE EVALUATION OF THE BOARD

The overall performance of the Board measured on the basis of the prescribed parameters for the year was satisfactory. A separate report by the Chairman on Board's overall performance, as required under section 192 (4) of the Companies Act, 2017 is attached with this Annual Report.

DIRECTORS' REMUNERATION

The Board of Directors of IBL HealthCare has approved a 'Remuneration Policy' for Directors which includes the following:

- The Company will not pay any remuneration to its non-executive directors except fee for attending the Board and its Committee meetings.
- The directors shall be provided or reimbursed for all travelling and other expenses incurred by them for attending meetings of the Board, its Committees and/or General Meetings of the Company.

	Chief Executive Officer	Independent & Non Executive Director
	Rupees in '000	
Managerial remuneration	9332	-
Bonus and incentives	4889	-
Leave fare assistance		
and leave encashment	831	-
Company's contribution to the		-
Provident fund	787	-
Housing and utilities	4329	-
Fees	125	630
	<u>20293</u>	<u>630</u>
Number of persons	1	6

CORPORATE AND SOCIAL RESPONSIBILITY

IBL HealthCare being a socially responsible organization firmly believes in providing support to CSR initiatives. It's a ongoing process and a number of CSR activities initiated in the field of health care. During the year, company donated medical disposable & nutrition products to Pakistan Pharmaceutical Manufacturers Association.

AUDITORS

The present auditors, A.F. Ferguson & Co, Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee after due consideration, recommended to the board for appointment of A.F. Ferguson & Co as auditors of the Company for the year ending June 30, 2023. The Board of Directors endorsed the recommendation of the Audit Committee for appointment of A.F. Ferguson & Co for the financial year ending June 30, 2023.

SUBSEQUENT EVENTS

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The directors of the Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2019 Your Company has taken all necessary steps to ensure good Corporate Governance and compliance of the Code. The directors are pleased to confirm that:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation

of financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance.
- Key operating and financial data for the last six years is summarized on page 40.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the financial statements.
- Significant deviations, from last year in the operating results of the Company have been highlighted and explained.

FUTURE OUTLOOK

We believe that there is a huge potential in the health care industry of Pakistan. The health care industry can contribute significantly to the country ex-checker, generating employment, and improving the quality of lives of people living in the country. The board of directors of your Company is optimistic for enhancing the growth and profitability by tapping new opportunities i.e. diversification of our product portfolio, launching of more local and imported brands and extending the product line of our own pharma and consumer brands along with existing partners. The management of your company is optimistic to enhance value and contribution in the company's growth and market share.

We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers. In accomplishing this, we would like to appreciate the enormous cooperation and support of our partners and efforts of our sales force, without which we will not be able to achieve these results.

We also take this opportunity to thank our employees for their continuing contribution in the achievement of Company's results.

SHAREHOLDING INFORMATION

The Company's shares are traded in Pakistan Stock Exchange. The pattern of shareholding as at June 30, 2022 and other related information is set out on page 42 to 48.

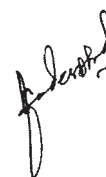
None of the Company's directors, executives and their spouses and minor children took part in the trading of shares of the Company during the period.

CHAIRMAN'S REVIEW

As per the requirement of section 192(4) Companies Act 2017, Chairman's review of the Board's performance and effectiveness in achieving the Company's objectives has been outlined in "Chairman Review Report".



Syed Nadeem Ahmed
Director



Mufti Zia ul Islam
Chief Executive Officer

Karachi
September 29, 2022

• کمپنی کے آپریٹنگ نتائج میں گزشتہ سال سے نمایاں رُگردانی کو واضح کرنے کے ساتھ ان کی وضاحت بھی پیش کر دی گئی ہے۔

مستقبل پر ایک نظر

ہم اس امر پر یقین رکھتے ہیں کہ پاکستان کی ہیلتھ کیئر انڈسٹری میں ایک وسیع تر صلاحیت اور قوت ہے۔ ہیلتھ کیئر انڈسٹری ایکسچینج، روزگار کے مواقع اور ملک میں مقیم عوام کا معیار زندگی بہتر بنانے کے سلسلے میں اپنا کردار بخوبی ادا کر سکتی ہے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نئے مواقعوں مثلاً اپنے پروڈکٹ کے پورٹ فولیو میں توسیع، مزید مقامی اور درآمد شدہ برانڈز کے تعارف اور ہماری ذاتی فارما اور کنزیومر برانڈز پروڈکٹ لائن میں توسیع بشمول موجودہ شراکت کاروں کے پھیلاؤ کے ذریعے ترقی اور منافع کی شرح بڑھانے کے لئے پُر عزم ہے۔ آپ کی کمپنی کی انتظامیہ کمپنی کی قدر و قیمت اور مارکیٹ شیئرز میں شراکت اور ویلیو میں اضافے کے لئے بھی سرگرم عمل ہے۔

ہم پُر اعتماد ہیں کہ ہم شیئر ہولڈرز کیلئے منافع جات میں اضافے کے ساتھ اپنے صارفین کو بہترین مصنوعات اور خدمات کی فراہمی میں بھی کامیاب رہیں گے۔ اس کامیابی کی تکمیل کے لئے ہم اپنے شراکت کاروں کے تعاون اور سپورٹ کے بھی شکر گزار ہیں جس کے بغیر ہم ان نتائج کے حصول میں کامیاب نہیں ہو سکتے تھے۔

ہم اس موقع پر اپنے ملازمین کے بھی مشکور ہیں کیونکہ انہوں نے کمپنی کے بہتر نتائج کے حصول میں اپنا بھرپور کردار ادا کیا۔


شیئر ہولڈنگ کی معلومات

کمپنی کے شیئرز کی پاکستان اسٹاک ایکسچینج میں تجارت ہوتی ہے۔ ۳۰ جون ۲۰۲۲ء کے مطابق شیئر ہولڈنگ کا طریقہ کار اور دیگر متعلقہ معلومات صفحہ نمبر 42 سے 48 پر درج ہیں۔

کمپنی کے کوئی ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے اس مدت کے دوران کمپنی کے شیئرز کی کوئی خرید و فروخت نہیں کی۔

چیئر مین کا جائزہ

کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۱۹۲ (۴) کی شرائط کے مطابق بورڈ کی کارکردگی اور کمپنی کے اغراض و مقاصد کے موثر ہونے کے بارے میں چیئر مین کا جائزہ ”چیئر مین کی جائزہ رپورٹ“ میں پیش کیا گیا ہے۔


مفتی ضیاء الاسلام
چیف ایگزیکٹو آفیسر


سید ندیم احمد
ڈائریکٹر

کراچی
۲۹ ستمبر ۲۰۲۲ء

کارپوریٹ اور سماجی ذمہ داری

آئی بی ایل ہیلتھ کیئر سماجی طور پر ایک ذمہ دار ادارہ ہے جو سی ایس آرا قدامت کی بھرپور معاونت کی فراہمی پر کامل یقین رکھتا ہے۔ یہ ایک جاری رہنے والا عمل ہے اور اس سلسلے میں ہیلتھ کیئر کے شعبے میں کئی سی ایس آر سرگرمیوں کا آغاز کیا گیا ہے۔ سال کے دوران کمپنی نے پاکستان فارماسیوٹیکل مینوفیکچررز ایسوسی ایشن کو میڈیکل ڈسپوز ایبل اور نیوٹریشن پروڈکٹس عطیات میں دیں۔

آڈیٹرز

موجودہ آڈیٹرز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس سبکدوش ہو رہے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ آڈٹ کمیٹی نے غور و خوض کے بعد بورڈ کو سفارش کی ہے کہ اے۔ ایف۔ فرگوسن اینڈ کمپنی کو ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی حیثیت سے تقرری دے دی جائے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات پر ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے مالیاتی سال کیلئے اے۔ ایف۔ فرگوسن اینڈ کمپنی کی تقرری کی توثیق کر دی ہے۔

بعد ازاں ہونے والے واقعات

اس رپورٹ کی تاریخ اور کمپنی کے مالیاتی سال کے اختتام کے درمیان کمپنی کی مالیاتی حیثیت پر اثر انداز ہونے والی کوئی تبدیلی یا معاہدے عمل میں نہیں آئے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کے ڈائریکٹر لسطہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ آپ کی کمپنی بہتر کارپوریٹ گورننس اور ضابطے پر عملدرآمد کو یقینی بنانے کیلئے تمام تر ضروری اقدامات بروئے کار لاتی ہے۔ ڈائریکٹرز بمسرت اس امر کی توثیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی حسابات اس کے تمام کاروباری امور، اس کے آپریشن کے نتائج، بہاؤ اور اس کی ایکویٹی میں تبدیلی کو شفاف انداز میں پیش کرتے ہیں۔
- کمپنی کے حسابات کی باقاعدہ کتب تیار کی جاتی ہیں۔
- موزوں ترین اکاؤنٹنگ پالیسیاں مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پر لاگو کی جاتی ہیں اور یہ مناسب اور محتاط فیصلوں پر منحصر ہوتی ہیں۔
- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں مروجہ ہیں، مالیاتی حسابات کی تیاری میں لاگو کیے جاتے ہیں اور ان سے کسی بھی روگردانی کو مناسب انداز میں بیان اور واضح کر دیا جاتا ہے۔
- اندرونی کنٹرول کا نظام مستحکم طور پر تیار کیا گیا ہے اور موثر طور پر نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- اس امر میں کوئی شبہ نہیں کہ کمپنی میں ترقی کرنے کی بہترین صلاحیت موجود ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی انحراف نہیں کیا گیا۔
- گزشتہ ۶ سالوں کیلئے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کی تفصیل صفحہ نمبر 40 پر درج ہے۔
- واجب الادا ٹیکسز، قانونی اخراجات اور ڈیوٹیز، اگر کوئی ہیں، تو ان کا واضح طور پر تذکرہ مالیاتی حسابات میں کر دیا گیا ہے۔

ڈائریکٹرز کا تربیتی پروگرام

جیسا کہ سسٹم کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے ذریعے سفارش کی گئی ہے، کمپنی کے تمام ڈائریکٹرز ایس ای سی پی کے منظور شدہ اداروں برائے ڈائریکٹرز ٹریننگ پروگرام سے تربیت حاصل کر چکے ہیں۔ بورڈ پر موجود تمام ڈائریکٹرز کسی بھی کارپوریٹ ادارے کے بورڈ کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور سرگرمیوں سے بخوبی آگاہ ہیں

بورڈ کی کارکردگی کا جائزہ

سال کیلئے تجویز کردہ پیمانوں کی بنیاد پر بورڈ کی مجموعی کارکردگی کا جائزہ اطمینان بخش تھا۔ چیئرمین کی جانب سے بورڈ کی مجموعی کارکردگی کے بارے میں ایک الگ رپورٹ، جیسا کہ کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۱۹۲ (۴) کے تحت ضروری ہے، اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز کا مشاہرہ

- آئی بی ایل ہیلتھ کیئر کے بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کیلئے ایک ”مشاہرے کی پالیسی“ منظور کی ہے جس میں درج ذیل نکات شامل ہیں:
- کمپنی اپنے نان۔ ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے ادا کی جانے والی فیس کے علاوہ کسی دیگر مشاہرے کی ادائیگی نہیں کرے گی۔
- ڈائریکٹرز کو بورڈ، اس کی کمیٹیوں کے اجلاسوں اور/یا کمپنی کے اجلاس عام میں شرکت کے لئے خرچ ہونے والے تمام سفری اور دیگر اخراجات فراہم کیے جائیں گے یا ان کی زرتلافی کردی جائے گی۔

	Chief Executive Officer	Independent & Non Executive Director
Managerial remuneration	9332	-
Bonus and incentives	4889	-
Leave fare assistance and leave encashment	831	-
Company's contribution to the Provident fund	787	-
Housing and utilities	4329	-
Fees	125	630
	20293	630
Number of persons	1	6

مجموعی ڈائریکٹرز کی تعداد		
06	مرد	اے
01	خاتون	بی

ترتیب		
01	انڈیپنڈنٹ ڈائریکٹر	۱
04	نان۔ ایگزیکٹو ڈائریکٹر	۲
01	ایگزیکٹو ڈائریکٹر	۳
01	خاتون ڈائریکٹر	۴

بورڈ آف ڈائریکٹرز کے اجلاس

۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کے دوران ڈائریکٹرز کی جانب سے منعقد کئے جانے اور شرکت کے حامل اجلاسوں کی ایک مختصر وضاحت درج ذیل کے مطابق ہے:

ڈائریکٹرز کے نام اجلاس میں حاضری

4	مسماۃ امینہ سید
4	جناب منس عبداللہ
4	جناب ایس۔ ندیم احمد
4	جناب مفتی ضیاء الاسلام
4	جناب زیر پال والا
4	جناب مبین عالم
3	جناب شجاع ملک

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

ممبران

جناب شجاع ملک - چیئرمین
مسماۃ امینہ سید
جناب زیر پال والا

کمپنی کی کارکردگی کی جانچ

انتظامیہ کی جانب سے کمپنی کی کارکردگی کی جانچ کے ضمن میں مختلف اجزاء استعمال کئے گئے جن میں کمپنی کے متعلقہ ڈویژنز میں ہم عصر کمپنیوں کے ساتھ تقابل، گزشتہ سال کی کارکردگی اور میکرو اکنامک اشاریے شامل ہیں۔ مزید برآں بجٹ تشکیل دیئے گئے اور ماہانہ بنیاد پر بجٹ کے تحت حقیقی کارکردگی کی جانچ کی گئی تاکہ بروقت بنیاد پر درکار فوری اقدامات کو یقینی بنایا جاسکے۔

