HealthCare TRANSFORMATION For Generations







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Vision

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

Mission

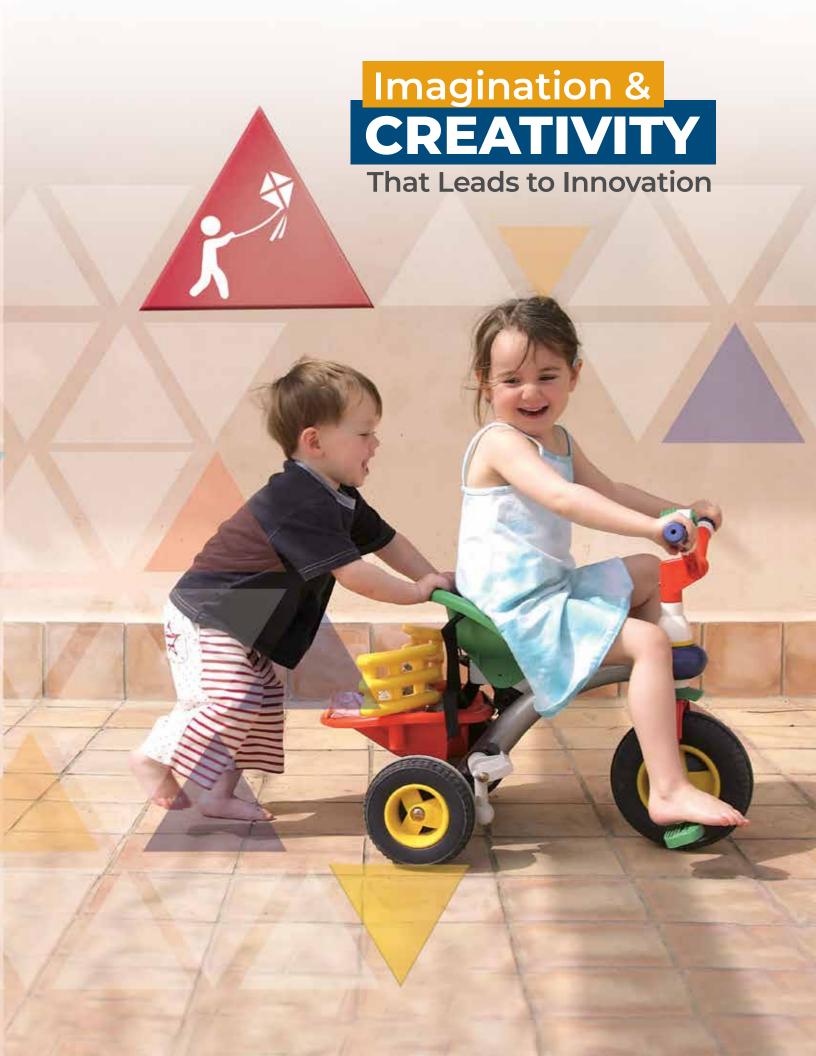
We are committed to contribute in the betterment of society by providing a versatile range of Healthcare and nutritional products. We aim to grow by relentlessly providing better products and services to our customers, better returns to our stakeholders and a better quality of life to the employees.





NOURISHING THE BEST START IN LIFE





Company Information

BOARD OF DIRECTORS

Mr. Rashid Abdulla Chairman
Mr. Adnan Asdar Ali Director
Mr. S. Nadeem Ahmed Director

Mr. Mufti Zia ul Islam Chief Executive Officer

Mr. Zubair Razzak Palwala Director Mr. Ayaz Abdulla Director Ms. Shaista Khaliq Rehman Director

AUDIT COMMITTEE

Ms. Shaista Khaliq Rehman Chairperson Mr. Zubair Razzak Palwala Member Mr. Ayaz Abdulla Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Shaista Khaliq Rehman Chairperson Mr. S. Nadeem Ahmed Member Mr. Ayaz Abdulla Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Tariq

COMPANY SECRETARY

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

9th Floor, NIC Building, Abbasi Shaheed Road, 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 is hereby given that the 22nd annual general meeting of the shareholders of IBL HealthCare Limited will be held on Friday, October 25, 2019 at 04:00 p.m. at Jasmine Hall Beach Luxury Hotel, M.T Khan Road, Karachi to transact the following business:

ORDINARY BUSINESS

- 1. To confirm the minutes of annual general meeting held on October 26, 2018.
- 2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2019 together with the directors' and auditors' reports thereon.
- 3. To consider and approve final cash dividend for the financial year ended June 30, 2019, 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, 2020 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, 2020.

SPECIAL BUSINESS

- 5. 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. 15.89 million per annum inclusive of perquisites and retirement benefits, admissible under the Company's Rules.
- 6. To ratify and approve transactions conducted with related parties for the year ended June 30, 2019 by passing the following special resolution with or without modification:
 - "RESOLVED THAT the transactions conducted with related parties as disclosed in the note 29 of the financial statements for the year ended June 30, 2019 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed."
- 7. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2020 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 financial year ending June 30, 2020."
 - "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."

- 8. To consider and approve conversion of short-term loan to long-term given to International Brands Limited, an associated company and to pass with or without modification following resolution as special resolution.
 - **RESOLVED THAT** the approval of the members of the company be and is hereby accorded in terms of section 199(4) to change the nature and period of short-term loan to long-term loan.

FURTHER RESOLVED THAT Mr. Mufti Zia ul Islam, Syed Nadeem Ahmed and Mr. Zubair Palwala Directors of the company be and are hereby authorized, singly, to do all acts, deeds, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

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 04, 2019

NOTES:

A. Book closure:

i. The share transfer books will remain closed from October 19, 2019 to October 25, 2019 (both days inclusive) for entitlement of 10% final cash dividend. 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., Shahra-e-Faisal, Karachi-74400 by close of the business on October 18, 2019 will be treated in time for the purpose of attending the annual general meeting and entitlement of cash dividend.

B. Participation in General Meeting:

- i. All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder 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: 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi 75530 not less than 48 hours before the meeting.
- ii. In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport

for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

iii. Members are requested to intimate any changes in address immediately to 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.

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 2019 effective July 1, 2019, the rate of deduction of income tax from dividend payments has been revised 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. Further, 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:

			Principal	Shareholder	Joint Shareholder	
Company Name	Folio/CDS Account #	Total Shares	Name and CNIC#	Shareholding Proportion (No. of Shares)	and	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
	HealthCare Limited, holder ofordinary shares as pe 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.

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

Item Number 6 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, 2017. 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 29 to the financial statements for the year ended June 30, 2019. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000	
	Interest income	21,642	
International Drawdal insited	Corporate service charges	19,200	
International Brands Limited	Dividend paid	173	
	Repayment of loan	13,120	
	Dividend paid	39,008	
The Searle Company Limited	Shared costs	578	
	Purchase of goods	2,415	
IDI Oravationa (Dvivata) Limitad	Sale of goods	1,084,229	
IBL Operations (Private) Limited	Shared cost	3,303	
IBL Identity (Private) Limited	Rental income	7,464	
IBL Unisys (Private) Limited	SAP maintenance fee	619	
United Distributors Pakistan Limited	Dividend paid	1,184	
Employees' provident fund	Contribution paid	4,054	
Key paga ang paga ant paga ang paga	Salaries and other benefits	15,898	
Key management personnel	Directors' fee and conveyance	450	

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, 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 28 to the financial statements for the year ended June 30, 2019. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

2. Item number 7 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2020

The Company shall be conducting transactions with its related parties during the year ending June 30, 2020 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 year ending June 30, 2020, 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.

3. Item Number 8 of the notice - Conversion of short-term loan to long-term loan

1.	Name	of	the	associate	ed	compai	ny
	along v	vith	criter	ia based	on	which th	ne
	associa	ted	relatio	nship is	esta	blished	

2. Purpose, benefits and period of investment

3. Maximum amount of investment

4. Rate of interest

5. Nature of investment

6. Collateral / Security

7. Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or the transaction under consideration

8. Any other loan granted and complete details thereof

9. Salient features of the agreement to be entered with international brands limited with regards to proposed investment

10. Any other necessary details for the members to attend the transaction

International Brands Limited. Significant control and influence due to common directorship.

Conversion from short-term to long-term (5 years commencing July 01, 2019) to drive long-term benefits to the company.

Rs. 200,000,000/- (Rupees two hundred million)

ONE YEAR KIBOR +2%

Long-term investment

Unsecured

The directors have no direct or indirect interest in investment in international brands limited, except they are directors of the company

Rs. 98,000,000 million (Rupees ninety-eight million) @ KIBOR +1% for a period of five years (ending on January 20, 2020)

Same as the current agreement

None





EMPOWERING HEALTHIER LIVES THROUGH NUTRITION





Chairman's Report

IBL HealthCare complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 with respect to the composition, procedures and meetings of the Board of Directors and its committees. 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 24, 2019

Directors' Report

The Board of Directors of IBL HealthCare Limited (IBLHL) takes pleasure to present before shareholders performance review together with the audit report and the financial statements of the Company for the year ended June 30, 2019.

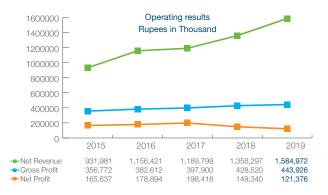
The Directors' report is prepared under section 227 of the Companies Act, 2017and chapter XIII clause 35 (Reporting & Disclosure) of the Code of Corporate Governance.

SUMMARY OF FINANCIAL PERFORMANCE

	2019 (Rupees in 1	2018 Thousand)
Revenue Gross profit Gross profit as a	1,584,972 443,926	1,358,297 428,520
percentage of revenue Profit before taxation Profit after taxation	28.01% 199,008 121,376	31.55% 212,305 149,340

PRINCIPAL ACTIVITES & OVERVIEW OF FINANCIAL PERFORMANCE

The principal activities of the Company include marketing, selling and distribution of healthcare products. The company's prime objective is to provide consumer with best healthcare products that improves quality of life and positive impact on environment. This was the toughest year for the business due to worst economic crises prevailing in the country. The drastic devaluation of currency curtailed the profitability since the business is totally based on imports. Despite of the above situation, other uncontrollable factors



such as increase in duties and stringent rules imposed by the authorities on formula milk and nutritional products adversely impacted the profitability of the company.

Despite of the unfavorable economic environment and tough competition, the revenue for the current financial year is Rs. 1.584 billion as compared to Rs. 1.358 billion for the same period last year with a positive growth of 17%.

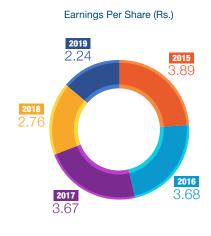
To neutralize the effect of devaluation and increase in duties, various operational measures have been taken to enhance the revenue and profitability which includes more focus on high margin products and seeking opportunity for induction of new business segments. In spite of all the strategic and functional efforts taken, the gross profit as a percentage of sales reduced to 28.01% for the current fiscal year which restricted the profit after tax at Rs.121.4m.

HOLDING COMPANY

The Searle Company Limited (TSCL) is the Holding Company of IBL HealthCare Limited. As at June 30, 2019, TSCL held 39,008,863 shares of Rs.10 each.

BASIC EARNINGS PER SHARE

Basic earnings per share were Rs.2.24 (2018: Rs. 2.76)



DIVIDEND

The board of directors has recommended Re. 1/- dividend of 10% for the year ended June 30, 2019 (2018: 10%).

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Performance with integrity is central to operating at IBL HealthCare. The Board of Directors has adopted a statement of ethics and business practices. All employees are informed and aware of this and are required to observe these rules of conduct in relation to business and regulations.

COMPOSITION OF THE BOARD

The diverse mix of knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

06

01

Total number of directors

III Executive Director

a. Male

b.	Female	01
Со	mposition	
1	Independent Director	01
	Non-Executive Director	05

MEETINGS OF THE BOARD OF DIRECTORS

During the year 2018-2019, five Board meetings were held and attended as follows:

Directors	Meetings attended
Mr. Rashid Abdulla	5
Mr. Adnan Asdar Ali	2
Mr. S. Nadeem Ahmed	5
Mr. Mufti Zia ul Islam	4
Mr. Zubair Palwala	5
Mr. Ayaz Abdulla	3
Ms. Shaista Khaliq Rehn	nan 4

DIRECTORS' TRAINING PROGRAM

Board of Directors' training helps the board to fulfil its role and make a real difference to a

company's performance. It takes a practical and pragmatic approach because every board has a unique role in company oversight including duty to stakeholders. Therefore, keeping in mind, all the directors, except exempted, have attended the training program as required by the Code of Corporate Governance.

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 of the Companies Act, 2017 is attached with this Annual Report.

DIRECTORS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Directors' of the company are very keen to have strong internal financial control in the company as it helps better financial reporting. To implement the same, directors review summary of financial controls in their quarterly meetings and use their expertise to implement effective controls.

DIRRECTORS' 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.

AUDIT COMMITTEE

The Committee comprises of three members, two are non-executive Directors and the Chairperson of the Committee is an independent director.

The terms of reference of the Committee have

been determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations and advised to the Committee for compliance. During the year four Committee meetings were held.

An independent audit function reporting to the Board's audit committee reviews risks and controls across the organization. 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.

