

# ANNUAL REPORT

2020







# **CONTENTS**

- 02 Vision & Mission
- 03 IBL Values
- 04 Company Information
- 06 Notice of Annual General Meeting
- 12 Business Divisions
- 21 Chairman's Review Report
- 22 Directors' Report
- 33 Directors' Report (Urdu)
- 36 Operating and Financial Highlights
- 38 Pattern of Shareholding
- 46 Statement of Compliance
  With Listed Companies (Code
  of Corporate Governance)
  Regulations, 2019
- 50 Governance
- 51 Review Report to the Members on Statement of Compliance with the Code of Corporate Governance
- 52 Auditors' Report to the Members
- 57 Financial Statements







Actively seeks to improve transparency between business and groups.



**Partnership** 

Integrity

**Passion** 

**Excellence** 



Makes decisions fairly & impartially

Upholds corporate governance policy

# COMPANY INFORMATION

#### **BOARD OF DIRECTORS**

Mr. Rashid Abdulla
Mr. Shahid Abdulla
Mr. S. Nadeem Ahmed
Mr. Mufti Zia ul Islam
Chairman
Director
Chief Executive Officer

Mr. Zubair Razzak Palwala Director Mr. Shuja Malik Director Ms. Ameena Saiyid Director

#### **AUDIT COMMITTEE**

Ms. Ameena Saiyid Chairperson Mr. Zubair Razzak Palwala Member Mr. Shuja Malik Member

# HUMAN RESOURCE & REMUNERATION COMMITTEE

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

#### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Tariq

#### **COMPANY SECRETARY**

Mr. Shariq Zafar

#### **AUDITORS**

A.F. Ferguson & Co., Chartered Accountants

#### **INTERNAL AUDITORS**

Grant Thornton Anjum Rahman

#### **LEGAL ADVISOR**

Mohsin Tayabaly & Co.

#### **BANKERS**

Habib Bank Limited Standard Chartered Bank (Pakistan) Limited National Bank of Pakistan

Summit Bank Limited Soneri Bank Limited

Habib Metropolitan Bank Limited Al-Baraka Bank (Pakistan) Limited

#### **REGISTERED OFFICE**

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

#### SHARE REGISTRAR

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





# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd annual 6. To ratify and approve transactions conducted general meeting of the shareholders of IBL HealthCare Limited will be held through video link (in compliance with Circular No. 25 of 2020 issued by SECP dated August 31, 2020,) on Friday, October 23, 2020 at 05:30 p.m. from 3rd floor, One IBL Centre, Block 788, DMCHS, Tipu Sultan Road, off Shahrah-e-Faisal, Karachi to transact the following business:

#### **ORDINARY BUSINESS**

- 1. To confirm the minutes of extraordinary general meeting held on June 03, 2020.
- 2. To receive, consider and adopt the audited financial statements for the year ended June 30. 2020 together with the directors' and auditors' reports thereon.
- 3. To consider and approve final cash dividend for the financial year ended June 30, 2020, at the rate of Rs.2/- per share of Rs.10/- each, equivalent to 20% as recommended by the board of directors.
- 4. To appoint auditors for the financial year ending June 30, 2021 and to fix their remuneration. The present auditors, A.F. Ferguson & Co., Chartered Accountants, retired. being eligible, have 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, 2021.

#### **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. 17.10 million per annum inclusive of perquisites and retirement benefits, admissible under the Company's Rules.

with related parties for the year ended June 30, 2020 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with related parties as disclosed in the note 27 of the financial statements for the year ended June 30, 2020 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, 2021 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, 2021."

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

#### **OTHER BUSINESS**

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 2, 2020

#### **NOTES:**

#### A. Book closure:

i. The share transfer books will remain closed from October 17, 2020 to October 23, 2020 (both days inclusive) for entitlement of 20% 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., Shahrah-e-Faisal, Karachi-74400 by close of the business on October 16, 2020 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: 2nd floor, One IBL Centre, Block 7 & 8, DMCHS, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi 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 Shahrahe-Faisal, Karachi-74400 (in case of shareholding in Physical Form).