اندرونی مالیاتی کنٹرول کی مناسب حد

بورڈ آف ڈائریکٹرز نے کمپنی کے تمام امور کے سلسلے میں موثر اندرونی مالیاتی کنٹرول تشکیل دیئے ہیں۔ کمپنی کے انٹرل آڈٹ کے امور ایک پروفیشنل فرم کے تحت آؤٹ سورس کئے گئے ہیں جو باقاعدگی کے ساتھ مالیاتی کنٹرولز کے نفاذ کی نگرانی کرتی ہے اور اپنے جائزے کیلئے آڈٹ کمیٹی کو رپورٹ پیش کرتی ہے۔

بنیادی خطرات اور ان کا بندوبست

کمپنی خطرات سے نمٹنے کے نظام کا مقصد اس امر کو یقینی بنانا ہے کہ کوئی بھی بڑے خطرات جو کمپنی پر مضر اثرات مرتب کر سکتے ہوں، ان کی شناخت کی جائے اور ان کے مہلک اثرات کو کم کرنے کیلئے فوری بنیاد پر اقدام کئے جائیں۔ کمپنی کی سینئر انتظامیہ کی جانب سے یہ کارروائی گروپ انٹرل آڈٹ ڈپارٹمنٹ کی رہنمائی کے تحت انجام دی جاتی ہے۔ یہ سرگرمی کمپنی کو درپیش اسٹریٹجک، آپریشنل، مالیاتی اور کمپلائنس کے خطرات کی شناخت کا احاطہ کرتی ہے۔

اخلاقی اقدار اور کاروباری طریقہ کار کا بیان

آئی بی ایل ہیلتھ کیئر اپنے تمام ملازمین، صارفین، سپلائرز اور شیئر ہولڈرز کے ساتھ بااخلاق اور ذمہ دارانہ رویے کے بھرپور عزم کی حامل ہے جن کو آئی بی ایل ہیلتھ کیئر میں متعلقہ پالیسیوں کے ذریعے لاگو کیا گیا ہے۔ اس سلسلے میں ایک ضابطہ اخلاق مرتب کیا گیا ہے جس سے تمام ملازمین کو آگاہ کر دیا گیا ہے۔

بورڈ کی تشکیل

جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے تحت لازم ہے، کمپنی اپنے بورڈ پر انڈیپنڈنٹ اور نان-ایگزیکٹو ڈائریکٹرز بشمول مختلف اصناف کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ ہمارے موجودہ بورڈ کی تشکیل درج ذیل کے مطابق ہے:

مالیاتی کارکردگی کا جائزہ

۳۰ جون ۲۰۲۲ء کو ختم ہونے والے مالی سال کیلئے آمدنی ۳۶۶ بلین روپے رہی جبکہ اس کے برخلاف گزشتہ سال ۳۰۰ بلین روپے کی آمدنی حاصل کی گئی تھی اور اس کے ذریعے ۲۲ فیصد کی گروتھ رجسٹر کی گئی۔ اس شرح نمو کو بنیادی طور پر ڈسپوز ایبل بزنس اور نیوٹریشن پورٹ فولیو سے منسوب کیا گیا ہے۔ کمپنی نے مجموعی منافع کو ۳۴۶۴۱ فیصد پر سیلز کی فیصد کے طور پر برقرار رکھا جو اس کے مقابلے میں گزشتہ سال روپے کی قدر میں نمایاں کمی کے باوجود ۳۴۶۰۴ فیصد رہا تھا۔ تاہم ملک کی مجموعی سماجی و اقتصادی صورتحال، روپے کی قدر میں کمی اور مالی سال ۲۰۲۲ء-۲۰۲۱ء پر نافذ العمل سپر ٹیکس لاگو کرنے سے کمپنی کے منافع جات پر ۷ بلین روپے کی کمی آگئی اور منافع بعد از ٹیکس ۳۰۲۸ بلین روپے تک محدود رہا۔

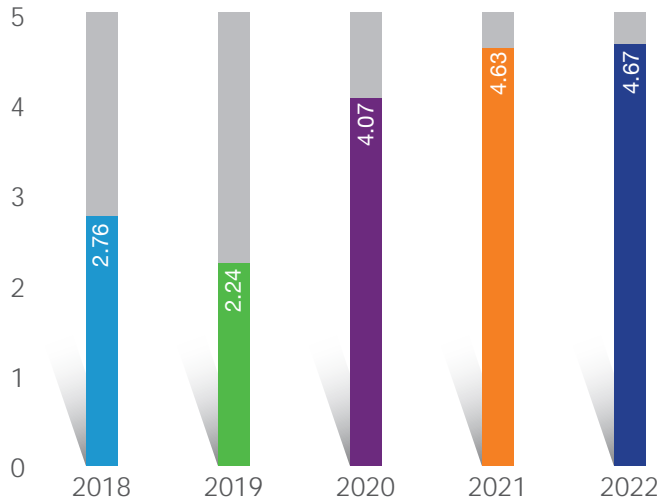
ہولڈنگ کمپنی

دی سرل کمپنی لمیٹڈ (ٹی ایس سی ایل)، آئی بی ایل ہیلتھ کیئر لمیٹڈ کی ہولڈنگ کمپنی ہے۔ ۳۰ جون ۲۰۲۲ء کے مطابق دی سرل کمپنی لمیٹڈ ہر ایک ۱۰ روپے مالیت کے ۶۳۴،۸۱۰،۳۶۶ شیئرز برقرار رہی۔

بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر ۶۷ روپے رہی (۲۰۲۱ء: ۶۳ روپے)۔

Earnings per Share (PKR)



منافع منقسمہ

بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کیلئے ۱۰ فیصد (۱۰ روپے) نقد منافع منقسمہ اور ۱۰ فیصد بونس شیئرز یعنی ہر ۱۰۰ شیئرز پر ۱۰۰ شیئرز کی سفارش کی ہے۔ (۲۰۲۱ء: ۱۰ فیصد نقد منافع منقسمہ اور ۲۰ فیصد بونس شیئرز)

ڈائریکٹرز کی رپورٹ

آئی بی ایل ہیلتھ کیئر لمیٹڈ (آئی بی ایل ایچ ایل) کے بورڈ آف ڈائریکٹرز ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے مالی سال کے لئے بمسرت آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۲۷، باب XII شق ۳۴ (رپورٹنگ اینڈ ڈسکلوزر) برائے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ء کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی کا خلاصہ

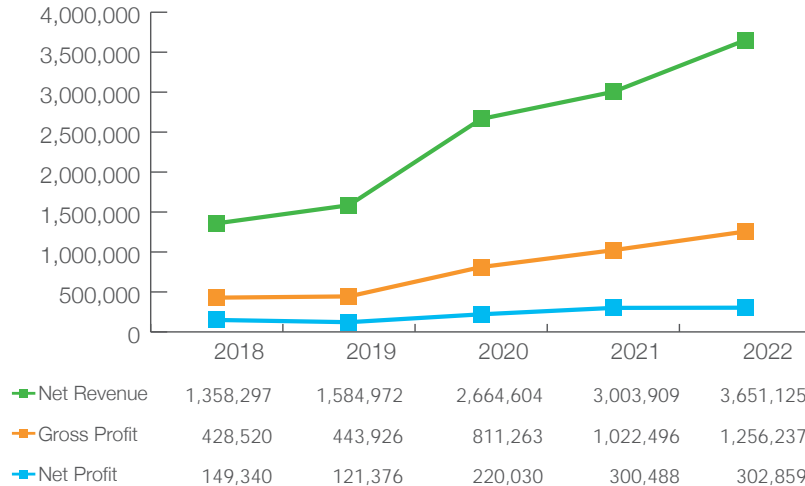
2021	2022	
(روپے، ہزاروں میں)		
3,003,909	3,651,125	آمدنی
1,022,496	1,256,237	مجموعی منافع جات
34.04%	34.41%	مجموعی منافع جات کی شرح بہ نسبت آمدنی
409,147	483,270	منافع قبل از ٹیکس
300,488	302,859	منافع بعد از ٹیکس

بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمیوں میں ہیلتھ کیئر اور فارماسیوٹیکل پروڈکٹس کی مارکیٹنگ، تقسیم اور فروخت شامل ہیں۔

Operating Results

Rupees in Thousand





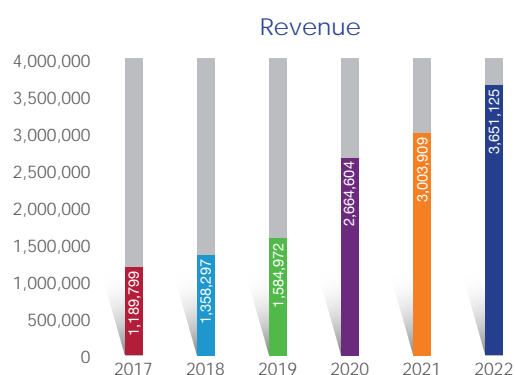
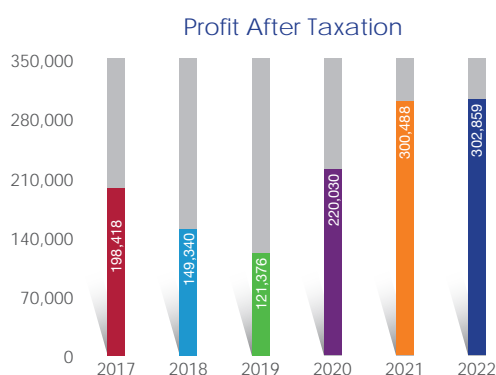
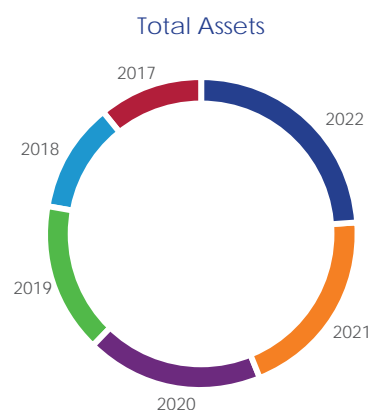
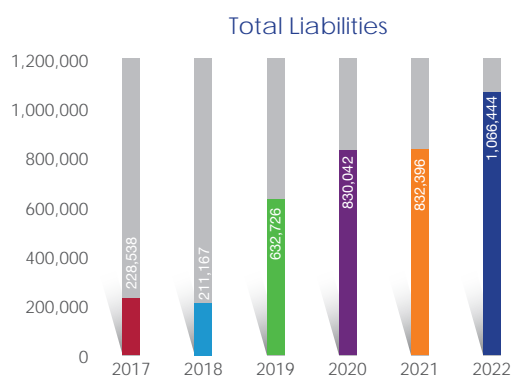
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Operating and FINANCIAL HIGHLIGHTS

	Unit	2022	2021	2020	2019	2018	2017
FINANCIAL POSITION							
Balance Sheet							
Property and equipment	Rs. in '000	3,819	11,316	9,628	8,052	6,198	115,603
Investment property	Rs. in '000	576,360	572,860	368,235	266,526	341,253	123,588
Other non-current assets	Rs. in '000	15,911	21,805	11,641	13,520	31,805	56,428
Asset classified as held for sale	Rs. in '000	-	-	-	75,500	-	-
Current assets	Rs. in '000	2,333,420	1,840,710	1,862,520	1,525,168	1,020,662	1,021,501
Total assets	Rs. in '000	2,929,510	2,446,691	2,252,024	1,888,766	1,399,918	1,317,120
Share capital	Rs. in '000	649,051	540,877	540,877	540,877	540,877	491,706
Unappropriated profit plus share premium	Rs. in '000	1,214,015	1,073,418	881,105	715,163	647,874	596,876
Total equity	Rs. in '000	1,863,066	1,614,295	1,421,982	1,256,040	1,188,751	1,088,582
Non-current liabilities	Rs. in '000	7,080	20,016	-	-	-	-
Current liabilities	Rs. in '000	1,059,364	812,380	830,042	632,726	211,167	228,538
Total liabilities	Rs. in '000	1,066,444	832,396	830,042	632,726	211,167	228,538
Total equity and liabilities	Rs. in '000	2,929,510	2,446,691	2,252,024	1,888,766	1,399,918	1,317,120
Total net assets	Rs. in '000	1,863,066	1,614,295	1,421,982	1,256,040	1,188,751	1,088,582
OPERATING AND FINANCIAL TREND							
Profit and loss							
Revenue	Rs. in '000	3,651,125	3,003,909	2,664,604	1,584,972	1,358,297	1,189,799
Cost of sales	Rs. in '000	2,394,888	1,981,413	1,853,341	1,141,046	929,777	791,899
Gross profit	Rs. in '000	1,256,237	1,022,496	811,263	443,926	428,520	397,900
Operating profit	Rs. in '000	510,586	439,086	352,804	211,943	231,500	253,970
Finance cost	Rs. in '000	27,316	29,939	30,995	5,056	1,389	1,403
Profit before taxation	Rs. in '000	483,270	409,147	321,809	199,008	212,305	252,567
Profit after taxation	Rs. in '000	302,859	300,488	220,030	121,376	149,340	198,418
Cash flows							
Operating activities	Rs. in '000	56,851	69,974	40,438	(176,179)	63,181	144,506
Investing activities	Rs. in '000	1,811	39,219	(10,272)	55,788	(4,293)	(105,019)
Financing activities	Rs. in '000	(75,315)	(77,023)	(52,093)	(51,930)	(47,270)	(41,570)
Rate of return							
Pre tax return on equity	%	25.94	25.35	22.63	15.84	17.86	23.20
Post tax return on equity	%	16.26	18.61	15.47	9.66	12.56	18.23