During the year 2018-2019, four audit committee meetings were held and attended as follows:

Memners	Meeting attende
Ms. Shaista Khaliq Rehman – Chairperson	1 4
Mr. Zubair Palwala	4
Mr. Ayaz Abdulla	3

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Committee comprises of three members, all of them are non-executive directors including the chairperson of the Committee. The chairperson of the committee is an independent director.

Members

Ms. Shaista Khaliq Rehman – Chairperson

Mr. S. Nadeem Ahmed

Mr. Ayaz Abdulla

CORPORATE AND SOCIAL RESPONSIBILITY

At IBL HealthCare, our aim has always been to make useful contributions to the economy we operate in. One of the primary areas of focus has been the creation of employment opportunities to support the technical workforce. The group operates in a socially responsible manner. Accordingly, the group's CSR program has a very wide scope encompassing initiative in the areas of health care, education, environment protection and other social welfare activities.

INFORMATION SYSTEM

We believe that information system plays key role in an organization to work efficiently and effectively. In lieu with our policy of keeping pace with technological advancement, we have successfully implemented the most robust enterprise resource planning system SAP.

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, 2020. 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, 2020.

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, 2017 and the Rule book of Pakistan Stock Exchange. Your Company has taken all necessary steps to ensure good Corporate Governance and compliance of the Code.

As required by the rule 5.19.11 of the Rule Book of PSX, we confirm the following:

- 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.
- As required by the rule 5.19.11 of the Rule Book of PSX, we have included the following information in this report:
 - Statement of pattern of shareholding.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the Board meetings held during the year and attendance by each director.
 - Key operating and financial statistics for last six years.

FUTURE OUTLOOK

The management of your Company is optimistic for enhancing the growth and profitability by tapping new opportunities i.e. diversification of portfolio, launching of more local brands and extending the product line with the current partners. As a part of strategy, few products have already launched and expecting considerable contribution towards revenue and profitability. Recent transfer of the products from parent company will further add 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 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, 2019 and other related information is set out on page 34 to 38.

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 the 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

Karachi September 24, 2019

شيئر ہولڈنگ کی معلومات

سمینی کے شیئرز کی پاکستان اسٹاک ایکیچنج میں تجارت ہوتی ہے۔ ۳۰ جون ۲۰۱۹ء کے مطابق شیئر ہولڈنگ کا طریقہ کاراور دیگر متعلقہ معلومات صفحہ نمبر 34 سے 38 پر درج ہیں۔

کمپنی کے کوئی ڈائر یکٹرز،ا گیز یکٹوز اوران کے شریکِ حیات اور نابالغ بچوں نے اس مدت کے دوران کمپنی کے شیئرز کی کوئی خریدوفر وخت نہیں کی۔

چيئر مين كا جائزه

کمپنیزا بکٹ ۲۰۱۷ کی شرا کط کے مطابق بورڈ کی کارکردگی اور کمپنی کے اغراض ومقاصد کے موثر ہونے کے بارے میں چیئر مین کا جائز ہ'' چیئر مین کی جائز ہ رپورٹ' میں پیش کیا گیا ہے۔

God -

مفتى ضياء الاسلام چيف الگزيکٹو آفيسر Down

، س**یدندیم احمد** ڈائر کیٹر

کراچی دستمه ۱۵

- اندرونی کٹرول کا نظام مشحکم طور پرتیار کیا گیا ہے اور موثر طور پر نافذ العمل ہے اوراس کی تکرانی کی جاتی ہے۔
 - اس امر میں کوئی شبنہیں کمپنی میں ترقی کرنے کی بہترین صلاحیت موجود ہے۔
- جیسا کہ PSX کی رول بک کے ضابطہ 5.19.11 کے تحت لازم ہے، ہم نے اس رپورٹ میں درج ذیل معلومات شامل کی ہیں:
 - شیئر ہولڈنگ کے پیٹرن کا اسٹیٹمنٹ۔
 - 🗼 مسلکهانڈرٹیکنکزاورمتعلقہافراد کے پاس موجود شیئرز کااشیٹمنٹ۔
 - ﴾ سال کے دوران پورڈ کے اجلاسوں اوران میں ہرایک ڈائر کیٹر کی شرکت کے بارے میں بیان۔
 - ﴾ گزشتہ چھ برسوں کے لئے کلیدی آپریٹنگ اور مالیاتی اعدادوشار۔

مستقبل يرايك نظر

آ پی کمپنی کی انتظامیہ نے مواقعوں کے حصول مثلاً پورٹ فولیو کی توسیع ،مزید مقامی برانڈ ز کے تعارف اور پروڈ کٹ لائن میں توسعی مع موجودہ شراکت کاروں کے ساتھ کاروبار میں اضافے کے ذریعے ترقی ،گروتھ اور منافع جات میں اضافے کے بارے میں پُرعزم ہے۔ حکمت عملی کے ایک جزو کے طور پر چند مصنوعات پہلے ہی متعارف کرائی جا چکی ہیں اور توقع کے مطابق آ مدنی اور منافع جات میں اضافہ ہور ہاہے۔ بنیا دی کمپنی سے پروڈ کٹس کی حالیہ متنظی مزید منافع بخش ہوگی اور کمپنی کی ترقی اور مارکیٹ شیئر میں اضافے کا موجب ثابت ہوگی۔

ہم پُر اعتاد ہیں کہ ہم شیئر ہولڈرز کیلئے منافع جات میں اضافے کے ساتھ اپنے صارفین کو بہترین مصنوعات اور خد مات کی فراہمی میں بھی کامیاب رہیں گے۔اسعزم کے ساتھ ہم اپنی سیلز فورس کے بھر پورتعاون اور سپورٹ کے بھی شکر گزار ہیں جس کے بغیر ہم ان نتائج کے حصول میں کامیاب نہیں ہو سکتے تھے۔

ہم اس موقع پراینے ملاز مین کے بھی مشکور ہیں کیونکہ انہوں نے کمپنی کے بہتر نتائج کے حصول میں اپنا بھریورکر دارا دا کیا۔

آڈیٹرز

موجودہ آڈیٹرزاے۔ابیف۔فرگون اینڈ کمپنی، چارٹرڈ اکا وَتُٹینٹس سیدوش ہورہے ہیں اوراہل ہونے کی بناء پرانہوں نے خودکودوبارہ تقرری کیلئے پیش کیا ہے۔آڈٹ کمپنی کو ۳۰ جون ۲۰۲۰ءکو ختم ہونے والے کیلئے پیش کیا ہے۔آڈٹ کمپنی کو ۳۰ جون ۲۰۲۰ءکو ختم ہونے والے سال کیلئے کمپٹی کے آڈیٹرز کی حیثیت سے تقرری دے دی جائے۔ بورڈ آف ڈائز کیٹرز نے آڈٹ کمپٹی کی سفارشات پر ۳۰ جون ۲۰۲۰ءکو ختم ہونے والے مالیاتی سال کیلئے اے۔ابیف۔فرگوس اینڈ کمپنی کی تقرری کی توثیق کردی ہے۔

بعدازال ہونے والے واقعات

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

کار پوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کے ڈائر یکٹر لسٹد کمپنیز (کوڈ آف کارپوریٹ گورنینس) ریگولیشنز ۱۲۰۱ور پاکستان اسٹاک ایکیچنج کی رول بک کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ آپ کی کہپنی بہتر کارپوریٹ گورنینس اورضا بطے برعملدر آمد کوئیٹی بنانے کیلئے تمام ترضروری اقدامات بروئے کارلاتی ہے۔ جیسا کہ PSX کی رول بک کے ضابطہ 5.19.11 کے تحت لازم ہے، ہم درج ذیل کی تصدیق کرتے ہیں:

- تستمینی کی انتظامیه کی جانب سے تیار کردہ مالیاتی حسابات اس کے تمام کاروباری امور،اس کے آپریشن کے نتائج، بہاؤاوراس کی ایکویٹی میں تبدیلی کوشفاف انداز میں پیش کرتے ہیں۔
 - تاری جاتی ہیں۔ • میٹنی کے حسابات کی با قاعدہ کتب تیار کی جاتی ہیں۔
- موزوں ترین اکا وَنٹنگ پالیسیاں مالیاتی حسابات اورا کا وَنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پرلا گو کی جاتی ہیں اور بیرمناسب اورمخناط فیصلوں پرمنحصر ہوتی ہیں۔
- انٹرنیشنل فنانشل ریورننگ اسٹینڈ رڈ ز،جیسا کہ پاکستان میں مروجہ ہیں، مالیاتی حسابات کی تیاری میں لا گو کیے جاتے ہیں اوران سے کسی بھی روگردانی کومناسب انداز میں بیان اورواضح کر دیا جاتا ہے۔

سمیٹی کےٹرمزآف ریفرنس کانعین بورڈ آف ڈاِئر کیٹرزلسٹنگ ریگولیشنز میں فراہم کردہ رہتما ہدایات کےمطابق کرتا ہے اوراس پرعملدرآ مد کے لئے کمیٹی کو ہدایات دی جاتی ہیں سال کے دوران کمیٹی کے حیار اجلاس منعقد ہوئے'۔

ایک خود مختار آ ڈٹ کا کام پورڈ کی آ ڈٹ تھمیٹی کورپورٹ پیش کرنا ہے جو پورے ادارے میں خدشات اور کنٹرول کا جائزہ لیتی ہے۔ پورڈ نے انٹرنل آڈٹے کاعمل بیرونی طور پر گرانٹ تھورنٹون انتجم رحمٰن، چارٹرڈا کا وَتُشِینٹن سے کرایا جوموز وں طور براس مقصد کے لئے اہل اور تجربہ کارتصور کئے گئے اور کمپنی کی پالیسیوں اور طریقہ کارسے بھی بخو کی واقف ہیں۔

سال ۱۸-۲ء۔۲۰۱۹ء کے دوران آ ڈٹ ممیٹی کے حیارا جلاس ہوئے اوران میں حاضری درج ذیل کےمطابق رہی۔

اجلاس میں حاضری اركان

مساة شائسة خالق رحمٰن - چيئريرس

جناب زبيريال والا

جناب ابازعبدالله

ہیومن ریسورس اینڈ ریمیونریش کمیٹی

ہیں تین ممیران پرشتمل ہے،تمام نان ۔ا بگزیکٹوڈ ائر بکٹرزبشمول کمیٹی کی چیئر برس مہیں کمیٹی کے چیئر برس ایک انڈیپینڈنٹ ڈائر بکٹر ہیں ۔

ممبران

مساة شائسته خالق رحمٰن - چيئر برسن جناب السي-نديم احمه جناب ابا زعيدالله

کارپوریٹ اورساجی ذمہداری

آئی بی ایل ہیلتھ کیئر میں ہماراعز ماس معیشت میں کارآ مدحصہ بٹانا ہےجس میں ہم کاروبار کرر ہے ہیں خصوصی توجہ کے بنیادی شعبوں میں سے ایک روز گار کےمواقع پیدا کرنا ہے تا کٹیکنیکل ورک فورس میں افرادی قوت کومعاونت فراہم کی جاسکے۔ پیگروپ ایک ساجی ذمید دارا دارے کی حیثیت سے کام کرر ہاہے۔جس نےمطابق گروپ کاسی ایس آ ریروگرام ایک انتہائی وسیع اسکوپ کا حامل ہے جس میں ہیلتھ کیئر آنعلیم ، ماحولیا تی تحفظ اور دیگرسا بی بہبود کی سرگرمیوں کے حوالے سے مؤثر اقدامات کئے جارہے ہیں۔

انفارميشن سستم

ہم اس امریریقین رکھتے ہیں کہ انفارمیشن سٹم کسی بھی ادارے کی کارکردگی کو بہتر اورموثر بنانے میں کلیدی کر دارا دار کرتا ہے۔ تیز رفتار کام کے ساٹھ ٹیکنالو جی میں جدت کی ہماری یالیسی کے تخت ہم نے کامیابی کے ساتھ انتہائی فعال انٹر پرائزریبورس پلاننگ سٹم ایس اے بی (SAP) لا گوکررکھاہے۔

ڈائر یکٹرز کاتربیتی پروگرام

بورڈ آف ڈائر کیٹرز کی تربیت بورڈ کواس کا کردارادا کرنے اور کمپنی کی کارکردگی میں نمایاں تبدیلی لانے میں معاون ثابت ہوتی ہے۔ یہ ایک ملی اور حقیقت پسندانہ نقطہ نظر کا حامل ہے کیونکہ ہر بورڈ کمپنی پرنظر رکھنے بشمول اسٹیک ہولڈرز کے لئے ڈیوٹی انجام دینے میں ایک منفر دکردار رکھتا ہے۔ لہٰذااس امرکو مدنظر رکھتے ہوئے سوائے مشتلی ڈائر کیٹرز، تمام ڈائر کیٹرز نےٹر بینگ پروگرام میں شرکت کی جیسا کہ کوڈ آف کارپوریٹ گورنینس کے تحت ضروری ہے۔

بورڈ کی کارکردگی کا جائزہ

سال کیلئے تجویز کردہ پیانوں کی بنیاد پر بورڈ کی مجموعی کارکردگی کا جائزہ اطمینان بخش تھا۔ چیئر مین کی جانب سے بورڈ کی مجموعی کارکردگی کے بارے میں ایک الگ رپورٹ، جیسا کہ کمپنیزا کیٹے کا ۲۰ کے سیکشن ۱۹۲ کے تحت ضروری ہے، اس سالا نہ رپورٹ کے ساتھ منسلک ہے۔