·	Shareholder's Details	
1.	Shareholder 3 Details	
	Name of the shareholder (s)	
	Folio # / CDS Account No. (s)	
	CNIC No. (copy attached)	
	Mobile / Landline No.	
ii.	Shareholder's Bank Detail	
	Title of Bank Account	
	International Bank Account No. (IBAN)	
	Bank's Name	
	Branch's Name and Address	

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

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

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

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

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

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

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

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

#### E. Request for Video conference facility:

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

I/We,	of	being a member of the
IBL HealthCare Limited, holder of opt for video conference facility at	ordinary shares as per registe	
		Signature of Member (s)

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

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

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

#### G. Postal Ballot/E-Voting

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

#### H. Coronavirus contingency planning for general meeting of shareholders

In accordance with SECP Circular No. 5 of 2020 dated March 17, 2020, the Company will be taking measures for managing the annual general meeting of the Company in consonance with the Government's restrictions on public gatherings. Accordingly, the following information is set out below for the convenience of the shareholders of the Company:

i. Shareholders are urged to send by email, WhatsApp or any other electronic mean or by post or courier their comments/suggestions for the proposed agenda item of the annual general meeting. The details are set out below:

Email address: shariq.zafar@iblhc.com
WhatsApp No.: + 92 303 7770836

Cell phone No.: + 92 303 7770836

Registered Office Address: IBL HealthCare Limited

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

ii. Shareholders of the Company can also attend the annual general meeting via video link to login and participate in the proceedings of the annual general meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities.

Shareholders interested in attending the annual general meeting via video link are requested to have their particulars registered at least 24 hours before the time of annual general meeting with the Company Secretary at the following address

Email address: shariq.zafar@iblhc.com

The login facility will be opened at 04:30 p.m. on October 23, 2020 enabling the participants to join the proceedings which will start at 5:30 p.m. sharp.

The shareholders are requested to provide the information as per the below format. The video link will be sent to the shareholders on the email address provided in the below table:

S. No.	Name of Shareholder	CNIC No.	Folio/CDS Account No.	Cell No.	Email address

In view of the prevailing situation shareholders are urged to provide proxies.

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

#### 1 Item Number 5 of the notice - Approval of the remuneration of Chief Executive Officer.

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

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

#### 2 Item Number 6 of the notice - Ratification & approval of the related party transactions.

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies. These transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 27 to the financial statements for the year ended June 30, 2020. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000
	Interest income	30,571
	Corporate service charges	21,000
International Brands Limited	Dividend paid	173
	SAP maintenance fee	344
	Repayment of Ioan	20,616
The Searle Company Limited	Dividend paid	39,009
	Shared costs	998
	Sales of goods	666
	Purchase of goods	319,671
IDI Operationa (Privata) Limitad	Sale of goods	1,613,507
IBL Operations (Private) Limited	Shared cost	7,200

Name of Related Party	Transaction Type	PKR in '000
IBL Identity (Private) Limited	Rental income	2,150
Trax Online (Private) Limited	Rental income	2,260
IBL Unisys (Private) Limited	SAP maintenance fee	745
United Distributors Pakistan Limited	Dividend paid	1,184
Employees' provident fund	Contribution paid	7,609
	Salaries and other benefits	67,740
Key management personnel	Directors' fee and conveyance	950
	Sale of goods	740

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

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

The nature of relationship with these related parties has also been indicated in the note 27 to the financial statements for the year ended June 30, 2020. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