	Unit	2022	2021	2020	2019	2018	2017
Profitability							
Gross profit margin	%	34.41	30.45	30.45	28.01	31.55	33.44
Pre tax profit to sales	%	13.24	13.62	12.08	12.56	15.63	21.23
Post tax profit to sales	%	8.29	10.00	8.26	7.66	10.99	16.68
Liquidity							
Current ratio		2.20	2.27	2.24	2.41	4.83	4.47
Quick ratio		1.15	1.17	1.02	0.88	2.30	2.18
Financial gathering							
Debt equity ratio		0.57	0.52	0.58	0.50	0.18	0.21
Capital efficiency							
Debtors turnover	days	109	99	93	105	98	98
Inventory turnover	days	128	126	114	117	87	103
Total assets turnover	times	1.36	1.28	1.29	0.96	1.00	1.11
Investment							
Earnings per share	Rs.	4.67	4.63	4.07	2.24	2.76	3.67



Pattern OF SHAREHOLDING

No. of Shareholders	Shareholdings'Slab			Total Shares Held
1,930	1	to	100	56,047
1,140	101	to	500	306,712
763	501	to	1000	562,300
741	1001	to	5000	1,682,138
137	5001	to	10000	989,955
42	10001	to	15000	504,147
22	15001	to	20000	381,840
16	20001	to	25000	368,088
11	25001	to	30000	311,394
12	30001	to	35000	393,160
5	35001	to	40000	193,118
7	40001	to	45000	293,895
6	45001	to	50000	281,037
8	50001	to	55000	415,528
4	60001	to	65000	252,056
2	65001	to	70000	138,198
2	75001	to	80000	154,196
1	85001	to	90000	85,152
4	90001	to	95000	365,312
2	95001	to	100000	197,706
2	100001	to	105000	206,190
1	125001	to	130000	129,424
1	150001	to	155000	150,600
1	180001	to	185000	183,687
2	200001	to	205000	403,184
1	205001	to	210000	208,194
2	235001	to	240000	473,743
1	245001	to	250000	247,520
1	255001	to	260000	259,900
1	260001	to	265000	262,530
2	265001	to	270000	537,174
1	305001	to	310000	306,840
1	315001	to	320000	315,090
2	335001	to	340000	677,934
1	355001	to	360000	359,200
1	370001	to	375000	373,742
1	385001	to	390000	389,424
1	470001	to	475000	473,300
1	505001	to	510000	508,029
1	545001	to	550000	545,646
1	1420001	to	1425000	1,420,550
1	1730001	to	1735000	1,730,742
1	46810001	to	46815000	46,810,504
4,883				64,905,126

Categories of Shareholders**Shareholders Shares Held Percentage****Directors, Chief Executive Officer and their spouse(s) and minor children**

MR. S. NADEEM AHMED	3	779	0.00
MR. MUNIS ABDULLA	2	91,437	0.14
MR. ZUBAIR PALWALA	2	1,423	0.00
Samreen Munis	2	380	0.00
MS. AMEENA SAIYID	1	1	0.00
MUFTI ZIA UL ISLAM	1	1,154	0.00
MOBIN ALAM	1	500	0.00
SHUJA MALIK	1	1,200	0.00

Associated Companies, undertakings and related parties

FIRST UDL MODARABA	2	18,526	0.03
THE SEARLE COMPANY LIMITED	2	46,810,634	72.12
INTERNATIONAL BRANDS LTD.	1	208,194	0.32

NIT and ICP

0	0	-
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Banks Development Financial Institutions, Non-Banking Financial Institutions

7	11,569	0.02
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Insurance Companies

1	508,029	0.78
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Modarabas and Mutual Funds

17	2,117,671	3.26
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General Public

a. Local	4717	8,627,688	13.29
b. Foreign	38	622,096	0.96

Foreign Companies

21	29,927	0.05
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Others

64	5,853,918	9.02
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Totals	4,883	64,905,126	100.00
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Share holders holding 10% or more**Shares Held Percentage**

THE SEARLE COMPANY LIMITED	46,810,634	72.12
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Pattern OF SHAREHOLDING

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors, Chief Executive Officer and their spouse(s) and minor children				
1	8	MR. S. NADEEM AHMED	1	0.00
2	2088	SYED NADEEM AHMED	196	0.00
3	2435	SYED NADEEM AHMED	582	0.00
4	4	MR. MUNIS ABDULLA	1	0.00
5	03277-39675	MUNIS ABDULLA	91,436	0.14
6	7	MR. ZUBAIR PALWALA	1	0.00
7	03277-93293	ZUBAIR RAZZAK PALWALA	1,422	0.00
8	02113-2753	Samreen Munis	26	0.00
9	03277-80898	SAMREEN MUNIS	354	0.00
10	2976	MS. AMEENA SAIYID	1	0.00
11	03277-56270	MUFTI ZIA UL ISLAM	1,154	0.00
12	07419-23824	MOBIN ALAM	500	0.00
13	03277-78515	SHUJA MALIK	1,200	0.00
13			96,874	0.15

Associated companies, undertakings and related parties

1	1876	FIRST UDL MODARABA	24	0.00
2	02113-708	First UDL Modaraba	18,502	0.03
3	00539-16820	THE SEARLE COMPANY LIMITED	130	0.00
4	03277-94394	THE SEARLE COMPANY LIMITED	46,810,504	72.12
5	03277-2937	INTERNATIONAL BRANDS LTD.	208,194	0.32
5			47,037,354	72.47

NIT and ICP

1	Nil		-
	0	-	-

Banks Development Financial Institutions, Non-Banking Financial Institutions

1	1414	ATLAS INVESTMENT BANK LTD.	39	0.00
2	1419	ASSET INVESTMENT BANK LIMITED	3	0.00
3	1871	CRESCENT INVESTMENT BANK LTD	600	0.00
4	2471	INDUS BANK LIMITED	7,894	0.01
5	2475	BANK ALFALAH LIMITED	2,420	0.00
6	03525-100145	ESCORTS INVESTMENT BANK LIMITED	127	0.00
7	03889-28	NATIONAL BANK OF PAKISTAN	486	0.00
7			11,569	0.02

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Insurance Companies				
1	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	508,029	0.78
			1 508,029	0.78
		2	438,314	0.81

Modarabas and Mutual Funds

1	03277-3367	FIRST IBL MODARABA	262	0.00
2	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	247,520	0.38
3	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	306,840	0.47
4	07377-26	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	268,360	0.41
5	09456-24	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	359,200	0.55
6	09506-26	CDC - TRUSTEE NBP BALANCED FUND	46,460	0.07
7	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND	91,000	0.14
8	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	5,000	0.01
9	14472-25	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	4,940	0.01
10	14605-27	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	39,040	0.06
11	14845-29	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	24,620	0.04
12	14860-27	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	23,220	0.04
13	15362-27	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	269	0.00
14	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	92,760	0.14
15	16402-20	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	33,280	0.05
16	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	473,300	0.73
17	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	101,600	0.16
		17	2,117,671	3.26

General Public Foreign

1	2917	MR. ROBERT K. SIRGIOVANNI	50,548	0.08
2	00364-137057	DR. OMAR ABDUL MONEM YOUSUF AL ZAWAWI	315,090	0.49
3	00364-137065	DR. OMAR ABDUL MONEM YOUSUF AL ZAWAWI	129,424	0.20
4	00695-19883	SAYED HASHIM SAYED MOHAMMAD ALHASHIMI	32,340	0.05
5	01826-132795	AAMIR AHSAN	500	0.00
6	02832-2764	H.E. SH. EBRAHIM KHALIFA ALI AL KHALIFA	24,000	0.04
7	03277-106911	WAQAR ARSHAD ZAHID	41,400	0.06
8	03277-106943	MUDASSAR MAHMOOD AHMAD	393	0.00
9	03277-108170	ZAHID KHALID	1,000	0.00
10	03277-108672	MUHAMMAD ANWAR	1,320	0.00
11	03277-110031	MUHAMMAD NADEEM	60	0.00
12	03277-110118	WAQAR MAHMOOD	360	0.00
13	03277-110439	MUHAMMAD RIZWAN RAUF KHAN	500	0.00
14	03277-110811	MOHAMMAD MAZHAR UD DIN	500	0.00

Pattern OF SHAREHOLDING

S.No.	Folio #	Name of shareholder	Number of shares	Per %
15	03277-110833	Mujtaba Jaffary	2,700	0.00
16	03277-110866	AMBREEN RIZWAN SHERIFF	1,200	0.00
17	03277-111072	MUZAMMIL BAIG	1,000	0.00
18	03277-112286	VIVEK KUMAR	500	0.00
19	03277-112950	ADIL MEHMOOD	100	0.00
20	03277-113048	ABDUL RAZZAQ	600	0.00
21	03277-113091	Muhammad Nadeem Aslam	500	0.00
22	03277-113721	SHAHROUKH ALI	100	0.00
23	03277-114491	MUHAMMAD NASIR	1,200	0.00
24	03277-115822	SAJJAD AHMAD	20	0.00
25	03277-116070	MUDDASAR NAEEM	90	0.00
26	03277-116970	IMRAN SABIR	500	0.00
27	03277-117577	ASHAR AZIZ	1,500	0.00
28	03277-118047	khalid hussain khan	1,050	0.00
29	03277-118070	AAMIR SHAHZAD	1,000	0.00
30	03277-119104	ABID ALI KHOKHAR	500	0.00
31	03277-119507	Zahoor Ahmad	1,000	0.00
32	03277-119620	SYED AZMAT GILANI	500	0.00
33	03277-119785	UMAR DARAZ	500	0.00
34	03277-120952	NASIM IQBAL	2,500	0.00
35	03277-121112	UMAR KHAN	1,000	0.00
36	05769-14757	MOHAMMAD RAFAY MALIK	3,600	0.01
37	05769-14765	MOHAMMAD WASAY MALIK	3,000	0.00
38	07450-22202	FARAZ AHMED	1	0.00
38			622,096	0.96

Foreign Companies

1	1271	MIDLAND BANK TRUST CORP. (JERSEY) LTD	183	0.00
2	1620	INVESTORS BANK & TRUST COMPANY	516	0.00
3	1622	DAY LIMITED	267	0.00
4	1623	SMITH NEW COURT FAR EAST LIMITED	46	0.00
5	1653	INVESTORS BANK & TRUST COMPANY	1,915	0.00
6	1654	MORGAN STANLEY TRUST COMPANY	3,726	0.01
7	1656	AETNA INVESTMENT MGMT B.V.I NOMINEES LTD	2,100	0.00
8	1657	STATE STREET BANK AND TRUST CO. U.S.A.	1,682	0.00
9	1664	THE NORTHERN TRUST COMPANY	523	0.00
10	1677	CHASE MANHATTAN BANK (IRELAND) PLC	145	0.00
11	1680	THE AETNA CASUALTY AND SURETY COMPANY	435	0.00
12	1775	SOMERS NOMINEES (FAR EAST) LTD	654	0.00
13	1776	SMITH NEW COURT FAR EAST LTD	43	0.00
14	1779	THE NORTHERN TRUST COMPANY	433	0.00

S.No.	Folio #	Name of shareholder	Number of shares	Per %
15	1781	CHEM BANK NOMINEES LTD	46	0.00
16	1782	H.S.B.C. INTERNATIONAL TRUSTEE LIMITED	184	0.00
17	1884	CHEM BANK NOMINEES LTD.	284	0.00
18	1961	MERRILL LYNCH, PIERCE, FENNER & SMITH INC.	1,177	0.00
19	1981	THE BANK OF NEWYORK	9,482	0.01
20	2140	INVESCO (BVI) NOMINEES LIMITED	86	0.00
21	02832-1865	Noor Financial Invest Co.	6,000	0.01
21			29,927	0.05

Others

1	1736	SHAFI (PRIVATE) LTD.	324	0.00
2	1870	FIRST CAPITAL MUTUAL FUND LTD.	8,000	0.01
3	1875	PROFESSIONAL SECURITIES MANAGEMENT (PVT) LTD.	622	0.00
4	2009	SAFEWAY MUTUAL FUND LIMITED	87	0.00
5	2024	SADIQ TRADERS (PVT) LTD.	1,089	0.00
6	2474	S.H. BUKHARI SECURITIES	458	0.00
7	2476	SHAZ INVESTMENT CORPORATION	218	0.00
8	2477	AAG SECURITIES (PVT) LTD.	212	0.00
9	2480	LASANI SECURITIES (PVT) LTD.	39	0.00
10	2481	BAGASRA SECURITIES (PVT) LTD	2	0.00
11	2483	ISMAIL ABDUL SHAKOOR SEC.	46	0.00
12	2541	THE COMPANY SECRETARY	6,093	0.01
13	2574	MR. MOBEEN ALAM (B-1)	3,499	0.01
14	2619	MR. MUHAMMAD TARIQ (B-2)	3,088	0.00
15	2626	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-2)	545,646	0.84
16	2653	MR. NADEEM AHSAN	6	0.00
17	2685	M/S. FEDERAL BOARD OF REVENUE	10,957	0.02
18	2708	MR. MUHAMMAD TARIQ (B-3)	2,877	0.00
19	2756	TEMPORARY FOLIO - WITHHOLD BONUS SHARES OF COURT CASES (B-3)	389,424	0.60
20	2757	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-3)	69,698	0.11
21	2772	UNIDENTIFIED RIGHT SHARES OF R-1	218	0.00
22	2777	MR. MUHAMMAD TARIQ (B-4)	3,129	0.00
23	2817	TEMPORARY FOLIO - WITHHOLD BONUS SHARES OF COURT CASES (B-4)	236,019	0.36
24	2818	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-4)	25,502	0.04
25	2851	MR. MUHAMMAD TARIQ (B-5)	3,085	0.00
26	2863	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES (B-5)	339,528	0.52
27	2864	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-5)	41,142	0.06
28	2903	MR. MUHAMMAD TARIQ (B-6)	2,394	0.00
29	2915	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES (B-6)	237,724	0.37
30	02113-3439	SEARLE PAKISTAN LIMITED PROVIDENT FUND	1,730,742	2.67
31	03277-7633	TRUSTEES MOHAMAD AMIN WAKF ESTATE	9,130	0.01