اندرونی مالیاتی کنٹرول کے لئے ڈائر یکٹرزی ذمہداری

کمپنی کے ڈائر یکٹرز کمپنی میں اندرونی مشحکم مالیاتی کنٹرول کے بارے میں انتہائی توجہ دیتے ہیں کیونکہ یہ بہتر فنانشل رپورٹنگ میں معاون ہے۔ اپنے سہ ماہی اجلاسوں میں مالیاتی کنٹرول کے شمن میں ڈائر یکٹرز کی جائرہ سمری کولا گوکر نے اور موٹر کنٹرول کونافذ کرنے کے لئے ان کی مہارت کا استعال کیا جاتا ہے۔

ڈائر کیٹرز کامشاہرہ

آئی بی امل ہملتھ کیئر کے بورڈ آف ڈائر کیٹرزنے ڈائر کیٹرز کیلئے ایک''مشاہرے کی پالیسی''منظور کی ہے جس میں درج ذیل نکات شامل ہیں:

- تمینی اینے نان _ا بگزیکٹوڈ ائر یکٹرزکو بورڈ اوراس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے ادا کی جانے والی فیس کے علاوہ کسی دیگر مشاہرے کی ادائیگن نہیں کرے گی ۔
- ڈائر کیٹرز کو بورڈ ،اس کی کمیٹیوں کے اجلاسوں اور ا_{یا} کمپنی کے اجلاس عام میں شرکت کے لئے خرچ ہونے والے تمام سفری اور دیگر اخراجات فراہم کیے جائیں گے یاان کی زرتلافی کر دی جائے گی۔

آ ڈٹ میٹی

یہ میٹی تین ممبران پر شتمل ہے، دونان۔ایگزیکٹوڈائریکڑ زاور کمیٹی کے چیئر پرس ایک خودمختارڈائریکٹر ہیں۔

بورڈ کی تشکیل

ممبران کی معلومات،مہارت اورعلم وقابلیت کے شاندارامتزاج نے ہمارے بورڈ کی کارکردگی کوموثر بنایا ہے۔ ہمارے بورڈ کی شکیل شیئر ہولڈرز کی تمام کیٹگریز کے مفادات کی نمائندگی کرتی ہے اور بیدرج ذیل پڑشتمل ہے:

	مجموعي ڈائر یکٹرز کی تعداد		
06		مرد	اے
01		خاتون	بي

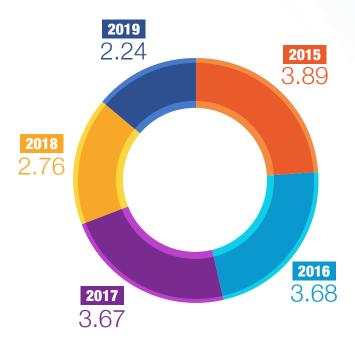
	رتب	
01	انژیبینژنٹ ڈائریکٹر	1
05	نان ایگزیگوڈ ائریکٹر	۲
01	ا يگزيكڻو دائريكٽر	٣

بورد آف ڈائر یکٹرز کے اجلاس

سال ۲۰۱۸ء کے دوران پورڈ کے پانچ اجلاس ہوئے اوران میں حاضری درج ذیل کے مطابق رہی:

اجلاس میں حاضری	ڈائر یکٹرز
5	جناب <i>را شدعب</i> رالله
2	جناب <i>عد</i> نان اسدر على
5	جناب السي نديم احمه
4	جناب مفتى ضياءالاسلام
5	جناب زبير پإل والا
3	جناب ایا زعبدالله
4	مسماة شائسة خالق حملن

Earnings Per Share (Rs.)

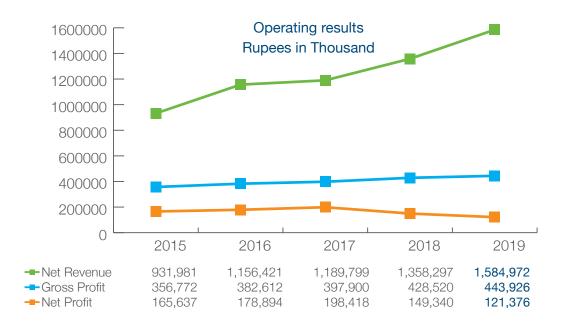


منافع منقسمه

بوردُ آف ڈائر یکٹرزنے ۲۰۱۹ جون ۲۰۱۹ کوختم ہونے والے سال کے لئے ۱۰ فیصد نقد منافع منقسمہ کی سفارش کی ہے۔ (۲۰۱۸ ء: ۱۰ فیصد)

ضابطها خلاق اور كاروباري طريقه كاركا اسبيشنث

کارکردگی کے ساتھ نظم وضبط آئی بی اہل ہمیاتھ کیئر کمیٹر میں کام کرنے کیلئے مرکزی حیثیت کا حامل ہے۔ بورڈ آف ڈائر کیٹرزنے ضابطہ اخلاق اور کاروباری طریقہ کارکا ایک اسٹیٹنٹ تیار کررکھا ہے۔ تمام ملاز مین کواس سے آگاہ کردیا گیا ہے اور وہ اس سے بخو بی واقف ہیں جبکہ کاروبار اور ضوابط سے متعلق ان اصولوں پڑ مملدر آمد کرنا ضروری ہے۔



غیرموافق معاشی صورتحال اور سخت مسابقت کے باوجود رواں مالی سال کیلئے آمد نی ۱٬۵۸۴ بلین روپے رہی جو گزشتہ سال کی اس مدت میں ۱۳۵۸ بلین روپے تھی اوراس طرح کے افیصد کی مثبت گروتھ حاصل ہوئی۔

روپے کی قدر میں کمی اور ڈیوٹیز میں اضافے کے اثرات کم کرنے کیلئے آمدنی اور منافع جات میں اضافے کی غرض سے متعدد آپریشنل اقد امات بروئے کار لائے گئے جس میں بڑے منافع کی حامل مصنوعات پرخصوصی توجہ اورنگ کاروباری شعبہ جات کو برنس میں شامل کرنے کے مواقع شامل ہیں۔ان تمام حکمت عملی اور فعال سرگرمیوں کے باوجو درواں مالی سال کیلئے سیلز کی فیصدی شرح کے طور پر مجموعی منافع ا • ء ۲۸ فیصد تک کم ہوگیا جس نے منافع بعداز ٹیکس کوم ء ۲۱ املین روپے تک محدود رکھا۔

ہولڈنگ مپنی

دی سرل کمپنی لمیٹڈ (ٹی ایس بی ایل)، آئی بی ایل ہملتھ کیئر لمیٹڈ کی ہولڈنگ کمپنی ہے۔۳۰ جون ۲۰۱۹ء کے مطابق دی سرل کمپنی لمیٹڈ ہرایک ۱۰روپے مالیت کے۳۹،۰۰۸،۸۶۳شیئر زبر قرار رہی۔

بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر ۲۴ و ۲۲ روپے رہی (۲۰۱۸ ء:۲۷ وپے)۔

ڈائر یکٹرز کی رپورٹ

آئی بی ایل ہملتھ کیئرلمیٹڈ (آئی بی ایل ایکا ایک ایل) کے بورڈ آف ڈائر کیٹرز بمسرت کارکردگی کا جائز ہشمول آڈٹ رپورٹ اور کمپنی کے مالیاتی حسابات ۳۰ جون ۲۰۱۹ءکوختم ہونے والے مالی سال کے لئے شیئر ہولڈرز کے روبر دبیش کررہے ہیں۔

ڈائر کیٹرز کی رپورٹ کمپنیزا کیٹے کا ۲۰ا کے سیکشن ۲۲۷، باب XIII شق ۳۵ (رپورٹنگ اینڈ ڈسکلوژر) بابت کوڈ آف کارپوریٹ گورنینس کے تحت تیار کی گئی ہے۔

مالياتي كاركردگي كاخلاصه

2018	2019	
ړول ميں)	(روپي، ہزار	
1,358,297	1,584,972	آمانی
428,520	443,926	مجموعي منافع جات
31.55%	28.01%	مجموعی منافع جات کی شرح بنسبت آمدنی
212,305	199,008	منافع قبل ازئيكس
149,340	121,376	منافع بعدازتيس

بنیادی سرگرمیان اور مالیاتی کارکردگی کاجائزه

کمپٹی کی بنیادی سرگرمیوں میں ہیلتھ کیئر مصنوعات کی مارکیٹنگ، فروخت اور تقسیم شامل ہے۔ کمپنی کا بنیادی مقصد صارفین کو بہترین ہیلتھ کیئر پروڈ کٹس کی فراہمی ہے تا کہ معیارِ زندگی بہترینانے کے ساتھ ماحولیات پر بھی مثبت اثرات مرتب ہوں۔ ملک کے بدترین معاشی بحران کے باعث کاروبار کیلئے یہ ایک مشکل ترین سال رہا۔ کرنسی کی قدر میں نمایاں کمی نے منافع جات میں کافی کمی کی کیونکہ کاروبار تمامتر سطح پر در آمدات پر مشتمل ہے۔ اس صورتعال کے باوجود دیگر غیر کٹرول کردہ عناصر جیسا کہ ڈیوٹیز میں اضافہ اور فارمولا دودھ و دیگر غذائی پروڈ کٹس پر حکام کی جانب سے نافذ سخت توانین کا بھی سامنار ہاجس کے باعث کمپٹی کے منافع جات پر مہلک اثرات مرتب ہوئے۔





COMMITTED TO NURTURING THE GENERATIONS





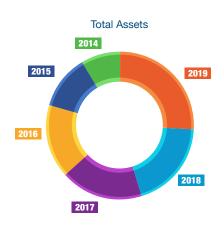
Operating and Financial Highlights

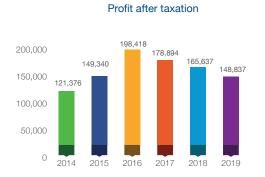
	Unit	2019	2018	2017	2016	2015	2014
FINANCIAL POSITION							
Balance Sheet							
Property and equipment Investment property Other non-current assets Asset classified as held for sale	Rs. in '000 Rs. in '000 Rs. in '000	8,052 266,526 13,520 75,500	6,198 341,253 31,805	115,603 123,588 56,428	1,527 123,588 150,753	815 123,588 147,443	1,545 123,588 14,507
Current assets Total assets	Rs. in '000 1 Rs. in '000 1				903,013 1,178,881		470,910 610,550
Share capital Unappropriated profit plus	Rs. in '000	540,877	540,877	491,706	427,570	299,000	230,000
share premium Total equity	Rs. in '000 Rs. in '000 1	715,163 1,256,040	647,874 1,188,751	596,876 1,088,582	505,351 932,921	•	291,690 521,690
Non-current liabilities Current liabilities Total liabilities	Rs. in '000 Rs. in '000 Rs. in '000	- 632,726 632,726	211,167 211,167	- 228,538 228,538	245,960 245,960	- 197,342 197,342	- 88,860 88,860
Total equity and liabilities	Rs. in '000 1	1,888,766	1,399,918	1,317,120	1,178,881	861,669	610,550
Total net assets	Rs. in '000 1	1,256,040	1,188,751	1,088,582	932,921	664,327	521,690
OPERATING AND FINANCIAL TREND							
Profit and loss							
Revenue Cost of sales Gross profit Operating profit Finance cost Profit before taxation Profit after taxation	Rs. in '000 f Rs. in '000 f Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000	1,141,046	1,358,297 929,777 428,520 231,500 1,389 212,305 149,340	1,189,799 791,899 397,900 253,970 1,403 252,567 198,418	1,156,421 773,809 382,612 223,059 2,464 220,595 178,894	575,209 356,772 190,532 1,956	910,004 584,862 325,142 170,486 2,602 181,354 48,837
Cash flows							
Operating activities Investing activities Financing activities	Rs. in '000 Rs. in '000 Rs. in '000	12,434 42,668 (51,930)	63,181 (4,293) (47,270)	144,506 (105,019) (41,570)	(120,244) 31,895 89,700	225,767 (211,291) (23,000)	70,611 (27,977) (32,413)

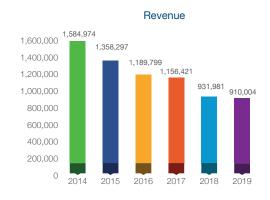
FINANCIAL POSITION

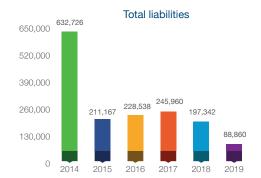
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Pre tax return on equity Post tax return on equity	% %	15.84 9.66	17.86 12.56	23.20 18.23	23.65 16.43	29.57 24.93	34.76 28.53
Profitability							
Gross profit margin Pre tax profit to sales Post tax profit to sales	% % %	28.01 12.56 7.66	31.55 15.63 10.99	33.44 21.23 16.68	33.09 19.08 15.47	38.28 21.08 17.77	35.73 19.93 16.36
Liquidity							
Current ratio Quick ratio		2.41 0.88	4.83 2.30	4.47 2.18	3.67 1.53	2.99 1.84	5.30 2.75
Financial gathering							
Debt equity ratio		0.50	0.18	0.21	0.26	0.30	0.17
Capital efficiency							
Debtors turnover Inventory turnover Total assets turnover	days days times	105 117 0.96	98 87 1.00	98 103 1.11	82 124 1.02	86 130 0.92	71 130 0.67
Investment							
Earnings per share	Rs.	2.24	2.76	3.67	3.68	3.98	4.98