Pattern OF SHAREHOLDING

S.No.	Folio #	Name of shareholder	Number of shares	Per %
32	03277-40179	YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD	100,000	0.15
33	03277-62621	UNITED DISTRIBUTORS PAKISTAN LIMITED	1,420,550	2.19
34	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	78,025	0.12
35	03277-78616	TRUSTEES THE GENERAL TYRE&RUBBER CO OF PAKISTAN LTD EMPL G.F	24,000	0.04
36	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,733	0.00
37	03525-63416	H M INVESTMENTS (PVT) LIMITED	175	0.00
38	03525-63817	NH SECURITIES (PVT) LIMITED.	232	0.00
39	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	0.00
40	03657-25	CONTINENTAL CAPITAL MANAGEMENT (PVT) LTD	2,700	0.00
41	04184-22	AZEE SECURITIES (PRIVATE) LIMITED	1	0.00
42	04317-25	DALAL SECURITIES (PVT) LTD.	9,000	0.01
43	04457-45	FDM CAPITAL SECURITIES (PVT) LIMITED	10,021	0.02
44	04705-87224	FEDERAL BOARD OF REVENUE	104,590	0.16
45	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	6,507	0.01
46	06502-14921	MZW LOGISTICS (PVT.) LIMITED	3,998	0.01
47	06684-154214	YOUSUF YAQOOB KOLIA AND COMPANY (PRIVATE) LIMITED	33,500	0.05
48	07005-29	MAM SECURITIES (PVT) LIMITED	10	0.00
49	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	1	0.00
50	11684-22	MUHAMMAD ASHFAQ HUSSAIN SECURITIES (PVT) LTD	20,000	0.03
51	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	154	0.00
52	12690-707	ENGRO CORPORATION LIMITED PROVIDENT FUND	150,600	0.23
53	12690-731	HILAL GROUP EMPLOYEES PROVIDENT FUND	7,800	0.01
54	12690-1895	ICI PAKISTAN MANAGEMENT STAF PROVIDENT FUND	15,400	0.02
55	14118-27	ASDA SECURITIES (PVT.) LTD.	5,000	0.01
56	14241-22	FIKREES (PRIVATE) LIMITED	8,692	0.01
57	14415-21	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	52,740	0.08
58	14431-29	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	62,680	0.10
59	15727-22	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	1.54071E-06
60	05587-6474	PROGRESSIVE INVESTMENT MANAGEMENT (PVT)L	292	0.000449887
61	18432-3177	MARGALLA FINANCIAL (PRIVATE) LIMITED	960	0.001479082
62	18432-21369	MUHAMMAD AMER RIAZ SECURITIES (PVT.) LIMITED	57	8.78205E-05
63	16857-26	MRA SECURITIES LIMITED - MF	53,500	0.08
64	17103-25	DARSON SECURITIES LIMITED - MF	9,000	0.01
		64	5,853,918	9.02
Total		4883	64,905,126	100



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HEALTH AND WELLNESS



Statement of COMPLIANCE

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

For the year ended June 30, 2022

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

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

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

2. The composition of the board is as follows:

Category	Name of Director
Independent Director:	Ms. Aameena Saiyid Mr. Shuja Malik
Executive Director:	Mr. Mufti Zia ul Islam
Non-Executive Directors:	Mr. Munis Abdullah Mr. S. Nadeem Ahmed Mr. Zubair Razzak Palwala Mr. Mobeen Alam
Female Director:	Ms. Aameena Saiyid

**Determination of number of independent directors arrives at 2.33 (rounded to 2) which is based on seven elected directors. The fraction is not rounded up since the two (2) elected independent directors have requisite competency, knowledge and experience to discharge and execute their responsibilities as per applicable laws and regulations.*

- 3. The Directors have confirmed that none of them is serving as a director on the board of more than seven listed companies, including this company;
- 4. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or updated has been maintained;
- 6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairperson. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board;

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. During the year, the Board did not arrange training program for its directors. However, two directors have attended the required training this year and other 5 directors have attended the required training in the previous years;
10. The board has approved the appointment of the CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. CFO and CEO duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

Audit Committee

Name	Category
Mr. Shuja Malik	Chairman
Ms. Aameena Saiyid	Member
Mr. Zubair Palwala	Member

HR and Remuneration Committee

Name	Category
Mr. Shuja Malik	Chairman
Mr. S.Nadeem Ahmed	Member
Ms. Aameena Saiyid	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per the following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2022
 - b) HR & R Committee: One meeting during the financial year ended June 30, 2022
15. The Board has outsourced the internal audit function to Grant Thornton Anjum Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all of their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that

they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non- mandatory requirements) are below:

S. No	Requirement	Explanation	Reg. No
1	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Internal Audit Department of the Company performs the requisite functions and apprises the Board accordingly.	30(1)
2	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities prescribed for the Nomination Committee are being taken care of at Board Level.	29 (1)
3	The Company may post on its website key elements of its significant policies including but not limited to the following: Communication and disclosure policy; Code of conduct for members of Board of Directors, senior management and other employees; Risk management policy; Internal control policy; Whistle blowing policy; Corporate social responsibility / sustainability / environmental, social and governance related policy	As the Regulation provides concession with respect to disclosure of significant policies on the website, and therefore the Company is in the process of updating their website.	35


AMEENA SAIYID
Chairperson


SYED NADEEM AHMED
Director

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IBL HEALTHCARE LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IBL HealthCare Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Chartered Accountants
Karachi

Dated: October 6, 2022
UDIN: CR202210133yoml7Gekx



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL HEALTHCARE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of IBL HealthCare Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue from contracts with customers</p> <p>(Refer note 2.23 and note 19 to the financial statements)</p> <p>Revenue is recognized when control of the underlying products is transferred to the customers. The Company is engaged in marketing, selling and distribution of healthcare products.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has increased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> evaluated management controls over revenue and checked their validation; performed verification of sales with underlying documentation including gate pass, delivery order and invoice; tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period; verified that sales prices are negotiated and approved by appropriate authority; performed audit procedures to analyze variation in the price and quantity sold during the year; obtained confirmations from debtors on sample basis; and assessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);



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- b. the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d. zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

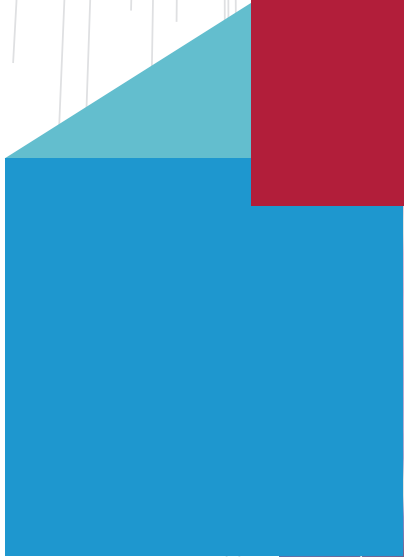
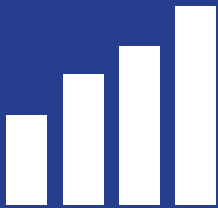
The engagement partner on the audit resulting in this independent auditor's report is Syed Fahim ul Hasan.

A. F. Ferguson & Co.
Chartered Accountants

Karachi

Date: October 6, 2022

UDIN: AR202210133ilgSAYDP1



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75.25

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FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL POSITION

as at June 30, 2022

	Note	2022 -----Rupees in '000 -----	2021
ASSETS			
Non-current assets			
Furniture and equipment	3	3,819	11,316
Right-of-use asset	4	8,601	11,812
Investment properties	5	576,360	572,860
Intangible assets	6	7,310	9,993
		<u>596,090</u>	<u>605,981</u>
Current assets			
Inventories	7	973,471	708,379
Trade and other receivables	8	1,118,723	857,524
Loans, advances, deposits and prepayments	9	137,054	158,599
Taxation - payments less provision		50	24,647
Cash and bank balances	10	104,122	91,561
		<u>2,333,420</u>	<u>1,840,710</u>
TOTAL ASSETS		<u>2,929,510</u>	<u>2,446,691</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid up capital	11	649,051	540,877
Capital reserve			
Share premium	12	119,600	119,600
Revenue reserve			
Unappropriated profit		<u>1,094,415</u>	<u>953,818</u>
		<u>1,863,066</u>	<u>1,614,295</u>
Liabilities			
Non-current liabilities			
Long-term finance - secured	13	-	9,531
Deferred income - Government grant	14	-	188
Lease liability	15	7,080	10,297
		<u>7,080</u>	<u>20,016</u>
Current liabilities			
Trade and other payables	16	780,753	557,460
Short term borrowings	17	247,139	217,925
Current portion of long-term finance	13	9,729	18,340
Current portion of lease liability	15	3,217	2,583
Unclaimed dividend		7,108	7,097
Unpaid dividend		11,418	8,975
		<u>1,059,364</u>	<u>812,380</u>
Contingencies and commitments			
	18		
TOTAL EQUITY AND LIABILITIES		<u>2,929,510</u>	<u>2,446,691</u>

The annexed notes 1 to 35 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended June 30, 2022

		2022	2021
	Note	-----Rupees in '000 -----	
Revenue from contracts with customers	19	3,651,125	3,003,909
Cost of sales	20	(2,394,888)	(1,981,413)
Gross profit		1,256,237	1,022,496
Other (loss) / income	21	(60,105)	32,314
Marketing and distribution expenses	22	(582,149)	(517,205)
Administrative and general expenses	23	(94,747)	(92,386)
Charge of loss allowance on trade debts	8.1.4	(8,650)	(6,133)
Finance costs	24	(27,316)	(29,939)
Profit before income tax		483,270	409,147
Income tax expense	25	(180,411)	(108,659)
Profit after taxation		302,859	300,488
Other comprehensive income		-	-
Total comprehensive income		302,859	300,488
Earnings per share	26	Rs. 4.67	Rs. 4.63

The annexed notes 1 to 35 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2022

	Issued, subscribed and paid up capital	Capital reserve Share Premium	Issue of bonus Shares	Revenue reserve Unappropriated profit	Total reserves	Total
	Rupees in '000					
Balance as at July 01, 2020	540,876	119,600	-	761,505	881,105	1,421,981
Transactions with owners in their capacity as owners						
Final dividend for the year ended June 30, 2020 @ Rs 2 per share	-	-	-	(108,175)	(108,175)	(108,175)
Total comprehensive income for the year ended June 30, 2021	-	-	-	300,488	300,488	300,488
Balance at June 30, 2021	540,876	119,600	-	953,818	1,073,418	1,614,294
Transactions with owners in their capacity as owners						
Final dividend for the year ended June 30, 2021 @ Re 1 per share	-	-	-	(54,087)	(54,087)	(54,087)
Transfer to reserve for issuance of bonus shares	-	-	108,175	(108,175)	-	-
Issuance of bonus shares during the year in the ratio of 20 shares for every 100 shares held	108,175	-	(108,175)	-	(108,175)	-
Total comprehensive income for the year ended June 30, 2022	-	-	-	302,859	302,859	302,859
Balance at June 30, 2022	649,051	119,600	-	1,094,415	1,214,015	1,863,066

The annexed notes 1 to 35 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

for the year ended June 30, 2022

	Note	2022 -----Rupees in '000-----	2021 -----Rupees in '000-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	24	233,340	204,143
Interest income received		-	10,471
Income tax paid		(155,385)	(114,937)
Finance cost paid		(21,104)	(29,703)
Net cash inflow from operating activities		56,851	69,974
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment		(1,296)	(4,886)
Payments for acquisition of investment property		(3,500)	(204,625)
Payments for acquisition of intangible assets		-	(900)
Proceeds from disposal of furniture and equipment		6,607	-
Repayment of loan by related party		-	249,630
Net cash inflow from investing activities		1,811	39,219
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan repaid		(20,096)	(9,481)
Proceeds from long-term loan		-	38,878
Payments against lease liability		(3,586)	(2,977)
Dividends paid		(51,633)	(103,443)
Net cash outflow from financing activities		(75,315)	(77,023)
Net (decrease) / increase in cash and cash equivalents		(16,653)	32,170
Cash and cash equivalents at beginning of the year		(126,364)	(158,534)
Cash and cash equivalents at end of the year	26	(143,017)	(126,364)

The annexed notes 1 to 35 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

1. LEGAL STATUS AND OPERATIONS

IBL HealthCare Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company on July 14, 1997. In November 2008, the Company was converted into public limited company. The shares of the Company are quoted on the Pakistan Stock Exchange.

The principal activities of the Company include marketing, selling and distribution of healthcare products.

The Company is a subsidiary of The Searle Company Limited (the Holding Company) and International Brands (Private) Limited (the Ultimate Parent Company).

The geographical locations and addresses of the Company's business units are as under:

- The registered office of the Company is located at One IBL Centre, 2nd floor, Plot No.1, Block 7 & 8, D.M.C.H.S. Tipu Sultan Road, Off Shahrah-e-faisal, Karachi.
- The Company also has a distribution warehouse located in Hub River Road, Karachi.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

(i) **Income tax**

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.

(ii) **Contingencies**

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of future events cannot be predicted with certainty. The Company, based on the availability of latest information, estimates the value of contingent assets and liabilities which may differ on occurrence / non-occurrence of the uncertain future events.

Estimates and judgements are continually evaluated and adjusted based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no critical judgements made by the Company's management in applying the accounting policies that would have significant effect on the amounts recognised in the financial statement.

2.2 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.3 Overall valuation policy

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.4 Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation and impairment, if any, except capital work-in-progress which is stated at cost.

Depreciation on assets is charged to statement of profit or loss and other comprehensive income applying the straight-line method whereby the depreciable cost of an asset is written off over its useful life.

Depreciation on additions is charged from the month during which the asset is available for use whereas no depreciation is charged in the month of disposal.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

Maintenance and normal repairs are charged to statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

2.5 Investment property

The Company carries investment property at cost under the cost model in accordance with IAS 40 - 'Investment Property'. The fair value is determined by the independent valuation experts and such valuation is carried out every year to determine the recoverable amount.