Pattern of Shareholding as at June 30, 2019

No. of Shareholders		Shareholding	s'Slab	Total Shares Held
2153	1	to	100	58,601
1269	101	to	500	345,012
865	501	to	1000	609,440
798	1001	to	5000	1,742,603
138	5001	to	10000	977,367
47	10001	to	15000	571,047
17	15001	to	20000	306,456
12	20001	to	25000	273,919
11	25001	to	30000	299,285
3	30001	to	35000	100,478
5	35001	to	40000	190,518
5	40001	to	45000	216,542
3	45001	to	50000	143,484
5	50001	to	55000	268,465
1	55001	to	60000	58,082
2	60001	to	65000	128,476
2	65001	to	70000	135,021
1	75001	to	80000	75,097
1	80001	to	85000	81,422
1	85001	to	90000	87,159
1	105001	to	110000	107,854
1	110001	to	115000	113,419
2	125001	to	130000	256,543
1	135001	to	140000	136,001
1	160001	to	165000	160,703
1	170001	to	175000	173,495
2	195001	to	200000	394,787
1	215001	to	220000	218,775
1	220001	to	225000	224,012
1	260001	to	265000	262,575
2	280001	to	285000	564,945
1	310001	to	315000	311,452
1	320001	to	325000	324,520
1	410001	to	415000	414,956
1	420001	to	425000	423,358
1	450001	to	455000	454,705
1	1180001	to	1185000	1,183,792
1	1240001	to	1245000	1,242,200
1	1440001	to	1445000	1,442,285
1	39005001	to	39010000	39,008,754
5362				54,087,605

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children ZUBAIR PALWALA RASHID ABDULLA AYAZ ABDULLA SYED NADEEM AHMED ADNAN ASDAR ALI SHAISTA KHALIQ REHMAN SHAKILA RASHID MUFTI ZIA UL ISLAM	2 2 2 3 1 1 1	1,186 136,002 42,625 650 1 20 418 962	0.00 0.25 0.08 0.00 0.00 0.00 0.00
Associated Companies, undertakings and related parties THE SEARLE COMPANY LIMITED INTERNATIONAL BRANDS LTD. UNITED DISTRIBUTORS PAKISTAN LIMITED	2 1 1	39,008,863 173,495 1,183,792	72.12 0.32 2.19
Executives	-	-	-
Public Sector Companies and Corporations	2	423,763	0.78
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	14	614,705	1.14
Mutual Funds CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	4,242	0.01
General Public a. Local b. Foreign Foreign Companies Others Totals	5261 6 22 39 5362	10,384,281 418,054 60,322 1,634,224 54,087,605	19.20 0.77 0.11 3.02 100.00
Share holders holding 5% or more		Shares Held	Percentage
THE SEARLE COMPANY LIMITED		39,008,863	72.12

Pattern of Shareholding as at June 30, 2019

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Direzctors	and their spous	e(s) and minor children		
1	7	ZUBAIR PALWALA	1	0.00
2	03277-93293	ZUBAIR RAZZAK PALWALA	1,185	0.00
3	2	RASHID ABDULLA	1	0.00
4	03277-11384	RASHID ABDULLA	136,001	0.25
5	6	AYAZ ABDULLA	1	0.00
6	03277-21385	AYAZ ABDULLA	42,624	0.08
7	8	S. NADEEM AHMED	1	0.00
8	2088	SYED NADEEM AHMED	164	0.00
9	2435	SYED NADEEM AHMED	485	0.00
10	2522	ADNAN ASDAR ALI	1	0.00
11	00539-16655	SHAISTA KHALIQ REHMAN	20	0.00
12	03277-12714	SHAKILA RASHID	418	0.00
13	03277-56270	MUFTI ZIA UL ISLAM	962	0.00
		13	181,864	0.34
Associate	d companies, un	dertakings and related parties		
1	00539-16820	THE SEARLE COMPANY LIMITED	109	0.00
2	03277-94394	THE SEARLE COMPANY LIMITED	39,008,754	72.12
3	03277-2937	INTERNATIONAL BRANDS LTD.	173,495	0.32
4	03277-62621	UNITED DISTRIBUTORS PAKISTAN LIMITED	1,183,792	2.19
		4	40,366,150	74.63
Executive				
		-	-	-
	ctor companies a	•		
1	03889-28	NATIONAL BANK OF PAKISTAN	405	0.00
2	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	423,358	0.78
		2	423,763	0.78
Banks, de	velopment financ	ce institutions, non-banking finance companies, insurance companies, take	aful, modarabas	and
pension fu		ATL A O IN N/FOTA MENT ID AN HZ LITD	00	0.00
1	1414	ATLAS INVESTMENT BANK LTD.	33	0.00
2	1419	ASSET INVESTMENT BANK LIMITED	3	0.00
3	1871	CRESCENT INVESTMENT BANK LTD	500	0.00
4	2471	INDUS BANK LIMITED	6,579	0.01
5	2475	BANK ALFALAH LIMITED	2,017	0.00
6	03277-2538	EFU LIFE ASSURANCE LTD	414,956	0.77
7	1890	BUSINESS & INDUSTRIAL INSURANCE COMPANY	14	0.00
8	03277-1651	FIRST UDL MODARABA	113,419	0.21
9	03277-3367	FIRST IBL MODARABA	219	0.00
10	1876	FIRST UDL MODARABA	20	0.00
11	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	65,021	0.12
12	15719-23	CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	4,767	0.01
13	15727-22	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	7,051	0.01
14	03525-100145	ESCORTS INVESTMENT BANK LIMITED	106	0.00
		14	614,705	1.14

S.No.	Folio #	Name of shareholder	Number of	Per %
Sirtor	7 0110 11	Name of Sharehelds.	shares	1 31 70
Mutual Fu	unds			
1	06726-23	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	4,242	0.01
		1	4,242	0.01
General F	Public Foreign			
1	2917	MR. ROBERT K. SIRGIOVANNI	42,124	0.08
2		DR. OMAR ABDUL MONEM YOUSUF AL ZAWAWI	262,575	0.49
3		DR. OMAR ABDUL MONEM YOUSUF AL ZAWAWI	107,854	0.20
4	07450-22202	FARAZ AHMED	1	0.00
5	05769-14757	MOHAMMAD RAFAY MALIK	3,000	0.01
6	05769-14765	MOHAMMAD WASAY MALIK	2,500	0.00
		6	418,054	0.77
•	Ompanies 03533-722	LIADID DANIZ AC 71 IDICH DEIDA DUDAI	07.040	0.05
1		HABIB BANK AG ZURICH, DEIRA DUBAI	27,912	0.05
2 3	1271	MIDLAND BANK TRUST CORP. (JERSEY) LTD INVESTORS BANK & TRUST COMPANY	153	0.00
	1620 1622	DAY LIMITED	430	0.00
4		SMITH NEW COURT FAR EAST LIMITED	223	0.00
5 6	1623 1653	INVESTORS BANK & TRUST COMPANY	39 1,596	0.00
7	1654	MORGAN STANLEY TRUST COMPANY	3,105	0.00
8	1656	AETNA INVESTMENT MGMT B.V.I NOMINEES LTD	1,750	0.00
9	1657	STATE STREET BANK AND TRUST CO. U.S.A.	1,402	0.00
10	1664	THE NORTHERN TRUST COMPANY	436	0.00
11	1677	CHASE MANHATTAN BANK (IRELAND) PLC	121	0.00
12	1680	THE AETNA CASUALTY AND SURETY COMPANY	363	0.00
13	1775	SOMERS NOMINEES (FAR EAST) LTD	545	0.00
14	1776	SMITH NEW COURT FAR EAST LTD	36	0.00
15	1779	THE NORTHERN TRUST COMPANY	361	0.00
16	1781	CHEM BANK NOMINEES LTD	39	0.00
17	1782	H.S.B.C. INTERNATIONAL TRUSTEE LIMITED	154	0.00
18	1884	CHEM BANK NOMINEES LTD.	237	0.00
19	1961	MERRILL LYNCH, PIERCE, FENNER & SMITH INC.	981	0.00
20	1981	THE BANK OF NEWYORK	7,902	0.01
21	2140	INVESCO (BVI) NOMINEES LIMITED	72	0.00
22	06502-5283	TARIIC HOLDING COMPANY BSC (CLOSED)	12,465	0.02
		22	60,322	0.11
Others				
1	1736	SHAFI (PRIVATE) LTD.	270	0.00
2	1870	FIRST CAPITAL MUTUAL FUND LTD.	6,667	0.01
3	1875	PROFESSIONAL SECURITIES MANAGEMENT (PVT) LTD.	519	0.00
4	2009	SAFEWAY MUTUAL FUND LIMITED	73	0.00
5	2024	SADIQ TRADERS (PVT) LTD.	908	0.00
6	2474	S.H. BUKHARI SECURITIES	382	0.00
7	2476	SHAZ INVESTMENT CORPORATION	182	0.00
8	2477	AAG SECURITIES (PVT) LTD.	177	0.00
9	2480	LASANI SECURITIES (PVT) LTD.	33	0.00
10	2481	BAGASRA SECURITIES (PVT) LTD	2	0.00

Pattern of Shareholding as at June 30, 2019

S.No.	Folio #	Name of shareholder	Number of shares	Per %
11	2483	ISMAIL ABDUL SHAKOOR SEC.	39	0.00
12	2685	M/S. FEDERAL BOARD OF REVENUE	9,131	0.02
13	03277-7421	TRUSTEES SAEEDA AMIN WAKF	14,186	0.03
14	03277-8034	GARIBSONS (PVT.) LTD.	8,310	0.02
15	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,278	0.00
16	03277-89483	TRUSTEES OF FIRST UDL MODARABA STAFF PROVIDENT FUND	303	0.00
17	03525-63416	H M INVESTMENTS (PVT) LIMITED	146	0.00
18	03525-63817	NH SECURITIES (PVT) LIMITED.	194	0.00
19	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	0.00
20	04457-45	FDM CAPITAL SECURITIES (PVT) LIMITED	10,268	0.02
21	04457-78	FDM CAPITAL SECURITIES (PVT) LIMITED	23	0.00
22	04481-26	DOSSLANI'S SECURITIES (PVT) LIMITED	24	0.00
23	04705-87224	FEDERAL BOARD OF REVENUE	87,159	0.16
24	05587-6474	PROGRESSIVE INVESTMENT MANAGEMENT (PVT)L	244	0.00
25	14241-22	FIKREES (PRIVATE) LIMITED	7,244	0.01
26	14274-29	MUHAMMAD AMER RIAZ SECURITIES (PVT) LTD.	48	0.00
27	04184-22	AZEE SECURITIES (PRIVATE) LIMITED	109	0.00
28	04291-29	IRFAN MAZHAR SECURITIES (PVT) LTD.	1,100	0.00
29	07005-29	MAM SECURITIES (PVT) LIMITED	9	0.00
30	15867-26	MARGALLA FINANCIAL (PRIVATE) LIMITED	800	0.00
31	16857-26	MRA SECURITIES LIMITED - MF	8,500	0.02
32	02113-3439	SEARLE PAKISTAN LIMITED PROVIDENT FUND	1,442,285	2.67
2358	03038-38	STANDARD CAPITAL SECURITIES (PVT) LIMITED	8,000	0.01
2591	03277-7633	TRUSTEES MOHAMAD AMIN WAKF ESTATE	7,609	0.01
4169	04879-28	AKHAI SECURITIES (PRIVATE) LIMITED	1,000	0.00
4236	05264-86210	PREMIER CABLES (PVT.) LIMITED	5,000	0.01
4909	07450-1040	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	1,000	0.00
4955	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	1	0.00
5362	17525-24	BEST SECURITIES (PRIVATE) LIMITED - MF	10,000	0.02
		39	1,634,224	3.02