Leasehold land classified under investment property is carried at its respective cost less accumulated impairment, if any.

2.6 Intangible Assets

An intangible asset is recognised if it is probable that the future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Computer software licenses are capitalised on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life using the straight line method.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

2.7 Inventories

Inventory is stated at the lower of cost and estimated net realisable value. Cost is determined by weighted average method except for those in transit. Cost comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Stock in transit is valued at cost.

Net realisable value represents the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

2.8 Loans, advances, deposits and prepayments

Loans, advances, deposits and prepayments are non-derivative financial assets with fixed and determinable payments. These are included in current assets, except those with maturities greater than twelve months after the reporting date, which are classified as non-current assets.

Interest free loans to employees are stated at amortised cost.

2.9 Trade and other receivables

Trade and other receivables are initially recognised at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. Refer note 2.12 for a description of the Company's impairment policy. These assets are written off when there is no reasonable expectation of recovery.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

2.10 Government grants

Government grants relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match the costs that these are intended to compensate.

2.11 Cash and bank balances

Cash and bank balances are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, balances with banks on current accounts, cheques in hand and short term borrowings.

2.12 Financial instruments

Initial Recognition

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently measured at fair value, amortised cost or cost, as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL");
- at fair value through other comprehensive income ("FVTOCI"); or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cashflow characteristics.

Financial assets that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cashflows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

Financial liabilities are measured at amortised cost, unless these are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure these at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, these are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income.

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income. Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial asset

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for whom credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception.
- employee receivables.
- other short term receivables that have not demonstrated any increase in credit risk since inception.

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

The Company considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are portion of ECLs that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

2.14 Foreign currencies

Transactions in foreign currencies are recorded in Pak Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupee using the exchange rates approximating those prevailing at the statement of financial position date. Exchange differences are included in statement of profit or loss and other comprehensive income currently.

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupee.

2.15 Income Tax

Current

Provision for current taxation is based on (i) minimum tax regime applicable to the Company based on tax withheld at import stage and (ii) for normal income; tax calculated at the current rates of taxation in accordance with the prevailing law for taxation. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is accounted for using the statement of financial position liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

Deferred tax is determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates enacted at the reporting date.

2.16 Employee benefits Defined contribution plan

The Company operates a recognised provident fund scheme for its employees. Equal monthly contributions are made, both by the Company and employees, to the fund at 10% of basic salary.

2.17 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

2.18 Contract asset and contract liability

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

2.19 Provisions

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

2.20 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.21 Earning per share

The company presents basic and diluted Earning Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, the Company did not have any potential convertible instrument which would have an effect on the earning per share if the option to convert is exercised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

2.22 Contingent Liabilities

Contingent liability is disclosed when:

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

2.23 Revenue recognition

Revenue from contracts with customers is recognised when control over the goods transfers to the customer as this is the point in time that the consideration becomes unconditional that is when the customer has the ability to control the use of the transferred goods provided and generally derive their benefits and there is no unfulfilled obligation that could affect the customers acceptance of the goods. Revenue is recognised as follows:

- Sales are recorded upon transfer of title to the customers, which generally coincides with physical delivery.

No element of financing is present as the sales are made with a credit term of upto 365 days, which is consistent with the market practice.

2.24 Other income

Sale of fixed assets is recognised as income when risk and rewards of ownership are transferred.

Rent income is accounted on straight line basis or in accordance with the terms of the agreement.

2.25 Functional and presentational currency

These financial statements are presented in Pak Rupee which is the functional and presentational currency of the Company. All amounts have been rounded off to nearest rupee unless stated.

2.26 Dividend

Dividend distribution to shareholders is accounted for in the period in which the dividend is declared / approved.

2.27 Method of preparation of Statement of Cash Flows

The statement of cash flows is prepared using the indirect method.

3. FURNITURE AND EQUIPMENT

Operating assets - note 3.1

2022 2021
-----Rupees in '000 -----

3,819 11,316

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

3.1 Operating assets

Particulars

Office equipment Furniture and fittings Total
-----Rupees in '000 -----

Net carrying value basis

Year ended June 30, 2022

Opening net book value	7,643	3,673	11,316
Additions - at cost	1,296	-	1,296
Disposals			
Cost	(6,293)	(5,003)	(11,296)
Accumulated depreciation	4,351	2,254	6,605
	(1,942)	(2,749)	(4,691)
Depreciation charge - note 3.2	(2,676)	(810)	(3,486)
Write-offs			
- Cost	(2,003)	(304)	(2,307)
- Accumulated depreciation	1,501	190	1,691
	(502)	(114)	(616)
Closing net book value	3,819	-	3,819

Gross carrying value basis

At June 30, 2022

Cost	9,784	-	9,784
Accumulated depreciation	(5,965)	-	(5,965)
Net book value	3,819	-	3,819

Net carrying value basis

Year ended June 30, 2021

Opening net book value	7,717	1,911	9,628
Additions - at cost	2,586	2,300	4,886
Depreciation charge - note 3.2	(2,660)	(538)	(3,198)
Write-offs			
- Cost	-	(3,574)	(3,574)
- Accumulated depreciation	-	3,574	3,574
	-	-	-
Closing net book value	7,643	3,673	11,316

Gross carrying value basis

At June 30, 2021

Cost	16,784	5,307	22,091
Accumulated depreciation	(9,141)	(1,634)	(10,775)
Net book value	7,643	3,673	11,316

Depreciation rates

10% - 33%

10% - 20%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

3.2 Depreciation for the year has been allocated as follows:

	2022	2021
	-----Rupees in '000-----	-----Rupees in '000-----
Marketing and distribution expenses - note 22	528	551
Administrative and general expenses - note 23	2,958	2,647
	<u>3,486</u>	<u>3,198</u>

3.3 Following items of furniture and equipment having net book value in excess of Rs. 500,000 each were disposed off during the year.

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain/(loss)	Mode of disposal	Particulars of purchaser	Relationship with buyer
	-----Rupees in '000-----							
Furniture and fixtures	3,450	1,060	2,390	2,825	435	Negotiation	IBL Operations (Private) Limited	Associate company
Office Equipment	2,200	1,100	1,100	1,357	257	Negotiation	IBL Operations (Private) Limited	Associate company
	<u>5,650</u>	<u>2,160</u>	<u>3,490</u>	<u>4,182</u>	<u>692</u>			

3.4 The details of operating assets aggregating having net book value less than Rs. 500,000 sold to related party are as follows:

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain/(loss)	Mode of disposal	Particulars of purchaser	Relationship with buyer
	-----Rupees in '000-----							
Furniture and fixtures	1,552	1,194	358	641	283	Negotiation	IBL Operations (Private) Limited	Associate company
Office Equipment	3,975	3,226	749	1,692	943	Negotiation	IBL Operations (Private) Limited	Associate company
	<u>5,527</u>	<u>4,420</u>	<u>1,107</u>	<u>2,333</u>	<u>1,226</u>			

4. RIGHT-OF-USE ASSET

	2022	2021
	-----Rupees in '000-----	-----Rupees in '000-----
Opening balance	11,812	-
Addition	-	15,023
Depreciation for the year - note 23	(3,211)	(3,211)
Closing balance - note 4.1	<u>8,601</u>	<u>11,812</u>
Useful life in years	<u>5</u>	<u>5</u>

4.1 This represents the right-of-use on rented property i.e. the head office of the Company situated at One IBL Centre, 2nd floor, Plot No.1, Block 7 & 8, D.M.C.H.S., Tipu Sultan Road off., Shahrah-e-Faisal, Karachi.

5. INVESTMENT PROPERTIES

	2022	2021
	-----Rupees in '000-----	-----Rupees in '000-----
Operating assets - at cost - note 5.1	<u>576,360</u>	<u>572,860</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2022	2021
	-----Rupees in '000	-----
5.1 Operating assets		
Balance at beginning of the year	572,860	368,235
Acquisition	-	194,592
Capitalised subsequent expenditure - note 5.1.1	3,500	10,033
Balance at end of the year	<u>576,360</u>	<u>572,860</u>
5.1.1	This represents amount paid as amalgamation charges in respect of Plots 24/4, 24/4-A and 24/3, Block 7 & 8, D.M.C.H.S, Karachi.	
5.2	The valuations of investment properties have been carried out by M/s. PEE DEE & Associates, an independent valuer engaged by the Company as at June 30, 2022. Market value of these investment properties as at June 30, 2022 is Rs. 1,604.49 million (2021: Rs.1,307.78 million).	
	The forced sale value of the above properties as at June 30, 2022 is Rs. 1,283.59 million (2021 : Rs. 1,217.21 million)	
5.3	Particulars of immovable properties (i.e. land) in the name of Company are as follows:	
	Location	Covered Area (in sq. Yds)
	i) Plot no 24/3, Block 7 & 8, D.M.C.H.S., Karachi	754
	ii) Plot no 24/4A, Block 7 & 8, D.M.C.H.S., Karachi	1,004
	iii) Plot No.24/4 Block 7 & 8, D.M.C.H.S., Karachi (First plot)	502
	iv) Plot No.24/4 Block 7 & 8, D.M.C.H.S., Karachi (Second plot)	502
5.4	Property mentioned in 5.3 (i) has been rented to United Retail Private Limited (Formerly United Retail (SMC) Private Limited), an associated company and an another tenant in consideration for monthly rentals. The rental income in respect of this property amounting to Rs. 8.12 million (2021: Rs. 14.5 million) has been recognized in profit or loss and included in note 21.	
5.5	Pursuant to the 'Supply, Marketing and Distribution Agreement', as amended, entered with The Searle Company Limited (TSCL), Holding Company, to acquire certain products from TSCL, the Company has mortgaged, immovable properties mentioned in 5.3 (i), (ii) and (iii) above having carrying value of Rs. 378.27 million (2021: 378.27 million) and market value of Rs. 1,352.49 million (2021: 1,097.56 million), with a financial institution on behalf of TSCL.	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

2022 2021
-----Rupees in '000 -----

6. INTANGIBLE ASSETS

Operating intangible assets - note 6.1 **7,310** 9,993

6.1 Operating intangible assets

	Computer Software	Software License	Distribution Rights	Total
	-----Rupees in '000 -----			
Year ended 30 June 2022				
Opening net book value	4,780	263	4,950	9,993
Amortisation - note 6.2	(802)	(81)	(1,800)	(2,683)
Closing net book value	<u>3,978</u>	<u>182</u>	<u>3,150</u>	<u>7,310</u>
At 30 June 2022				
Cost	6,879	554	9,000	16,433
Accumulated amortisation	(2,901)	(372)	(5,850)	(9,123)
Net book value	<u>3,978</u>	<u>182</u>	<u>3,150</u>	<u>7,310</u>
Year ended 30 June 2021				
Opening net book value	4,517	374	6,750	11,641
Additions during the year	900	-	-	900
Amortisation - note 6.2	(637)	(111)	(1,800)	(2,548)
Write-offs				
- Cost	-	(482)	-	(482)
- Accumulated amortisation	-	482	-	482
	-	-	-	-
Closing net book value	<u>4,780</u>	<u>263</u>	<u>4,950</u>	<u>9,993</u>
At 30 June 2021				
Cost	6,879	554	9,000	16,433
Accumulated amortisation	(2,099)	(291)	(4,050)	(6,440)
Net book value	<u>4,780</u>	<u>263</u>	<u>4,950</u>	<u>9,993</u>
Amortisation rates	<u>10% - 20%</u>	<u>20%</u>	<u>20%</u>	

2022 2021
-----Rupees in '000 -----

6.2 Amortization for the year has been allocated as follows:

Marketing and distribution expenses - note 22	1,842	1,842
Administrative and general expenses - note 23	841	706
	<u>2,683</u>	<u>2,548</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2022	2021
	-----Rupees in '000-----	
7. INVENTORIES		
Inventory in hand - note 7.1	679,327	575,905
Inventory in transit	294,144	132,474
	<u>973,471</u>	<u>708,379</u>
Provision for slow moving inventory - note 7.2	-	-
	<u>973,471</u>	<u>708,379</u>

7.1 Inventories include Rs. 20.43 million (2021: Nil) held with third party.

7.2 Provision for slow moving inventory

Opening balance	-	-
Charge for the year	4,145	19,350
	<u>4,145</u>	<u>19,350</u>
Written-off during the year	(4,145)	(19,350)
Closing balance	-	-

8. TRADE AND OTHER RECEIVABLES

Trade receivables - note 8.1	1,098,063	822,000
Other receivables - note 8.2	20,660	35,524
	<u>1,118,723</u>	<u>857,524</u>

8.1 Trade receivables - unsecured

Considered good

Due from related parties - notes 8.1.1, 8.1.2 and 8.1.3	710,304	550,209
Others	387,759	271,791
	<u>1,098,063</u>	<u>822,000</u>
Considered doubtful	16,967	8,317
	<u>1,115,030</u>	<u>830,317</u>
Less: Provision for doubtful receivables - note 8.1.4	(16,967)	(8,317)
	<u>1,098,063</u>	<u>822,000</u>

8.1.1 As at June 30, 2022, due from related parties of the Company are as follows:

	2022	2021
	-----Rupees in '000-----	
IBL Operations (Private) Limited (an associated company)	667,749	513,758
The Searle Company Limited (the Parent Company)	1,421	-
United Brands Limited (an associated company)	41,134	36,431
IBL Logistics (Private) Limited (an associated company)	-	20
	<u>710,304</u>	<u>550,209</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

8.1.2 The maximum aggregate amount due from related parties at the end of any month during the year is Rs. 763.16 million (2021: Rs. 683.47 million).