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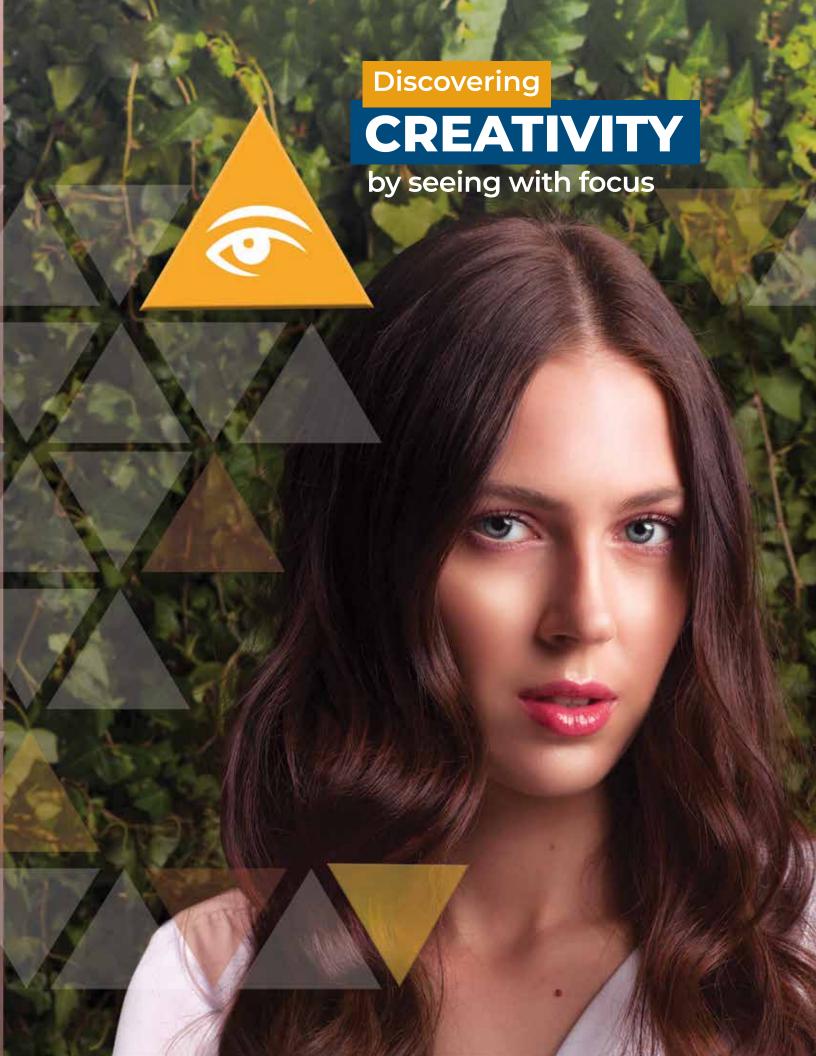




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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For the year ended June 30, 2019

requirements of the Regulations in the following manner:

- 1. The total number of directors are 7 as per the following:
 - 6 (six) a) Male:
 - b) Female: 1 (one)
- 2. The composition of the board is as follows:

Category	Name of Director
Independent	Ms. Shaista Khaliq Rehman
Director:	

Executive Director: Mr. Mufti Zia ul Islam

Non-Executive Directors:

Mr. Rashid Abdulla Mr. S. Nadeem Ahmed Mr. Adnan Asdar Ali Mr. Zubair Razzak Palwala Mr. Ayaz Abdulla

- 3. The Directors have confirmed that none of them is serving as a director on the board of more than five listed companies. includina this company (excluding the listed subsidiaries of listed holding companies where applicable).
- 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 amended has been maintained.

- The Company has complied with the 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.
 - The meetings of the Board were presided over by the Chairman and, in his absence, by the Director elected by the Board for this purpose. 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. All directors (except one) are either exempted or have attended the required training in prior 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
Ms. Shaista Khaliq Rehman	Chairperson
Mr. Zubair Razzak Palwala	Member
Mr. Ayaz Abdulla	Member

HR and Remuneration Committee

Name	Category
Ms. Shaista Khaliq Rehman	Chairperson
Mr. S. Nadeem Ahmed	Member
Mr. Ayaz Abdulla	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, 2019
 - b) HR & R Committee: One meeting during the financial year ended June 30, 2019
- 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

- 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 other requirements of the Regulations have been complied with.

H.

RASHID ABDULLAH Chairman

Please

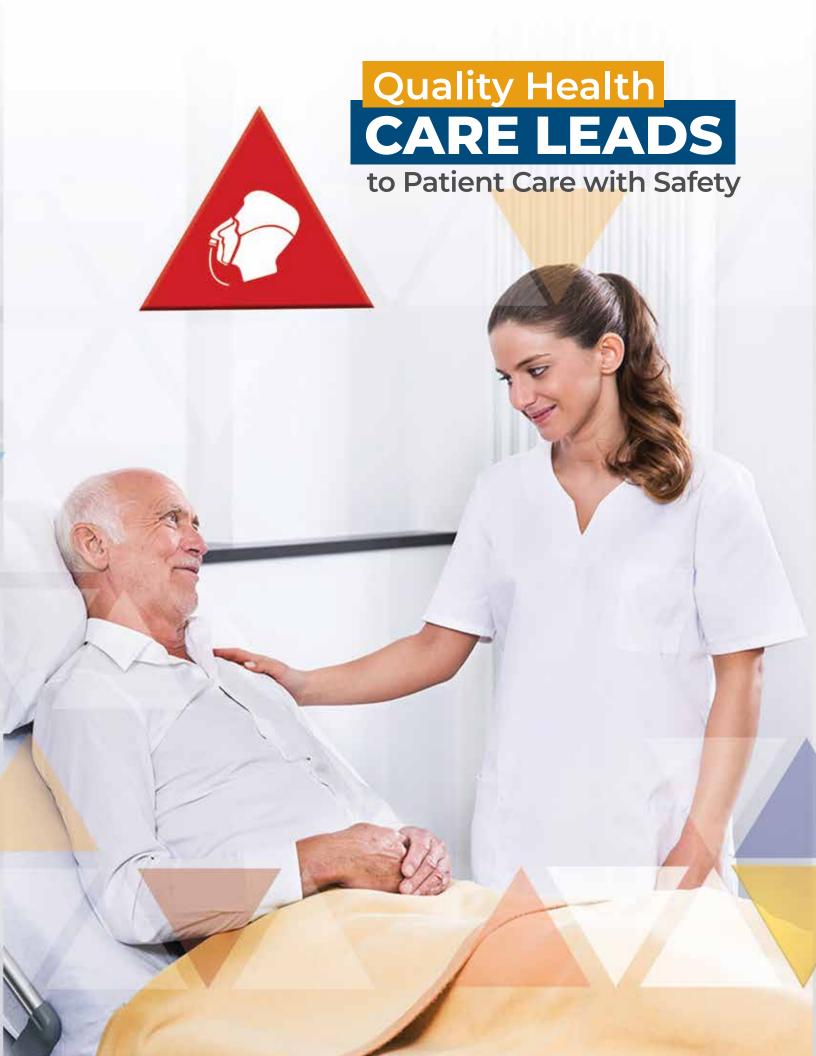
SYED NADEEM AHMED Director





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- Trusted in over 20 Countries
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Independent Auditor's Review Report to the Members of IBL Health Care Limited

Report To The Members on Statement Of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of IBL HealthCare Limited for the year ended June 30, 2019 to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2017 where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arms length transactions and transactions which are not executed at arms length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arms length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2019.

Chartered Accountants

Karachi

Dated: October 04, 2019





Independent Auditor's Report to the Members of IBL Health Care Limited

Report on the Audit of the Financial Statements

We have audited the annexed financial statements of IBL HealthCare Limited (the Company), which comprise the statement of financial position as at June 30, 2019, 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, 2019 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. We have determined that there are no key audit matters to communicate in our report.

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A. F. FERGUSON & CO.

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:



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- 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.



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Report on Other Legal and Regulatory Requirements

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

- a. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b. the 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 / no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. F. Ferguson & Co

Chartered Accountants

Karachi

Date: October 04, 2019



Statement of Financial Position

as at June 30, 2019

ACCETO	Note	2019 2018 Rupees in '000	
ASSETS			
Non-current assets			
Property and equipment Investment property Intangible assets Long-term loans and advances	4 5 6 7	8,052 266,526 13,520 	6,198 341,253 5,545 26,260 379,256
Current assets			
Inventories Trade and other receivables Short-term deposits, prepayments, loans and advances Interest accrued Investments - at fair value through profit or loss Refunds due from government - Sales Tax Taxation Cash and bank balances	8 9 10 11	506,983 528,981 431,083 2,970 - 9,071 15,186 30,894	222,452 402,352 286,434 16,208 55,782 - 9,712 27,722
		1,525,168	1,020,662
Asset classified as 'Held for Sale' Total assets	13	75,500 1,888,766	1,399,918
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital Issued, subscribed and paid up capital	14	540,877	540,877
Capital reserve Share premium		119,600	119,600
Revenue reserve Unappropriated profit		595,563 1,256,040	<u>528,274</u> 1,188,751
Liabilities		1,200,040	1,100,701
Current liabilities Trade and other payables Short term borrowings Unclaimed dividend	15 16	455,880 167,501 9,345 632,726	203,979 - 7,188 211,167
Contingencies and commitments	17	002,720	211,101
Total equity and liabilities		1,888,766	1,399,918

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

V Director

Statement of Profit Or Loss and other Comprehensive Income for the year ended June 30, 2019

		2019	2018
	Note	Rupees i	n '000
Davissia	40	4 504 070	1 050 007
Revenue	18	1,584,972	1,358,297
Cost of sales	19	(1,141,046)	(929,777)
Gross profit		443,926	428,520
Other income	20	47,238	44,231
Marketing and distribution expenses	21	(203,093)	(172,328)
Administrative and general expenses	22	(76,128)	(68,923)
Other operating expenses	23	(7,879)	(17,806)
Finance costs	24	(5,056)	(1,389)
Profit before income tax		199,008	212,305
Income tax expense	25	(77,632)	(62,965)
Profit after taxation		121,376	149,340
Other comprehensive income		-	-
Total comprehensive income	-	121,376	149,340
There are no other comprehensive income items.			
Earnings per share			
	26	Rs. 2.24	Rs. 2.76

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Statement of Cash Flows

for the year ended June 30, 2019

	Note	2019 Rupees	2018 in '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations Interest income received Income tax paid Finance cost paid Decrease in long term loans and advances	27	39,457 34,879 (83,106) (5,056) 26,260	95,817 10,902 (68,075) (1,389) 25,926
Net cash inflow from operating activities	-	12,434	63,181
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property and equipment Payments for acquisition of investment property Payments for acquisition of intangible assets Payments for acquisition of short term investments Proceeds from redemption of short term investments Net cash inflow / (outflow) from investing activities		(4,028) (451) (9,029) - 56,176 42,668	(4,598) (104,885) (1,620) (213,576) 320,386 (4,293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	-	(51,930)	(47,270)
Net increase in cash and cash equivalents		3,172	11,618
Cash and cash equivalents at beginning of the year		27,722	16,104
Cash and cash equivalents at end of the year	12	30,894	27,722

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

Statement of Changes In Equity for the year ended June 30, 2019

Share premium For issuance of bonus shares For issuance of the year ended June 30, 2018 For issuance of the year ended For issuance of bonus shares For issuance of the year ended For i		Issued,	Issued, Capital reserve subscribed		Revenue reserve	Total	
Balance as at July 01, 2017 491,706 119,600 - 477,276 596,876 1,088,582 Total comprehensive income for the year ended June 30, 2018 - - - 149,340 149,340 149,340 Transaction with owners Transfer to reserve for issuance of bonus shares - - 49,171 (49,171) - - - Bonus shares issued during the year in the ratio of 10 shares for every 100 shares held 49,171 - (49,171) - (49,171) -		and paid up		of bonus shares	profit	reserves	Total
Total comprehensive income for the year ended June 30, 2018 149,340 149,340 149,340 149,340 Transaction with owners Transfer to reserve for issuance of bonus shares Bonus shares issued during the year in the ratio of 10 shares for every 100 shares held June 30, 2017 @ Re. 1 per share 49,171 - (49,171) - (49,171) (49,171) (49,171) 49,171 (98,342) (98,342) (49,171) Balance at June 30, 2018 540,877 119,600 - 528,274 647,874 1,188,751 Total comprehensive income for the year ended June 30, 2019 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087) (54,087)				Rupee	s in '000		
Transaction with owners Transfer to reserve for issuance of bonus shares Bonus shares issued during the year in the ratio of 10 shares for every 100 shares held 49,171 Final dividend for the year ended June 30, 2017 @ Re. 1 per share 49,171 49,171 49,171 - (49,171) - (49,171) - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 Total comprehensive income for the year ended June 30, 2019 Transaction with owners Final dividend for the year ended June 30, 2019 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087) (54,087)	Balance as at July 01, 2017	491,706	119,600	-	477,276	596,876	1,088,582
Transfer to reserve for issuance of bonus shares 49,171 (49,171)		-	-	-	149,340	149,340	149,340
of bonus shares	Transaction with owners						
Bonus shares issued during the year in the ratio of 10 shares for every 100 shares held 49,171 - (49,171) - (49,171) - (49,171) - Final dividend for the year ended June 30, 2017 @ Re. 1 per share 49,171 - (49,171) 49,171 - (49,171) (49,171) (49,171) (49,171) 49,171 - (98,342) (98,342) (49,171) Balance at June 30, 2018 540,877 119,600 - 528,274 647,874 1,188,751 Total comprehensive income for the year ended June 30, 2019 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087)							
year in the ratio of 10 shares for every 100 shares held 49,171 Final dividend for the year ended June 30, 2017 @ Re. 1 per share 49,171 - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 - (49,171) 49,171 - (98,342) (98,342) (49,171) Balance at June 30, 2018 540,877 119,600 - 528,274 647,874 1,188,751 Total comprehensive income for the year ended June 30, 2019 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087)	of bonus shares	-	-	49,171	(49,171)	-	-
June 30, 2017 @ Re. 1 per share (49,171) (49,171) (49,171) 49,171 (98,342) (98,342) (49,171) Balance at June 30, 2018 540,877 119,600 - 528,274 647,874 1,188,751 Total comprehensive income for the year ended June 30, 2019 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087)	year in the ratio of 10 shares for	49,171	-	(49,171)	-	(49,171)	-
49,171 (98,342) (98,342) (49,171) Balance at June 30, 2018 540,877 119,600 - 528,274 647,874 1,188,751 Total comprehensive income for the year ended June 30, 2019 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087)	•						
Balance at June 30, 2018 540,877 119,600 - 528,274 647,874 1,188,751 Total comprehensive income for the year ended June 30, 2019 - - - 121,376 121,376 121,376 Transaction with owners Final dividend for the year ended - - - (54,087) (54,087) (54,087) June 30, 2018 @ Re. 1 per share - - - (54,087) (54,087)	June 30, 2017 @ Re. 1 per share	-	-	-	(49,171)	(49,171)	(49,171)
Total comprehensive income for the year ended June 30, 2019 - - - 121,376 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share - - - (54,087) (54,087) (54,087)		49,171	-	-	(98,342)	(98,342)	(49,171)
the year ended June 30, 2019 - - - 121,376 121,376 121,376 Transaction with owners Final dividend for the year ended June 30, 2018 @ Re. 1 per share - - (54,087) (54,087) (54,087)	Balance at June 30, 2018	540,877	119,600	-	528,274	647,874	1,188,751
Final dividend for the year ended June 30, 2018 @ Re. 1 per share (54,087) (54,087) (54,087)		-	-	-	121,376	121,376	121,376
Balance at June 30, 2019 540,877 119,600 - 595,563 715,163 1,256,040	Final dividend for the year ended	-	-	-	(54,087)	(54,087)	(54,087)
	Balance at June 30, 2019	540,877	119,600		595,563	715,163	1,256,040

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive

Director

for the year ended June 30, 2019

1. LEGAL STATUS AND OPERATIONS

IBL HealthCare Limited (the Company) was incorporated in Pakistan 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 and International Brands Limited is the Company's ultimate parent.