8.1.3 As at June 30, the age analysis of trade receivables from related parties is as follows:

	2022	2021
	-----Rupees in '000	-----
Not yet due	681,656	382,840
Past due but not yet impaired		
- 0 to 30 days	5,258	167,369
- 31 to 60 days	1,849	-
- 61 to 90 days	2,250	-
- above 90 days	19,291	-
	710,304	550,209

8.1.4 Provision for doubtful receivables

Opening balance	8,317	2,184
Provision made during the year	8,650	6,133
Written off during the year	-	-
Closing balance	16,967	8,317

8.1.5 The ageing of trade receivables at reporting date was as follows:

	2022		2021	
	Amount due	Provision held	Amount due	Provision held
	Rupees in '000			
Not yet due	824,379	-	574,490	-
- 0 to 30 days	56,103	1,602	196,784	375
- 31 to 60 days	28,757	747	11,116	750
- 61 to 90 days	38,953	256	11,814	1,501
- above 90 days	166,838	14,362	36,113	5,691
	1,115,030	16,967	830,317	8,317

8.2 Other receivables

	2022	2021
	-----Rupees in '000	-----
Due from related party - notes 8.2.1, 8.2.2 and 8.2.3	3,840	8,043
Claims receivable from suppliers - note 8.2.4	16,424	25,960
Others	396	1,521
	20,660	35,524

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

8.2.1 As at June 30, 2022, due from related parties of the Company is as follows:

	2022	2021
	-----Rupees in '000 -----	
The Searle Company Limited (Holding Company)	1,283	7,633
United Retail (Private) Limited (Formerly United Retail (SMC) Private Limited - an Associated Company)	434	410
Searle Pakistan Limited (an associated Company)	2,123	-
	<u>3,840</u>	<u>8,043</u>

8.2.2 The maximum aggregate amount due at the end of any month during the year is Rs. 11.42 million (2021: Rs. 7.63 million).

8.2.3 As at June 30, the age analysis of other receivables from related parties is as follows:

	2022	2021
	-----Rupees in '000 -----	
Past due but not yet impaired		
- 0 to 30 days	-	-
- 31 to 60 days	-	-
- 61 to 90 days	784	410
- 91 to 365 days	3,056	7,633
	<u>3,840</u>	<u>8,043</u>

8.2.4 These represent amounts claimed from Nestle Health Sciences and Reckitt Benckiser in respect of certain claimable expenses related to trade.

		2022	2021
	Note	-----Rupees in '000 -----	
9. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS			
Short term deposits	9.1	32,865	37,521
Prepayments		517	649
Advances	9.2	103,672	120,429
		<u>137,054</u>	<u>158,599</u>
9.1 The amount represents following:			
- Trade deposits	9.3	31,617	36,648
- Other deposits	9.3	1,248	873
		<u>32,865</u>	<u>37,521</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

9.2 The amount represents following:

2022 2021
-----Rupees in '000 -----

Secured

- To employees - note 9.2.1	1,209	1,503
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Unsecured

- To suppliers - note 9.2.2	33,520	24,542
- Against imports - note 9.2.3	65,233	90,684
- Others	3,710	3,700
	103,672	120,429

9.2.1 Reconciliation of carrying amount of advances to employees:

Balance at beginning of the year	1,503	3,096
Disbursements	8,931	2,768
Repayments	(9,225)	(4,361)
Balance at end of the year - note 9.3.2	1,209	1,503

9.2.2 These represents interest free loans given to employees in accordance with the Company policy and are secured against retirement benefit.

9.2.3 These include advance to The Searle Company Limited, the Holding Company, amounting to Rs. 6.20 million (2021: Rs. 16.28 million).

9.2.4 These include Rs. 53.90 million (2021: Rs. 83.7 million) being 100% cash margin on import of specified items kept with commercial banks in accordance with the requirements of Circular No. 02 of 2017 of Banking Policy & Regulations Department, State Bank of Pakistan.

9.3 These deposits do not carry mark-up.

2022 2021
-----Rupees in '000 -----

10. CASH AND BANK BALANCES

Cash at bank

Conventional

- on current accounts	47,923	64,287
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Islamic

- on current accounts	13,871	11,131
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Cash in hand

Cheques in hand - note 10.1	49	100
	42,279	16,043
	104,122	91,561

10.1 These include cheques issued by The Searle Company Limited - Holding Company and IBL Operations (Private) Limited - Associated Company amounting to Rs. 35.51 million and 6.25 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

11. SHARE CAPITAL

Authorised share capital

2022	2021		2022	2021
			-----Rupees in '000-----	
75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000

Issued, subscribed and paid up capital

2022	2021		2022	2021
22,990,000	22,990,000	Shares allotted for consideration paid in cash	229,900	229,900
41,915,126	31,097,605	Shares allotted as bonus shares	419,151	310,977
<u>64,905,126</u>	<u>54,087,605</u>		<u>649,051</u>	<u>540,877</u>

11.1 MOVEMENT IN ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022	2021		2022	2021
54,087,605	54,087,605	Opening shares outstanding	540,876	540,876
10,817,521	-	Shares allotted as bonus shares	108,175	-
<u>64,905,126</u>	<u>54,087,605</u>		<u>649,051</u>	<u>540,876</u>

11.2 On September 29, 2021, the Board of Directors recommended the issuance of bonus shares in the ratio of 20 shares for every 100 shares which is duly approved on October 28, 2021 in the Annual General Meeting.

12. This reserve can be utilised by the Company only in accordance with section 81 of the Companies Act, 2017.

2022 2021
-----Rupees in '000-----

13. LONG-TERM FINANCE – SECURED

The movement of long-term finance during the year is as follows:

Balance at beginning of the year	27,871	-
Disbursements	-	38,878
Deferred grant recognition - note 13.2 and 14	-	(2,475)
Interest expense including impact of unwinding	1,954	949
Repayments	(20,096)	(9,481)
Less: Current portion shown under current liabilities	(9,729)	(18,340)
	<u>-</u>	<u>9,531</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

13.1 This represented loan obtained under the State Bank of Pakistan's Refinance Scheme 'Payment of Wages and Salaries to the Workers and Employees of Business Concerns' through Islamic financing. It carried mark-up at the rate of 3% per annum and was repayable in 8 equal quarterly installments, starting from January 2021. The loan was secured by way of first pari passu hypothecation general charge over present and future current assets of the Company with 25% margin.

13.2 This represented the value of benefit of below-market interest which was accounted for as government grant under IAS 20 - Government Grants.

	2022	2021
	-----Rupees in '000 -----	
14. DEFERRED INCOME - GOVERNMENT GRANT		
Balance at beginning of the year	927	-
Deferred grant recognised during the year	-	2,475
Government grant recognised in income	(864)	(1,548)
	<u>63</u>	<u>927</u>
Less: Current portion of deferred income - deferred income - government grant government grant	(63)	(739)
	<u>-</u>	<u>188</u>

This represented benefit obtained under SBP's Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns' at concessionary rates. According to the condition of the SBP scheme, the Company was prohibited from laying-off employees for a period of three months from the date of loan.

	2022	2021
	-----Rupees in '000 -----	
15. LEASE LIABILITY		
Opening balance	12,880	-
Additions to lease liability	-	14,766
Unwinding of finance cost	1,003	1,091
Lease rentals paid	(3,586)	(2,977)
	<u>10,297</u>	<u>12,880</u>
Less: Current portion of lease liabilities	(3,217)	(2,583)
Long term portion of lease liabilities	<u>7,080</u>	<u>10,297</u>

	2022			2021		
	Principal Outstanding	Financial charge for future	Minimum lease payments	Principal Outstanding	Financial charge for future	Minimum lease payments
	----- Rupees in '000 -----					
Not later than one year	3,217	758	3,975	2,583	1,003	3,586
Later than one year but not later than five years	7,080	558	7,638	10,297	1,316	11,613
	<u>10,297</u>	<u>1,316</u>	<u>11,613</u>	<u>12,880</u>	<u>2,319</u>	<u>15,199</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

15.2 Finance charge at rate of 8.53% (2021: 8.53%) per annum has been used for discounting factor.

2022 2021
-----Rupees in '000 -----

16. TRADE AND OTHER PAYABLES

Creditors	474,143	255,458
Accrued liabilities	58,484	75,687
Due to related parties - note 16.1	129,579	96,090
Advance from customers - unsecured - note 16.2	67,270	67,880
Accrued mark-up	9,098	5,843
Current portion of deferred income - government grant	63	739
Payable to employees' provident fund - note 16.3	1,637	1,594
Workers' Welfare Fund	9,395	9,395
General sales tax and withholding tax payable	22,132	16,654
Security deposits - note 16.4	500	1,650
Other payables	8,452	26,470

780,753	557,460
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16.1 As at June 30, due to related parties of the Company are as follows:

International Brands (Private) Limited (Formerly International Brands Limited - the Ultimate Parent Company)	36	-
The Searle Company Limited (the Holding Company)	129,543	82,178
Searle BioSciences (Private) Limited (an Associated Company)	-	13,912
	129,579	96,090

16.2 ADVANCE FROM CUSTOMERS

Advance received from customers is recognised as revenue when the performance obligation in accordance with the policy as described in note - 2.23 is satisfied.

2022 2021
-----Rupees in '000 -----

Balance at beginning of the year	67,880	16,248
Advance received during the year	194,211	160,911
Revenue recognised during the year	(194,821)	(109,279)
Balance at end of the year	67,270	67,880

16.3 The investments in collective investment schemes, listed equity and listed debt securities out of the provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

- 16.4** These represent interest free deposits from customers and are repayable on demand. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Companies Act, 2017.

	2022	2021
	-----Rupees in '000 -----	
17. SHORT TERM BORROWINGS		
Islamic finances - note 17.1	<u>247,139</u>	<u>217,925</u>

- 17.1** The Company obtained running musharakah facilities from banks amounting to Rs. 300 million (2021: Rs. 300 million) out of which the amount unavailed at the year end was Rs. 52.86 million (2021: Rs. 82.08 million). Rates of profit range from one month KIBOR plus 1% (2021: one month KIBOR plus 0.75%) to three months KIBOR plus 1.5% (2021: three month KIBOR plus 1.5%) per annum. These facilities have been secured by way of hypothecation of first pari passu charge over present and future current assets amounting to Rs. 400 million.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

- 18.1.1** On September 14, 2015, the Company filed a suit for declaration and permanent injunction before the High Court of Sindh challenging the vires of Section 5A of the Income Tax Ordinance 2001 inserted through Section 5(3) of the Finance Act 2015 whereby income tax was imposed @ 10% on the reserves of the Company where the reserves exceeded the amount of paid-up capital. The Court passed ad-interim orders restraining the defendants from taking any coercive action as prayed. Issues have been framed and the matter is at the stage of arguments.

- 18.1.2** On November 10, 2020, the Company filed a suit before the High Court of Sindh challenging the refusal by the Customs Authorities of exemption on the dietary food for medical purposes being imported by the Company from Nestle Health Sciences GmbH, Deutschland (Germany). The exposure of the Company on account of Custom Duties is Rs. 77.09 million. The management believes that the likelihood of liability is remote and based on the advice of legal consultant, no provision is required.

- 18.1.3** On November 23, 2020, the Company filed a suit before the High Court of Sindh challenging the refusal by the Customs Authorities of exemption on the dietary food for medical purposes being imported by the Company from Mead Johnson Nutrition (Thailand). The exposure of the Company on account of Custom Duties is Rs. 13.08 million. The management believes that the likelihood of liability is remote and based on the advice of legal consultant, no provision is required.

- 18.1.4** As per section 4C of the Income Tax Ordinance, 2001 introduced through Finance Act, 2022, companies operating in certain sectors, including pharmaceuticals, are liable to pay super tax upto 10% for tax year 2022 and upto 4% for subsequent years. The Company has filed a constitutional petition on September 22, 2022 challenging the imposition of Super Tax on High Earning Persons in the High Court of Sindh. Based on the advice of its legal and tax advisors, the Company expects a favourable outcome of the case. The Company's remaining exposure in this regard is Rs. 29 million.

18.2 Commitments

The facility for opening letter of credit as at June 30, 2022 amounted to Rs. 640 million (2021: Rs. 590 million) of which the amount remaining unutilised at the end of year was Rs. 149.47 million (2021: Rs. 226.02 million).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2022	2021
	-----Rupees in '000	-----
19. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue - note 19.1	4,498,211	3,825,811
Less: Sales tax	(288,716)	(133,512)
	<u>4,209,495</u>	<u>3,692,299</u>
Less:		
Trade discount	(465,760)	(469,546)
Sales returns	(92,610)	(218,844)
	<u>(558,370)</u>	<u>(688,390)</u>
	<u>3,651,125</u>	<u>3,003,909</u>
19.1	Revenue includes sales to IBL Operations (Private) Limited (an associated company) and United Brands Limited (an associated company) amounting to Rs. 2,035.91 million (2021: Rs. 2,011.29 million) and Rs. 75.21 million (2021: Rs. 163.15 million) respectively.	
19.2	These financial statements do not include disclosures relating to IFRS 8 "Operating Segments" as the Company is considered to be a single operating segment.	
19.3	Management considers that revenue from its ordinary activities are shariah compliant.	
	2022	2021
	-----Rupees in '000	-----
20. COST OF SALES		
Opening inventory	708,379	654,727
Add: Purchases	2,684,400	2,071,668
	<u>3,392,779</u>	<u>2,726,395</u>
Less: Cost of samples	(20,275)	(17,253)
Less: Inventory written-off	(4,145)	(19,350)
Less: Closing inventory	(973,471)	(708,379)
	<u>(997,891)</u>	<u>(744,982)</u>
	<u>2,394,888</u>	<u>1,981,413</u>
21. OTHER (LOSS) / INCOME		
Income from financial assets		
Interest on loan to International Brands Limited	-	10,471
Exchange (loss) / gain - net	(72,834)	3,874
Grant income	864	1,548
	<u>(71,970)</u>	<u>15,893</u>
Income from non-financial assets		
Rental income from investment property	8,156	14,492
Others	2,407	351
Gain on disposal of furniture and equipment	1,918	-
Write-off of furniture and equipment	(616)	-
Scrap sales	-	298
	<u>11,865</u>	<u>15,141</u>
Others		
Insurance claim received	-	1,280
	<u>(60,105)</u>	<u>32,314</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

22. MARKETING AND DISTRIBUTION EXPENSES	2022	2021
	-----Rupees in '000-----	-----Rupees in '000-----
Salaries, wages and benefits - note 22.1	254,164	232,849
Sales promotion and marketing expense	165,774	160,042
Cartage and freight	41,668	22,155
Travelling	37,032	24,979
Inventories written-off	4,145	19,350
Depreciation	528	551
Amortisation	1,842	1,842
Rent, rates and taxes	23,916	12,641
Vehicle running expenses	28,544	23,379
Utilities and communication	3,916	3,608
Printing and stationery	1,231	831
Insurance	3,121	2,762
Repairs and maintenance	1,373	1,280
Fee and subscription	7,912	7,823
Security charges	253	607
Training	382	429
Others	6,348	2,077
	<u>582,149</u>	<u>517,205</u>

22.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 7.19 million (2021: Rs. 7.1 million).