The geographical location and address of the Company's business units are as under:

- The registered office of the Company is located at 9th Floor, N.I.C. Building, Abbasi Shaheed Road, Karachi.
- The Company also has a distribution warehouse in S.I.T.E. Area, Karachi.
- 1.1 The Company is the sole distributor of Mead Johnson products in Pakistan. Last year, Mead Johnson was globally acquired by Reckitt Benckiser Group plc. However, there is no change in the distribution arrangement as of June 30, 2019. Further, the Company has also entered into a service level agreement with Reckitt Benckiser Pakistan Limited.

2. SUMMARY OF 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; 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. There were no critical estimates, assumptions and judgements made by the management that would have significant effect in preparation of these financial statements.

for the year ended June 30, 2019

2.2 Changes in accounting standards, interpretations and pronouncements

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

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. it includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of changes laid down by these standards are detailed in Note 3.

The Securities and Exchange Commission of Pakistan (SECP) through its notification dated July 29, 2019 brought certain alterations in fourth schedule to the Companies Act 2017 (the Act) with regards to the preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in the financial statements of the Company as at June 30,2019.

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

There are certain new standard, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2018, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these financial statements.

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

The following is the new standard, that will be effective for the periods beginning on or after January 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its 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.

for the year ended June 30, 2019

2.4 Property and equipment

Property 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.

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 its respective 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 losses, 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 valued at the lower of cost and net realisable value. Cost is determined using the First-In First-Out (FIFO) method. Cost of inventory in transit comprises of invoice value plus other charges accumulated to the statement of financial position date.

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 Short-term deposits, prepayments, loans and advances

Short-term deposits, prepayments, loans and advances 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.

for the year ended June 30, 2019

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 2.11 for a description of the Company's impairment policies.

2.10 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 and savings accounts.

2.11 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 with 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 cash flows and selling the financial asset; 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.

for the year ended June 30, 2019

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.

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

for the year ended June 30, 2019

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).

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.

Financial assets - policy upto June 30, 2018

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

2.12 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 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.

for the year ended June 30, 2019

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.

2.14 Income Tax

Current

Provision for current taxation is based on (i) final tax regime applicable to the Company based on tax withheld at import stage which is deemed to be full and final discharge of tax liability and (ii) for normal income, tax is calculated at the current rates of taxation in accordance with the prevailing law for taxation.

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.

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.

2.15 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.

2.16 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.

2.17 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.

2.18 Revenue recognition

Revenue is recognised when control of the goods is transferred, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

for the year ended June 30, 2019

Revenue is recognised on dispatch of goods to customers i.e. when the significant risks and rewards of ownership have been transferred to the customer.

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.

2.19 Other income

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

Profit from savings accounts and rent income are accounted for as income on an accrual basis.

2.20 Dividend

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

2.21 Method of preparation of statement of cash flows

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

3. Change in accounting policies

i) IFRS 9 - Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from July 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

The new accounting policies are set out in note 2.12 above. In accordance with transitional provisions in IFRS 9, corresponding figures have been restated and any adjustment to carrying amount of financial assets and liabilities were recognised in the opening retained earnings of the transition date. However, in accordance with transitions provisions in IFRS 9, there is no impact on the Company that require retrospective change and the restatement of comparatives for the year ended June 30,2018.

ii) IFRS 15 - Revenue from contracts with customers

The Company has adopted IFRS 15 Revenue from Contracts with Customers from July 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. However, in accordance with the transition provisions in IFRS 15, there is no impact on the Company that require retrospective change and restatement of comparatives for the year ended June 30, 2018.

for the year ended June 30, 2019

Classifications and remeasurement

On July 1, 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassifications and adjustments are as follows:

Financial assets - July 1, 2018	Note	Carrying amount as reported under IAS 39 at July 1, 2018	Reclassification due to IFRS - 9	Remeasure- ment allowance: ECL upees in '000 -	Remeasure- ment of fair value due to IFRS - 9	Carrying amount as reported under IFRS 9 July 1, 2018
Trade and Other						
Receivables	а	402,352	-	-	-	402,352
Short term deposits, prepayments						
Loans and advances		286,434	-	-	-	286,434
Interest accrued		16,208				16,208
Investments-at fair value through profit or loss		55,782				55,782
Cash and bank balances		27,722	-	-	-	27,722

(a) IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The Company has determined that the application of IFRS 9's impairment requirement at July 1, 2018 results in no additional allowance for trade receivables.

	Original classification under IAS 39	New classification under IFRS 9	Original amount under IAS 39	New carrying amount under IFRS 9	Difference
			R	upees in '000' -	
Financial assets					
Trade and Other	Loans and receivables	Amortised cost	402,352	402,352	-
Receivables					
Short term deposits, prepayments					
loans and advances	Loans and receivables	Amortised cost	286,434	286,434	-
Interest accrued	Loans and receivables	Amortised cost	16,208	16,208	-
Investments-at fair value	Held for trading	Fair value through			
through profit or loss		profit or loss	55,782	55,782	-
Cash and bank balances	Loans and receivables	Amortised cost	27,722	27,722	-
Financial liabilities					
Trade and other payables	Amortised cost	Amortised cost	203,979	203,979	-
Unclaimed Dividend	Amortised cost	Amortised cost	7,188	7,188	-

for the year ended June 30, 2019

4.	PROPERTY AND EQUIPMENT			2019 2018 Rupees in '000	
	Operating assets - note 4.1			8,052	6,198
4.1	Operating assets				
	Particulars	Leasehold land	Office equipments Rupees	Furniture and fittings	Total
	Net carrying value basis Year ended June 30, 2019				
	Opening net book value	-	4,079	2,119	6,198
	Additions - at cost Depreciation charge - note 4.2	- -	3,389 (1,751)	639 (423)	4,028 (2,174)
	Closing net book value		5,717	2,335	8,052
	Gross carrying value basis At June 30, 2019				
	Cost Accumulated depreciation	-	13,099 (7,382)	3,614 (1,279)	16,713 (8,661)
	Net book value		5,717	2,335	8,052
	Net carrying value basis Year ended June 30, 2018				
	Opening net book value	74,034	2,986	531	77,551
	Additions - at cost Transfer to investment property Depreciation charge - note 4.2	694	2,157	1,747	4,598
		(74,728) -	(1,064)	(159)	(74,728) (1,223)
	Closing net book value		4,079	2,119	6,198
	Gross carrying value basis At June 30, 2018				
	Cost Accumulated depreciation	-	9,710 (5,631)	2,975 (856)	12,685 (6,487)
	Net book value		4,079	2,119	6,198
	Depreciation rates	-	10% - 33%	10%	

for the year ended June 30, 2019

4.2	Depreciation for the year has been allocated as follows:	2019 Rupee	2018 s in '000
	Marketing and distribution expenses - note 20 Administrative and general expenses - note 21	326 1,848 2,174	330 893 1,223
5.	INVESTMENT PROPERTY		
	Operating Assets - note 5.1	266,526	341,253
5.1	Operating Assets		
	Particulars		Leasehold land Rupees in '000
	Year ended 30 June 2019 Opening net book value - note 5.1.1 Additions during the year - note 5.1.2 Asset classified as 'Held for Sale' Closing net book value		341,253 451 (75,178) 266,526
	At 30 June 2019 Cost Accumulated depreciation		266,526
	Net book value		266,526
	Year ended 30 June 2018 Opening net book value Additions during the year Transfer from property and equipment Closing net book value		123,588 142,937 74,728 341,253
	At 30 June 2018 Cost Accumulated depreciation		341,253
	Net book value		341,253
5.1.1	This represents investment in plots which have been rented to various (Private) Limited, United Franchises (Private) Limited and Trax Online companies), Espresso Coffee Houses (Private) Limited and J.B Sa consideration for monthly rentals.	(Private) Lim	ited (associated
5.1.2	The amount has been paid for amalgamation charges in respect of PD.M.C.H.S, Karachi.	lots 4-A & 24	/3, Block 7 & 8,
5.1.3	The valuations of investment properties have been carried out by M/s independent valuer engaged by the Company as at June 30, 2019. Ma properties as at June 30, 2019 is Rs. 795.131 million (2018: Rs. 454.8)	rket value of t	

for the year ended June 30, 2019

The forced sale value of the above properties as at June 30, 2019 is Rs. 636.105 million.

5.1.4 Particulars of immovable property (i.e. land) in the name of Company are as follows:

	Location	Usage of immovable property	Covered Area (in sqr.yds)	
	Plot no 24/3, Block 7 & 8, D.M.C.H.S., Karachi	Rented property	754	
	Plot no 4-A, Block 7 & 8, D.M.C.H.S., Karachi	Rented property	1,004	
6.	INTANGIBLE ASSETS		2019 Rupees	2018 in '000
	Operating intangible assets - note 6.1		13,520	5,545

6.1 Operating intangible assets

	Computer Software	Software License	Distribution Rights	Total
Year ended 30 June 2019 Opening net book value	5,453	Rupees 92	in '000'	5,545
Additions during the year - note 6.1.1 Amortisation charge - note 6.2	29 (574)	(30)	9,000 (450)	9,029 (1,054)
Closing net book value	4,908	62	8,550	13,520
At 30 June 2019				
Cost Accumulated amortisation	5,769 (861)	633 (571)	9,000 (450)	15,402 (1,882)
Net book value	4,908	62	8,550	13,520
Year ended 30 June 2018				
Opening net book value Additions during the year	- 5,740	122	-	122 5.740
Amortisation charge	(287)	(30)	-	5,740 (317)
Closing net book value	5,453	92		5,545
At 30 June 2018				
Cost	5,740	633	-	6,373
Accumulated amortisation	(287)	(541)	-	(828)
Net book value	5,453	92		5,545
Amortisation rates	10%	20%	20%	

for the year ended June 30, 2019

6.1.1 The amount represents the cost of implementation and license of SAP in collaboration with IBL Unisys (Private) Limited, an associated company. The software has a remaining useful life of 8.5 years.

		2019 Rupees	2018 in '000
	Marketing and distribution expenses - note 21 Administrative and general expenses - note 22	450 604 1,054	317 317
7.	LONG-TERM LOANS AND ADVANCES - unsecured		
	Loans - considered good: Related party	-	62,750
	Less: current portion of long-term loans		(36,512) 26,238
	Employees Less: current portion of employee loan	-	82 (60) 22
			26,260
8.	INVENTORIES		
	Inventory in hand Inventory in transit	246,125 260,858	216,620 5,832
	Provision for slow moving inventory - note 8.1	506,983 - 506,983	222,452 - 222,452
8.1	Provision for slow moving inventory		
	Opening balance Charge for the year	6,196	4,176
	Written off during the year Closing balance	6,196 (6,196) -	4,176 (4,176)
9.	TRADE AND OTHER RECEIVABLES		
	Trade receivables - note 9.1 Other receivables - note 9.2	514,201 14,780 528,981	395,326 7,026 402,352
9.1	Trade receivables		102,002
	Unsecured Due from related parties - notes 9.1.1, 9.1.2 and 9.1.3 Others	433,187 81,014 514,201	348,563 46,763 395,326
	Considered doubtful Less: Provision for doubtful receivables - note 9.1.4	205 (205)	600 (600)
		514,201	395,326

for the year ended June 30, 2019

9.1.1 As at June 30, 2019, due from related parties of the Company are as follows:

	2019	2018	
	Rupees	Rupees in '000	
IBL Operations (Private) Limited (an associated company)	433,052	349,163	
MyCart (Private) Limited	135	-	
	433,187	349,163	

- **9.1.2** The maximum aggregate amount due from related parties at the end of any month during the year is Rs. 433.19 million (2018: Rs. 349.16 million).
- **9.1.3** As at June 30, 2019, the age analysis of trade receivables from related parties is as follows:

		2019 Rupees	2018 in '000
	Not yet due Past due but not yet impaired	107,677	92,435
	- 0 to 30 days	146,609	97,253
	- 31 to 60 days	87,819	54,327
	- 61 to 90 days	54,562	105.000
	- 91 to 365 days - older than 365 days	36,509 11	105,083 65
	older than ood days	433,187	349,163
9.1.4	Provision for doubtful receivables		
	Opening balance Provision made during the year	600 200	600
	Reversal of provision due to adoption of IFRS 9 Closing balance	(595) 205	600
	Olosii ig balai ice		
9.2	Other receivables		
	Due from related party - notes 9.2.1, 9.2.2 and 9.2.3	3,849	2,376
	Claim from suppliers - note 9.2.4	10,872	4,549
	Others	59	101
		14,780	7,026

9.2.1 As at June 30, 2019, due from related parties of the Company is as follows:

	2019	2018
	Rupees in '000	
Trax Online (Private) Limited	175	-
IBL Identity (Private) Limited (an associated company)	3,674	2,376
	3,849	2,376

9.2.2 The maximum aggregate amount due at the end of any month during the year is Rs. 4.2 million (2018: Rs. 2.38 million).

for the year ended June 30, 2019

9.2.3 As at June 30, 2019, the age analysis of other receivables from related parties is as follows:

		2019 Rupees i	2018 n '000
	Not yet due Past due but not yet impaired - 0 to 30 days - 31 to 60 days	- 175 -	- 484 484
	- 61 to 90 days - 91 to 365 days	- 3,674	484 924
	- older than 365 days	-	-
		3,849	2,376
9.2.4	This represents amount claimed from Nestle Health Sciences and Fcertain claimable expenses related to trade.	Reckitt Benckiser	in respect of
		2019	2018
10.	SHORT-TERM DEPOSITS,	Rupees i	n '000
10.	PREPAYMENTS, LOANS AND ADVANCES		
	Short term deposits - note 10.1 Prepayments	4,169 923	5,238 291
	Short term loans - note 10.2 Advances - note 10.3	249,630 176,361	236,572 44,333
		431,083	286,434
10.1	The amount represents following:		
	- Trade deposits	3,296	4,965
	- Other deposits	4,169	873 5,838
		4,109	0,000
	Less: Allowance for doubtful deposits	-	(600)
		4,169	5,238
10.2	The amount represents following:		
	 Short term loan - notes 10.2.1,10.2.2 and 10.2.3 Current portion of long term loan to IBL Current portion of employee loan 	249,630 - -	200,000 36,512 60
		249,630	236,572
	This way we could be an its lists we still and Duande Limited, the cultivaste ways	nt common. Ton	6 41 1

10.2.1 This represents loan to International Brands Limited, the ultimate parent company. Tenure of the loan is 1 year. The rate of mark-up is 12 months KIBOR+2% per annum. The said loan was approved in the extra ordinary general meeting held on May 18, 2016 as per the requirements of section 208 of the repealed Companies Ordinance, 1984. The loan has been further extended for a period of one year effective July 01, 2018.

for the year ended June 30, 2019

- 10.2.2 The maximum aggregate amount of loan outstanding at the end of any month during the year was Rs. 249.63 million (2018: Rs. 200 million).
- **10.2.3** The Board of Directors in its 78th meeting held on April 16, 2019 has approved to convert its short term loan to International Brands Limited amounting to Rs. 200 million into long term for a period of 5 years which will be subsequently approved by the shareholders.
- **10.3** The amount represents following:

	•	2019	2018
		Rupees	in '000
	- To employees - note 10.3.1 - To suppliers - note 10.3.2 - Advance against purchase of land - note 10.3.2 - Against imports - note 10.3.3	5,722 16,397 47,500 106,742 176,361	1,303 3,580 - 39,450 44,333
10.3.1	Reconciliation of carrying amount of advances to employees:		
	Balance at July 1 Disbursements Repayments Balance at June 30	1,303 10,040 (5,621) 5,722	1,983 5,355 (6,035) 1,303

- **10.3.2** This represents advance paid by the company against purchase of plot no. 4 Block 7 & 8, D.M.C.H.S, Tipu Sultan Road, Karachi measuring 500 square yards.
- 10.3.3 This includes Rs. 102.85 million (2018: Rs. 36.01 million) being 100% cash margin on import of specified items kept with scheduled banks in accordance with the requirements of Circular No. 02 of 2017 of Banking Policy & Regulations Department, State Bank of Pakistan.

11. INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 Number	2018 of units		2019 Rupees	2018 in '000
	-	5,505,230	NAFA Islamic Aggressive Income Fund	-	55,008
	-	14,709	Meezan Cash Fund	-	774
		5,519,939			55,782
12.	CASH AND B	ANK BALANC	CES		
	Cash at bank: - current a Cash in hand Cheques in ha	accounts		30,794 100 - - 30,894	18,722 100 8,900 27,722

for the year ended June 30, 2019

13 Asset classified as 'Held for Sale'

During the year, the company has entered into an agreement for assignment of one of its properties located at F/2-A/1 S.I.T.E having carrying value amounting to Rs. 75.18 million against transaction price of Rs. 75.5 million. This property qualifies the criteria of IFRS-5: Non-current Asset Held for Sale and Discontinued Operations, therefore, it has been classfied as an asset 'Held for Sale' and is recorded at fair value less cost to sell as at June 30, 2019.

14.	SHARE CAPITAL	-		2019	2018
	Authorised share	e capital		Rupees i	11 000
	2019	2018			
	75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000
	Issued, subscrib	ed and paid up	capital		
	2019	2018			
	22,990,000	22,990,000	Shares alloted for consideration paid in cash	229,900	229,900
	31,097,605	31,097,605	Shares allotted as bonus shares	310,977	310,977
	54,087,605	54,087,605	_ =	540,877	540,877
14.1	Movement in iss	ued, subscribe	d and paid-up capital		
	2019	2018			
	54,087,605 -		Opening shares outstanding Shares alloted as bonus shares	540,877 -	491,706 49,171
	54,087,605	54,087,605	- =	540,877	540,877
15	TRADE AND OTI	HER PAYABLES			
	Creditors Accrued liabilities Advance from customers - unsecured Due to related parties - note 15.1 Payable to employees' provident fund - note 15.2 Workers' Welfare Fund General sales tax and withholding tax payable Advance against sale of land Security deposits		292,750 18,186 14,012 27,192 894 9,395 3,934 73,500 16,017	133,450 41,391 8,884 5,319 618 9,395 1,205 - 3,717	
				455,880	203,979

for the year ended June 30, 2019

15.1 As at June 30, 2019, due to related parties of the Company are as follows:

	Rupees ir	า '000
International Brands Limited (the ultimate parent company) IBL Operations (Private) Limited (an associated company) The Searle Company Limited (the parent company)	- - 27,192	3,600 1,719
	27,192	5,319

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.

2019 2018 ----- Rupees in '000 -----

16. BORROWINGS

Running finance under mark-up arrangement- note 16.1

167,501

The Company obtained running finance facility from Soneri Bank Limited and Habib Bank Limited at KIBOR + 1.5% and KIBOR + 0.75% per annum respectively (June 30,2018: NIL).

17 CONTINGENCY AND COMMITMENTS

17.1 Contingency

17.1.1 The Company has challenged the levy of Sindh Sales Tax on services of renting of immovable property which has been categorised as renting services by the Sindh Board of Revenue (SRB) before the High Court of Sindh. The Company has impugned the levy on the constitutional grounds that renting of immovable property is not a "service" and therefore does not fall within the scope of SRB to tax through the Sindh Sales Tax on Services Act, 2011. Further, the Company has also taken the stance that the collection mechanism is ultra vires the Act 2011 and therefore no coercive measures be adopted against the Company for the collection of the impugned levy.

The Honorable High Court of Sindh, on the basis of the representations made, has granted an interim order to the Company restraining SRB from taking any coercive action against the Company. The matter is presently pending on hearing of the case. Further, the impact of this levy on these financial statements of the Company is Rs. 0.58 million (2018: Rs. 0.58 million).

Based on the advice of legal counsel dealing the case, management is of the view that no coercive measures can be taken against the Company for the collection of the impugned levy.

17.2 Commitments

The facility for opening letter of credit and Running Musharakah as at June 30, 2019 amounted to Rs. 683 million (2018: Rs. 383 million) of which the amount remaining unutilised at the end of year was Rs. 207.32 million (2018: Rs. 163.09 million).

for the year ended June 30, 2019

		2019	2018
18	REVENUE	Rupees	in '000
	Gross revenue - note 18.1	1,818,940	1,552,520
	Less: Sales tax	<u>(34,304)</u> 1,784,636	(15,127) 1,537,393
	Less:	1,704,000	1,007,090
	Trade discount	(180,637)	(156,712)
	Sales returns	(19,027) (199,664)	(22,384) (179,096)
		1,584,972	1,358,297
18.1	Revenue includes Rs. 1,084.27 million (2018: Rs. 1,012.59 million) Operations (Private) Limited (an associated company).	which represent	ts sales to IBL
		2019	2018
		Rupees	in '000
19.	COST OF SALES		
	Opening inventory	216,620	164,229
	Add: Purchases	1,184,205	991,862
		1,400,825	1,156,091
	Less: Cost of samples	(7,458)	(5,518)
	Less: Inventory written off	(6,196)	(4,176)
	Less: Closing inventory	(246,125) (259,779)	(216,620) (226,314)
		1,141,046	929,777
20.	OTHER INCOME	,	, , , , , , , , , , , , , , , , , , ,
	Income from financial assets Realised gain on investments - at fair value through profit or loss	308	3,272
	Interest on loan to International Brands Limited	21,642	20,367
	Dividend income	17	6_
	Income from non-financial assets	21,967	23,645
	Rental income from investment property	24,806	19,491
	Gain on asset classified as 'Held for Sale'	322	-
	Scrap sales	141	35
	Others	25,269	19,526
	Insurance claim	2	1,060
		47,238	44,231
		<u>, </u>	<u>, </u>

for the year ended June 30, 2019

	2019	2018
21 MARKETING AND DISTRIBUTION EXPENSES	Rupees	in '000
Salaries, wages and benefits - note 21.1	100,587	82,541
	•	
Advertisement and trade promotion	46,762	44,589
Cartage and freight	9,016	8,123
Travelling	18,185	17,544
Provision for claim	6,196	4,176
Depreciation	326	330
Amortisation	450	-
Rent, rates and taxes	5,429	2,980
Vehicle running expenses	6,612	5,997
Utilities and communication	2,282	2,025
Printing and stationery	423	334
Insurance	613	743
Repairs and maintenance	521	522
Fee and subscription	1,919	836
Security charges	498	711
Others	3,274	877
	203,093	172,328

21.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 2.68 million (2018: Rs. 2.31 million).

22	ADMINISTRATIVE AND GENERAL EXPENSES	2019 Rupees	2018 in '000
	ADMINIOTISTIVE AND GENERAL EACH ENGLIS	Паросо	11 000
	Salaries, wages and benefits - note 22.1	34,424	30,916
	Travelling	645	534
	Depreciation	1,848	893
	Amortisation	604	317
	Rent, rates and taxes	1,701	393
	Vehicle running expenses	1,866	1,514
	Utilities and communication	1,095	977
	Auditors' remuneration - note 22.2	2,435	2,047
	Donations - notes 22.3 and 22.4	2,500	5,750
	Legal and professional charges	1,215	1,900
	Printing and stationery	1,504	957
	Insurance	-	100
	Fee and subscription	3,315	4,935
	Repairs and maintenance	1,080	1,199
	Provision against doubtful receivables	-	600
	Provision against doubtful deposits	-	600
	Security charges	422	387
	Training	-	20
	Corporate services charged by ultimate parent company	19,200	14,400
	Others	2,274	484
		76,128	68,923

for the year ended June 30, 2019

22.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 1.38 million (2018: Rs. 1.35 million).