23. ADMINISTRATIVE AND GENERAL EXPENSES	2022	2021
	-----Rupees in '000-----	-----Rupees in '000-----
Salaries, wages and benefits - note 23.1	42,740	41,165
Travelling	546	680
Depreciation	2,958	2,647
Depreciation on right-of-use asset	3,211	3,211
Amortisation	841	706
Vehicle running expenses	2,530	2,211
Utilities and communication	803	700
Auditors' remuneration - note 23.2	2,750	2,463
Donations - note 23.3	551	2,191
Legal and professional charges	1,505	3,302
Printing and stationery	2,759	2,247
Insurance	555	696
Fee and subscription	6,277	6,247
Repairs and maintenance	3,401	2,253
Training	-	16
Corporate services charged by the Ultimate Parent Company	21,000	21,000
Others	2,320	651
	<u>94,747</u>	<u>92,386</u>

23.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 1.34 million (2021: Rs. 1.4 million).

for the year ended June 30, 2022

Annual Report | 2022

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2022	(Restated) 2021
26. EARNINGS PER SHARE - BASIC		
Profit after taxation attributable to ordinary shareholders (Rupees in '000)	<u>302,859</u>	<u>300,488</u>
Weighted average number of outstanding shares at the end of year (in thousand)	<u>64,905</u>	<u>64,905</u>
Earnings per share - Basic (Rupees)	<u>4.67</u>	<u>4.63</u>

26.1 Earnings Per Share - Diluted

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2022 and 2021 which would have any effect on the earnings per share if the option to convert is exercised.

2022 2021
-----Rupees in '000 -----

27. CASH GENERATED FROM OPERATIONS

Profit for the year	483,270	409,147
Adjustments for non-cash income and expenses:		
Depreciation of furniture and equipment	3,486	3,198
Depreciation of right-of-use asset	3,211	3,211
Amortisation of intangible assets	2,683	2,548
Finance costs	24,359	26,351
Finance lease charges	1,003	1,091
Mark-up on Islamic finances	1,954	2,497
Interest income	-	(10,471)
Gain on disposal of furniture and equipment	(1,918)	-
	<u>34,778</u>	<u>28,425</u>
	<u>518,048</u>	<u>437,572</u>
Changes in working capital:		
Increase / (decrease) in current assets:		
Inventories	(265,092)	(53,652)
Trade and other receivables	(261,199)	(33,932)
Loans, advances, deposits and prepayments.	21,545	(62,303)
	<u>(504,746)</u>	<u>(149,887)</u>
Increase / (decrease) in current liabilities:		
Trade and other payables	220,038	(83,542)
	<u>233,340</u>	<u>204,143</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2022	2021
	-----Rupees in '000-----	
28. CASH AND CASH EQUIVALENTS		
Cash at bank in current accounts - note 10	61,794	75,418
Cash in hand - note 10	49	100
Cheques in hand - note 10	42,279	16,043
Short term borrowings - note 17	(247,139)	(217,925)
	<u>(143,017)</u>	<u>(126,364)</u>

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

29.1 The Company's activities expose it to variety of financial risks namely market risks (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

29.2 Financial assets and liabilities by category and their respective maturities

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
	----- Rupees in '000 -----						
FINANCIAL ASSETS							
At amortised cost							
Short-term deposits,							
loans and advances	-	-	-	32,865	-	32,865	32,865
Trade and other receivables	-	-	-	1,118,723	-	1,118,723	1,118,723
Cash and bank balances	-	-	-	104,122	-	104,122	104,122
2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,255,710</u>	<u>-</u>	<u>1,255,710</u>	<u>1,255,710</u>
2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>986,606</u>	<u>-</u>	<u>986,606</u>	<u>986,606</u>
FINANCIAL LIABILITIES							
At amortised cost							
Long-term finance	9,729	-	9,729	-	-	-	9,729
Lease liability	3,217	7,080	10,297	-	-	-	10,297
Trade and other payables	-	-	-	680,256	-	680,256	680,256
Short term borrowings	247,139	-	247,139	-	-	-	247,139
Unclaimed dividend	-	-	-	7,108	-	7,108	7,108
Unpaid dividend	-	-	-	11,418	-	11,418	11,418
June 30, 2022	<u>260,085</u>	<u>7,080</u>	<u>267,165</u>	<u>698,782</u>	<u>-</u>	<u>698,782</u>	<u>965,947</u>
2021	<u>238,848</u>	<u>19,828</u>	<u>258,676</u>	<u>444,957</u>	<u>-</u>	<u>444,957</u>	<u>703,633</u>
Off balance sheet items							
Letters of credit							
2022							<u>490,534</u>
2021							<u>363,980</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

(a) Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to price risk, currency risk and interest rate risk only.

(i) Interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in the market interest rates.

At June 30, 2022, the Company had variable interest bearing net financial liabilities of Rs. 247.14 million, and had the interest rate varied by 200 basis points with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 4.94 million (2021: 4.55 million) mainly as a result of lower / higher interest income on floating rate loans.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on payables in respect of imported inventory denominated in US Dollar (USD). The total foreign currency risk exposure as at June 30, 2022 is Rs. 511.66 million (2021: Rs. 200.15 million).

As at June 30, 2022, if the Pak Rupee had weakened / strengthened by 4% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 20.47 million (2021: Rs. 8.01 million), as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

As at June 30, 2022, if the Pak Rupee had weakened / strengthened by 4% against GBP with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. Nil million (2021: Rs. 0.14 million), as a result of foreign exchange losses / gains on translation of GBP denominated trade and other payables.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the statement of financial position date and assumes this is the position for the year. The volatility percentages for movement in foreign exchange rates have been used due to the fact that historically (five years) rates have moved on average basis by the mentioned percentage per annum.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

(b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company believes that it is not exposed to major concentration of credit risk as the exposure is spread over a number of counter parties.

As at June 30, 2022 trade receivables of Rs. 216.66 million (2021: Rs. 382.84 million) were past due but not impaired. The carrying amount of trade receivables relate to number of independent customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk.

The bank balances represent low credit risk as these are placed with banks having good credit rating assigned by credit rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available.

Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	VIS	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Al Baraka Bank (Pakistan) Limited	VIS	A1	AA+
Soneri Bank Limited	PACRA	A1+	AA-
Mobilink Microfinance Bank Limited	PACRA	A1	A
Summit Bank Limited	VIS	A3	BBB-

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2022				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
----- Rupees in `000 -----					
Financial liabilities					
Long-term finance - secured	9,729	(9,829)	(9,829)	-	-
Lease liability	10,297	(11,613)	(2,009)	(1,966)	(7,638)
Short-term borrowings	247,139	(247,139)	(247,139)	-	-
Trade and other payables	680,256	(680,256)	(680,256)	-	-
Unclaimed dividend	7,108	(7,108)	(7,108)	-	-
Unpaid dividend	11,418	(11,418)	(11,418)	-	-
	965,947	(967,363)	(957,759)	(1,966)	(7,638)

	2021				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
----- Rupees in `000 -----					
Financial liabilities					
Long-term finance - secured	27,871	(29,925)	(10,122)	(9,974)	(9,829)
Lease liability	12,880	(15,199)	(1,723)	(1,863)	(11,613)
Short-term borrowings	217,925	(217,925)	(217,925)	-	-
Trade and other payables	428,885	(428,885)	(428,885)	-	-
Unclaimed dividend	7,097	(7,097)	(7,097)	-	-
Unpaid dividend	8,975	(8,975)	(8,975)	-	-
	703,633	(708,006)	(674,727)	(11,837)	(21,442)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

(d) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2022, all financial assets and financial liabilities are carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 2.

29.3 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The debt to capital ratios as at June 30, 2022 and 2021 were as follows:

	2022	2021
	-----Rupees in '000 -----	
Short term borrowings - note 17	247,139	217,925
Long-term loan	-	9,531
Cash and bank balances - note 10	(104,122)	(91,561)
Net debt	143,017	135,895
Total equity	1,863,066	1,614,295
Total capital	2,006,083	1,750,190
Debt to capital ratio	7.13%	7.76%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance. The decrease in debt to equity ratio is mainly driven by increase in capital due to profits earned during the year.

29.4 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2022			
	Short term borrowings used for cash management purpose	Long term loan	Unappropriated profit	Total
	----- Rupees in '000 -----			
Balance as at July 1, 2021	217,925	27,871	953,818	1,199,614
Changes from financing cash flows				
Repayment of long term loan	-	(20,096)	-	(20,096)
Proceeds from long term loan	-	-	-	-
Dividend paid	-	-	(162,262)	(162,262)
Disbursement / (repayments) - net	29,214	-	-	29,214
Total changes from financing activities	29,214	(20,096)	(162,262)	(153,144)
Other changes - interest cost				
Interest expense	-	1,954	-	1,954
Interest paid	-	-	-	-
Deferred grant recognised	-	-	-	-
Changes in running finance	-	-	-	-
Total loan related other changes	-	1,954	-	1,954
Total equity related other changes	-	-	302,859	302,859
Balance as at June 30, 2022	247,139	9,729	1,094,415	1,351,283

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

	2021			
	Short term borrowings used for cash management purpose	Long term loan	Unappropriated profit	Total
	----- Rupees in `000 -----			
Balance as at July 1, 2020	178,682	-	761,505	940,187
Changes from financing cash flows				
Repayment of long term loan	-	(9,481)	-	(9,481)
Proceeds from long term loan	-	38,878	-	38,878
Dividend paid	-	-	(108,175)	(108,175)
Disbursement / (repayments) - net	39,243	-	-	39,243
Total changes from financing activities	39,243	29,397	(108,175)	(39,535)
Other changes - interest cost				
Interest expense	-	949	-	949
Interest paid	-	-	-	-
Deferred grant recognised	-	(2,475)	-	(2,475)
Changes in running finance	-	-	-	-
Total loan related other changes	-	(1,526)	-	(1,526)
Total equity related other changes	-	-	300,488	300,488
Balance as at June 30, 2021	<u>217,925</u>	<u>27,871</u>	<u>953,818</u>	<u>1,199,614</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

30. RELATED PARTY TRANSACTIONS

Nature of relationship	Nature of transaction	2022	2021
		-----Rupees in '000 -----	
i. Ultimate parent			
International Brands Private Limited	- Interest income	-	10,471
	- Corporate service charges	21,000	21,000
	- Dividend paid	173	347
	- Recovery of loan	-	249,630
	- SAP maintenance fee	1,798	112
	- Bonus shares issued in the ratio of 20 shares for every 100 shares held - note 30.3		
ii. Holding company			
The Searle Company Limited	- Dividend paid	39,009	78,018
	- Purchase of goods	327,258	219,375
	- Claims	565	5,238
	- Reimbursement of expenses	34,062	30,985
	- Utilities	2,501	2,110
	- Rent expense	3,529	3,208
	- Bank guarantee margin	350	7,633
	- Sale of goods	1,497	-
	- Bonus shares issued in the ratio of 20 shares for every 100 shares held - note 30.3		
iii. Associated companies			
IBL Operations (Private) Limited	- Sale of goods	1,795,327	1,585,030
	- Shared costs	2,640	7,620
	- Sale of assets	6,515	-
United Brands Limited	- Sale of goods	63,602	75,100
	- Purchase of goods	16	-
Searle Biosciences (Private) Limited	- Purchase of goods	-	35,833
	- Discounts	-	21,921
IBL Logistics (Private) Limited	- Cartage and freight charges	21,034	9,562
United Retail Private Limited	- Rental income	436	59
	- Other income	1,405	351
iv. Other related parties			
Employees' Provident Fund	- Contribution paid	8,525	8,452
Key Management Personnel *	- Salaries and other employee benefits	79,584	83,836
	- Director's fee and conveyance	2,005	2,050
	- Sale of goods	26	612
	- Bonus shares issued in the ratio of 20 shares for every 100 shares held		

* Key management personnel include CEO, CFO and Heads of Departments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

- 30.1** The status of outstanding balances with related parties as at June 30, 2022 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.
- 30.2** These transactions are carried out at mutually agreed rates.
- 30.3** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S.No	Company	Basis of Association	Aggregate % of shareholding
1	The Searle Company Limited	Holding Company	74.19%
2	International Brands Private Limited	Ultimate Parent	42.34%*
3	IBL Operations (Private) Limited	Group Company	N/A
4	United Brands Limited	Group Company	N/A

* Direct holding of International Brands Limited is 0.32%.

31. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	Chief Executive Officer		Executives	
	----- Rupees in '000 -----			
Managerial remuneration	9,332	8,232	50,371	46,432
Bonus and incentives	4,889	14,235	19,108	20,003
Leave fare assistance and leave encashment	831	605	3,761	4,705
Company's contribution to the Provident fund	787	715	4,322	4,078
Housing and utilities	4,329	3,934	23,996	22,431
	20,168	27,721	101,558	97,649
Number of persons	1	1	16	14

- 31.1** In addition to above, fee to six non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.63 million (2021: Rs. 0.77 million).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2022

32.	NUMBER OF EMPLOYEES	2022	2021
	Number of employees at year end	304	281
	Average number of employees during the year	<u>287</u>	<u>284</u>

33. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

- 33.1 The Board of Directors in their meeting held on September 29, 2022 proposed a cash dividend of Re.1 per share (2021: Re. 1 per share) amounting to Rs. 64.9 million (2021: Rs. 54.09 million) and issued 10 bonus shares for every 100 shares (2021: 20 bonus shares for every 100 shares) subject to approval of members at the forthcoming annual general meeting. This would be recognised in the Company's financial statements in the year in which such dividend and distribution are approved.

34. CORRESPONDING FIGURES

Certain reclassifications have been made for the purpose of better presentation and comparison, the effect of which is immaterial for the financial statements.

35. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on September 29, 2022.



Chief Executive



Director



Chief Financial Officer

Proxy Form

The Secretary
IBL HealthCare Limited
2nd Floor, One IBL Centre, Block 7&8, DMCHS
Tipu Sultan Road, Off: Shahrah-e-Faisal, Karachi

I/We _____ son/daughter/wife/husband of _____,
Shareholder of IBL HealthCare Limited, holding _____ ordinary shares hereby appoint
_____ who is my _____ [state relationship (if any)
with the proxy; required by Government Regulations] and the son /daughter/wife/husband of
_____, (holding _____ ordinary shares in the company under folio
no. _____) [required by Government] as my /our proxy, to attend and vote for me /us
and on my/our behalf at the Annual General Meeting of the Company to be held on October 28,
2022 and/or any adjournment thereof.

Signed this _____ day of _____ 2022.

Witness:

1. _____

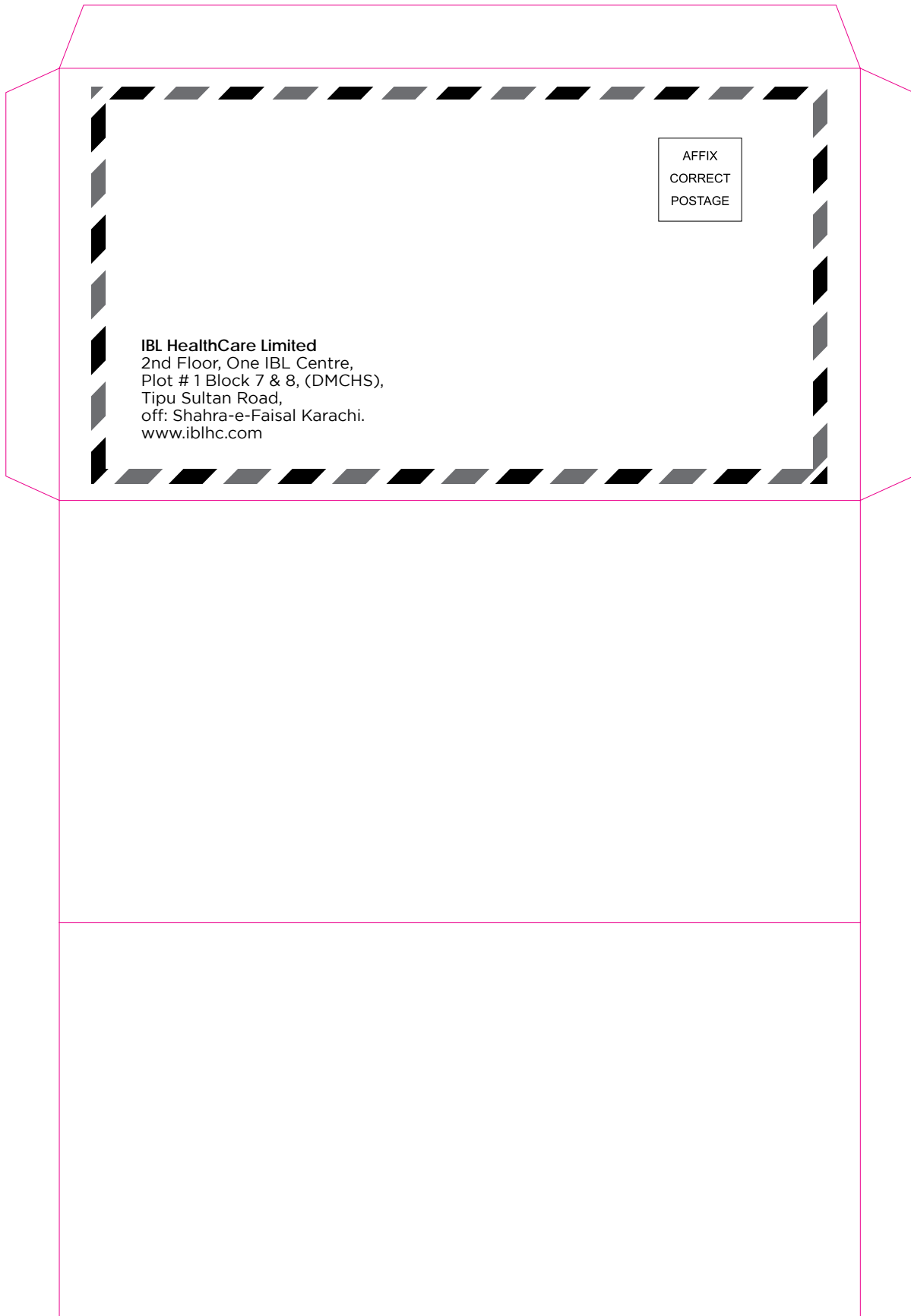
2. _____

Rs. 5/-
Revenue
Stamp

Signature of Member(s)
Shareholders Folio No. _____ and / or
CDC Participation I.D. No. _____

Note:

1. The member is requested:
 - I. To affix revenue stamp of Rs.5/- at the place indicated above.
 - II. To sign across the revenue stamp in the same style of signature as is registered with the company
 - III. To write down their folio number.
2. In order to be valid, this proxy must be received at the registered office of the company at least 48 hours before the time fixed for the meeting, duly completed in all respects.
3. CDC shareholders or their proxies should bring their original CNIC or Passport along with the Participant's ID Number and their Account Number to facilitate their identification. Detailed procedure is given in the notes to the notice of AGM.



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www.iblhc.com

پراکسی فارم

دی سیکریٹری

آئی بی ایل ہیلتھ کیئر لنڈیڈ

دوسری منزل، ون آئی بی ایل سینٹر، پلاٹ نمبر 1،

بلاک 7 اور 8، ٹیپو سلطان روڈ، آف شاہراہ فیصل، کراچی

میں/ہم _____ پسر/دختر/زوجہ/خاوند بابت _____ شیئر ہولڈر آئی بی ایل ہیلتھ کیئر لنڈیڈ
 حال _____ عمومی شیئر ہولڈر بڑا _____ کو مقرر کر رہے ہیں جو میرے
 (رشتہ بیان کریں) (اگر کوئی ہے) پراکسی ہیں، جیسا کہ حکومتی ضوابط کے تحت ضروری ہے، اور پسر/دختر/زوجہ/خاوند
 بابت _____ حامل _____ کمپنی کے عمومی شیئر ہولڈر کے تحت
 (حکومت کی جانب سے لازمی، اگر پراکسی کمپنی کا شیئر ہولڈر نہیں ہے) بطور میرے/ہمارے پراکسی میری/ہماری اور میرے/ہمارے جانب سے کمپنی کے
 سالانہ اجلاس عام منعقدہ ۲۸ اکتوبر ۲۰۲۲ء یا کسی زیر التوا تاریخ پر ہونے والے اجلاس میں میری/ہماری جانب سے شرکت کریں گے اور ووٹ کا حق
 استعمال کریں گے۔

دستخط شدہ بتاریخ _____ دن _____ ۲۰۲۲ء

گواہ نمبر 1:

(دستخط کمپنی کے پاس رجسٹرڈ نمونہ دستخط
 کے مطابق ہونے چاہئیں)

51/- روپے مالیت کے ریونیو
 اسٹیپ پر دستخط کریں

ممبر (ممبرز) کے دستخط

دستخط:

نام:

سی این آئی سی نمبر:

پتہ:

گواہ نمبر 2:

دستخط:

نام:

سی این آئی سی نمبر:

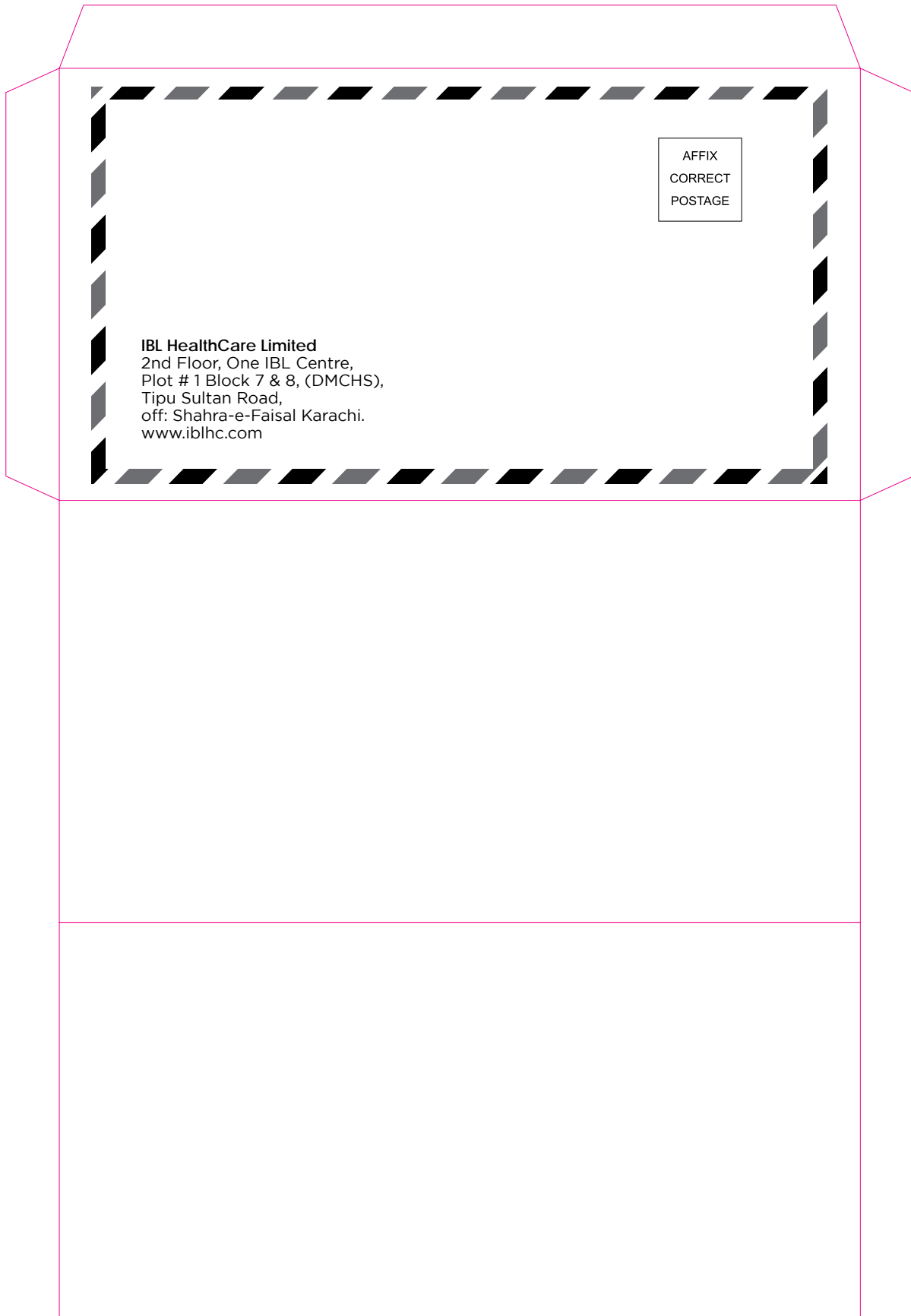
پتہ:

شیئر ہولڈرز کا فوٹیو نمبر:
 اور/یا سی ڈی سی پارٹیشن آئی ڈی نمبر:
 اور ڈی اے کاؤنٹ نمبر:
 شیئر ہولڈرز کا سی این آئی سی نمبر:

نوٹ:

۱۔ ممبر سے درخواست ہے کہ:

- مذکورہ بالا نشان زدہ جگہ پر 51/- روپے مالیت کا ریونیو اسٹیپ چسپاں کریں۔
 - ریونیو اسٹیپ پر اسی انداز میں دستخط کریں جیسا کہ کمپنی کے پاس رجسٹرڈ ہیں۔
 - اپنا فوٹیو نمبر سچے درج کریں۔
 - اپنے کارڈ کمپیوٹر انڈسٹری کمیونٹی کا کارڈ/ پاسپورٹ/ بورڈ کی قرارداد اور پراکسی کے سی این آئی سی کی کاپی پراکسی فارم کے ساتھ منسلک کر کے جمع کرائیں۔
- ۲۔ کارڈ مہونے کے لئے ضروری ہے کہ یہ پراکسی کمپنی کے رجسٹرڈ آفس میں اجلاس کے لئے مقررہ وقت سے کم از کم ۲۸ گھنٹے قبل ہر طرح سے مکمل صورت میں جمع کرا دیے جائیں۔
- ۳۔ سی ڈی ایس شیئر ہولڈرز یا ان کے پراکسیز اپنے اصل کمپیوٹر انڈسٹری کمیونٹی کا کارڈ یا پاسپورٹ مع پارٹیشن آئی ڈی نمبر اور ان کے اکاؤنٹ نمبر اپنی شناخت میں سہولت کے لئے ہمراہ لائیں مفصل طریقہ کار غیر معمولی اجلاس عام کے نوٹ میں درج ہے۔



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