	2019	2018
Auditors' remuneration	Rupees in	.000
Additional Territoria Control of the		
Audit services		
- Annual audit fee	936	900
- Half yearly review		400
- Out of pocket expenses	250	200
	1,586	1,500
r		
3	1 1	300
- Tax advisory service		247
		547
	2,435	2,047
Donations to following exceed Rs. 0.5 million:		
·· - ·· · 1		0.500
	2,500	3,500
- various il dividuais	-	2,250
	2,500	5,750
and literate citizens. One of the directors of the company Mr. Adnan As	-	
1 odi idation.	2019	2018
	Rupees in	'000
OTHER OPERATING EXPENSES		
Eychange loss	7 794	16,242
	•	-
Unrealised Loss on investments - at fair value through profit or loss	-	1,564
	7,879	17,806
FINANCE COSTS		
Rank charges	2 122	1,389
	2,934	-
•	5,056	1,389
INCOME TAX EXPENSE		
A		
Current year	77,632	63,399
Current year Prior year	77,632 -	63,399 (434)
	77,632	
	- Annual audit fee - Half yearly review - Out of pocket expenses Non-audit services - Certifications for regulatory purposes - Tax advisory service Donations to following exceed Rs. 0.5 million: - The Hunar Foundation - Various individuals note - 22.4 Donation given to The Hunar Foundation is to facilitate the technical trand literate citizens. One of the directors of the company Mr. Adnan As Foundation. OTHER OPERATING EXPENSES Exchange loss Realised Loss on investments - at fair value through profit or loss Unrealised Loss on investments - at fair value through profit or loss Unrealised Costs Bank charges Markup on Musharakah Finance	Audit services - Annual audit fee 936 - Half yearly review 400 - Out of pocket expenses 250 Non-audit services - Certifications for regulatory purposes - Tax advisory service 300 - Tax advisory service 549 - Tax advisory service 7549 - Tax advisory service 7549 - The Hunar Foundation Various individuals 7549 - The Hunar Foundation Surple of the directors of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the directors of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the directors of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the directors of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation. - The Hunar Foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct foundation Surple of the company Mr. Adnan Asghar is also a direct

Relationship between the tax expense and accounting profit has not been presented as tax has been computed under section 148 of the Income Tax Ordinance, 2001, i.e. Final Tax Regime.

for the year ended June 30, 2019

26	EARNINGS PER SHARE	2019 Rupees	2018
26.1	Earnings per share - Basic	Паросс	
	Profit after taxation attributable to ordinary shareholders	121,376	149,340
	Weighted average number of outstanding shares at the end of year (in thousand) - note 14.1	54,088	54,088
	Earnings per share - Basic (Rupees) - note 26.2	2.24	2.76
26.2	Earnings per share - Diluted		
	Diluted earnings per share has not been presented as the Comparinstruments in issue as at June 30, 2019 and 2018 which would have share if the option to convert is exercised.		
		2019	2018
27.	CASH GENERATED FROM OPERATIONS	Rupees	in '000
	Profit for the year Adjustments for non-cash income and expenses: Depreciation of property and equipment Amortisation of intangible assets Finance costs Unrealised exchange loss Provision against doubtful receivables Provision against doubtful deposits Gain on asset classfied as 'Held for Sale' Interest income Realised gain on investments - at fair value through profit or loss Unrealised (gain) / loss on investments - at fair value through profit or loss Changes in working capital:	199,008 2,174 1,054 5,056 - (322) (21,642) (308) (85) (14,073) 184,935	212,305 1,223 317 1,389 2,605 600 600 - (20,367) (3,272) 1,564 (15,341) 196,964
	(Increase) / decrease in current assets: Inventories Trade and other receivables Short-term deposits, prepayments, loans and advances Refunds due from government - Sales tax Decrease in current liabilities: Trade and other payables	(284,531) (126,629) (144,649) (9,071) (564,880) 419,402	488 (77,314) (3,371) 927 (79,270) (21,877)
	• •	-	•

95,817

39,457

for the year ended June 30, 2019

28 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

28.1 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.

28.2 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
				Rup	ees in '000'	·		
FINANCIAL ASSETS Loans and receivables Short-term deposits, prepayments								
loans and advances		249,630	-	249,630	181,453	-	181,453	431,083
Trade and other receivable	es	-	-	-	528,981	-	528,981	528,981
Interest accrued		-	-	-	2,970	-	2,970	2,970
Cash and bank balances		-	-	-	30,894	-	30,894	30,894
	2019	249,630	_	249,630	744,298	_	744,298	993,928
				· · · · · · · · · · · · · · · · · · ·	<u> </u>	:		
FINANCIAL LIABILITIES Trade and otherpayables Borrowings	3	- 167,501	-	- 167,501	427,645	-	427,645	427,645 167,501
Unclaimed Dividend		-	_	-	9,345	_	9,345	9,345
Oriolalified Divideria	2019	167,501	-	167,501	436,990	-	436,990	604,491
FINANCIAL ASSETS Loans and receivables Short-term deposits, prepayments, loans and advances Trade and other receivables Interest accrued Investments - at fair val through profit or loss Cash and bank balances	ue 2018	236,512	26,238 - - - - - 26,238	262,750 - - - 262,750	49,922 402,352 16,208 55,782 27,722 551,986	22 - - - - 22	49,944 402,352 16,208 55,782 27,722 552,008	312,694 402,352 16,208 55,782 27,722 814,758
FINANCIAL LIABILITIES								
Trade and other								
payables		-	-	-	183,877	-	183,877	183,877
Unclaimed Dividend					7,188		7,188	7,188
	2018		-		191,065	-	191,065	191,065

for the year ended June 30, 2019

(a) Market risk

(i) Interest rate risk

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

At June 30, 2019, the Company had variable interest bearing net financial assets of Rs. 82.13 million (2018: Rs. 262.75 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. 1.64 million (2018: Rs. 5.26 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, 2019 is Rs. 249.48 million (2018: Rs. 125.35 million).

As at June 30, 2019, 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. 9.98 million (2018: Rs. 5.01 million), as a result of foreign exchange losses / gains on translation of US Dollar 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 fair value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund or it's management company.

There is no exposure to price risk as at June 30,2019 as the Company does not hold any financial asset subject to price risk.

(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, 2019 trade receivables of Rs. 375.81 million (2018: Rs. 289.17 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.

for the year ended June 30, 2019

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.

(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 management believes that it will be able to fulfill its financial obligations.

(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, 2019, all financial assets and financial liabilities are carried at amortised cost.

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 transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

28.3 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard 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 Company finances its operations and manages its working capital through equity.

for the year ended June 30, 2019

29 RELATED PARTY TRANSACTIONS

	Nature of relationship	Nature of transaction	2019 Rupees	2018 in '000
i.	Ultimate parent	Interest incomeCorporate service chargesDividend paidRepayment of loan	21,642 19,200 173 13,120	20,367 14,400 158 25,926
ii.	Holding company	Dividend paidShared costsPurchase of goods	39,008 578 2,415	35,625 467 2,587
iii.	Associated companies	Sale of goodsShared costsRental incomeSAP maintenance feeDividend paidPayment for SAP license	1,084,229 3,303 7,464 619 1,184	1,012,602 2,930 5,456 2,057 1,081 1,620
iv.	Employees' Provident Fund	- Contribution paid	4,054	3,659
V.	Key Management Personnel	Salaries and other employee benefitsDirector's fee and conveyance	15,898 450	11,330 628

- 29.1 The status of outstanding balances with related parties as at June 30, 2019 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.
- **29.2** 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 Limited	Ultimate Parent	42.34%*
3	IBL Operations (Private) Limited	Group Company	N/A
4	IBL Identity (Private) Limited	Group Company	N/A
5	IBL Unisys Limited	Group Company	N/A

^{*} Direct holding of International Brands Limited is 0.32%.

for the year ended June 30, 2019

30. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

	2019	2018	2019	2018
	Chief Execu	ıtive Officer	Execu	tives
		Rupees in	'000	
Managerial remuneration	7,901	4,958	15,748	15,071
Bonus and incentives	3,250	2,509	6,535	4,432
Leave fare assistance and	0.40	500	4.005	4 000
leave encashment	846	560	1,825	1,030
Company's contribution to the	600	466	1 600	1 201
Provident fund	600	466	1,633	1,301
Housing and utilities	3,301	2,837	10,893	8,289
	15,898	11,330	36,634	30,123
Number of persons	1	1	17	15

31.	NUMBER OF EMPLOYEES	2019	2018
	Number of employees at year end	212	118
	Average number of employees during the year	169	121

32. EVENTS OCCURING AFTER THE STATEMENT OF FINANCIAL POSTION DATE

The Board of Directors in its meeting held on September 24, 2019 proposed a cash dividend of Re. 1/- per share (2018: Re. 1/-) amounting to Rs. 54.09 million (2018: Rs. 54.09 million) subject to approval of members at the forthcoming annual general meeting.

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on **September 24, 2019**

Chief Executive

) Director

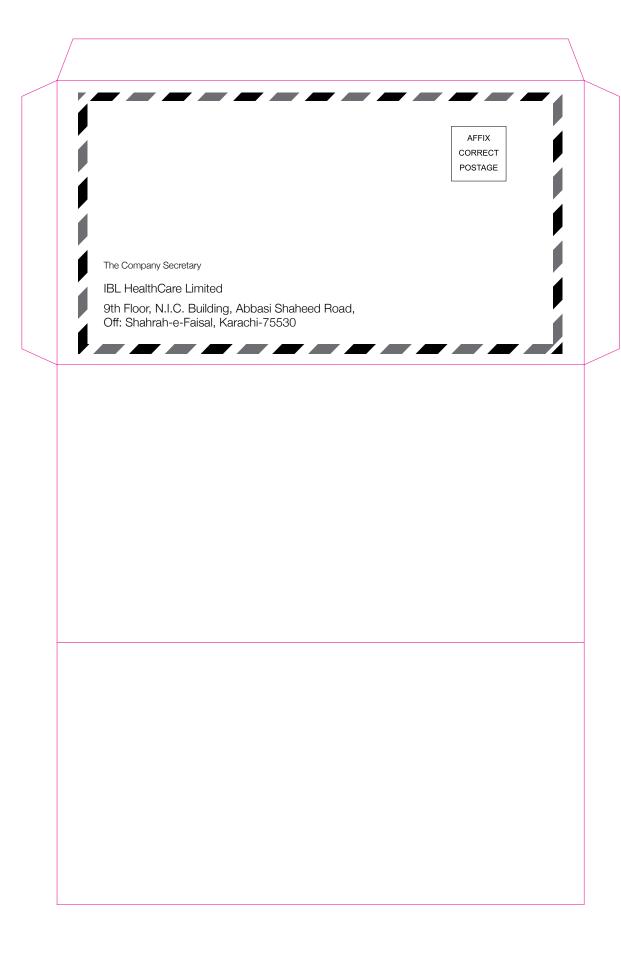
Chief Financial Officer

Proxy Form

The Secretary IBL HealthCare Limited 9th Floor, N.I.C. Building, Abbasi Shaheed Road, Off: Shahrah-e-Faisal, Karachi-75530 _____son / daughter / wife / husband of ___ I / We ___ 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 25, 2019 and/or any adjournment thereof. Signed this _____day of _____2019. Witness: Rs. 5/-Revenue 1. Stamp Signature of Member(s) Shareholders Folio No. _____ and / or CDC Participation I.D. No. _____ and Sub-Account 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.

 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.



براکسی فارم

	دى كىنى ئىكىرىيۇى
	آئی بی ایل ہیلتے کیئر کمثید ٔ
	٩ و ميں منزل ، اين آئي کي بلڈنگ ،عبا ہي شہيدرو ڏ
	کرا چی ـ
	پيرادخرّاز ديبه اغادند
	ثيتر بولڈر
	بابت آئی بی ایل ہیلتہ کیئر کمیڈ هامل
كاتقر ركرتا موں ا كرتے ہيں	عموی شیئر زیذ را بعد لذا
(رشتے کی نوعیت بیان کریں (اگر کوئی ہو) مع پرانسی حکومتی ضوابط کے	چيراايري
- حال	مطالق ضروری) اور پسر ادختر از وجدا خاوند
	فولونمبر
	د خفظ آخ بروز بتارخ خاص
۵روپیکاریو نیواسٹیپ	سُواو(ا <u>)</u> :
	وشخط:
	نام:نام:
	::a _{\vec{\pi}}
	ى اين آئى ى / پاسپورٹ نمبر:
دستخط مبر (ممبران)	گواه (نی):
	وسري
شيئر بولڈر (بولڈرز) فوليونمبراور ليا	
ى ۋى يى يارىئىيىش تا ئى ۋى نمبراور	::-:-:-::-::-::-::::::::::::::::
ذ لِي اكاؤنث تمبر	ى اين آئى ي/پاسپورٹ فمبر:
	ايم لكات:
	ا۔ ممبران سے درخواست ہے کہ:
	i جس نړکوره بالاجگه پرنشاندې کی گئی ہے وہاں-۵۱روپے کاریو نیواسٹیمپ چسپال کریں۔
	ii ربوینواسٹیپ برای طرح دستھا کریں جس طرز میں کمپنی کے پاس رجسر ڈ ہو۔
	iii. اس کا فولیوفمبر درج کریں۔
ئے لئے طے شدہ وقت ہے کم از کم ۴۸ تھنے قبل موصول ہوجائے۔	۲۔ مکوثر بنانے کے لئے یہ پراکسی لاز ما تمپنی کے رجٹر ڈ آفس میں ہرطرح سے مکمل صورت میں اجلاس کے
ن كارڈيا پاسپورٹ بشمول پارٹيسپين كا آئى ڈى فہراوران كے اكاؤنٹ فمبرلاز ماساتھ لائيں۔	٣۔ ى دُى يَشيمَ بولڈرزيان كے پراكسير اپني شاخت ميں سولت كے لئے اصل كمپيوٹرائز ڈتو ي شاختے
	مفصل طریقه کارغیرمعمولی اجلاس عام کی اطلاع کے نوٹس میں دیا گیا ہے۔

IBL HealthCare AFFIX CORRECT POSTAGE A **SEARLE** Subsidiary The Company Secretary IBL HealthCare Limited 9th floor, NIC Building, Abbasi Shaheed Road, Off: Shahrah-e-Faisal, Karachi.





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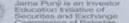


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