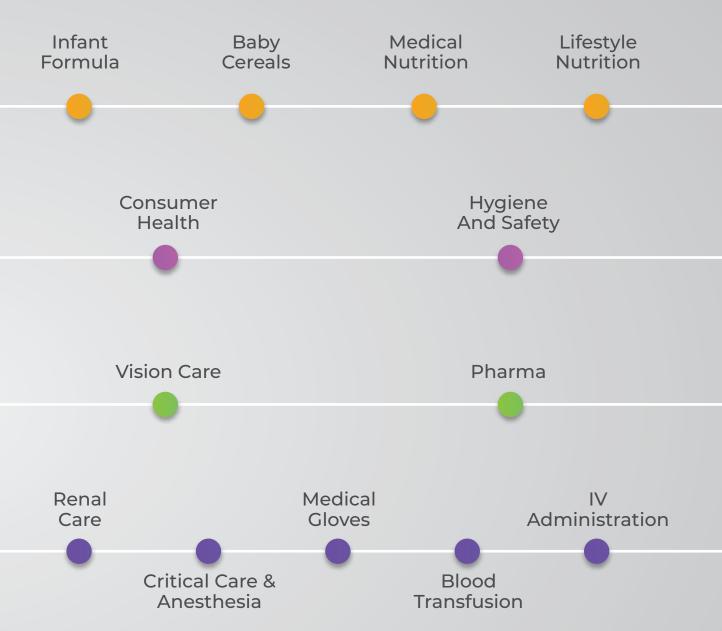
# 3. Item number 7 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2021

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 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, 2021, 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.

# **BUSINESS DIVISIONS**



























# Medical Disposables



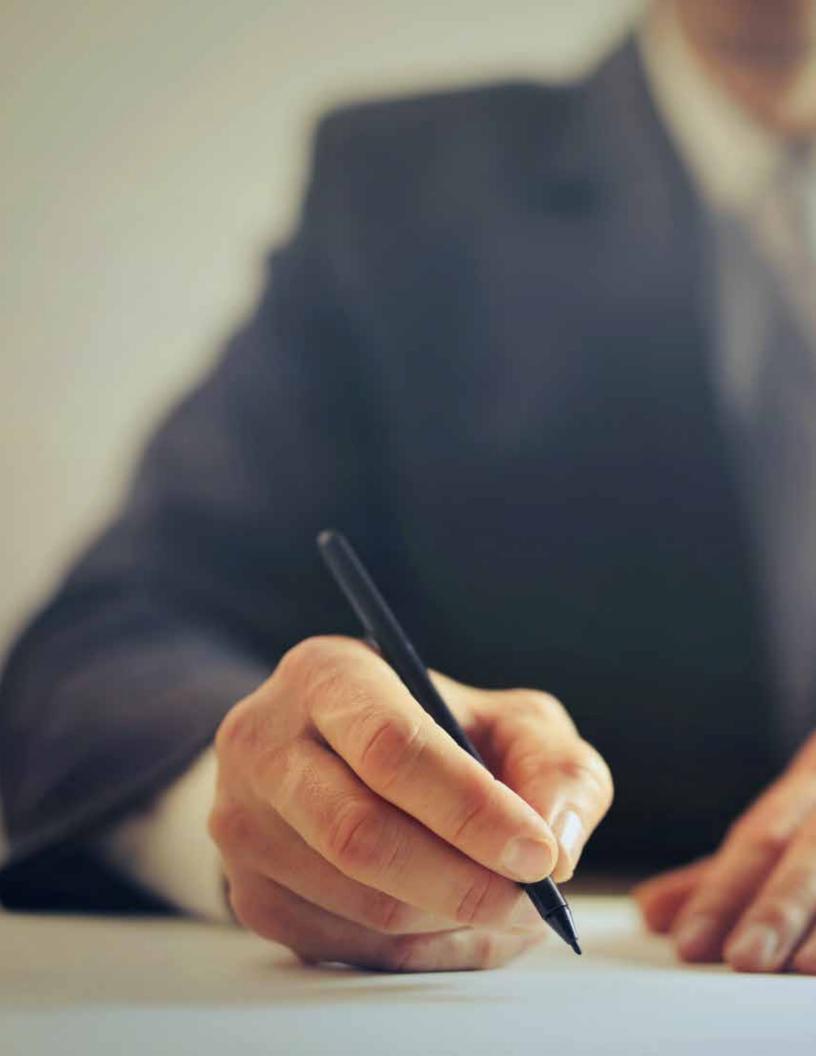




Health and nutrition depends on a constant supply of essential nutrients in the proper amount and proportion as per need of person. IBL HealthCare teams are dedicated for increasing scientific knowledge about nutrition and the important role nutrition plays in our lives. With Collaboration of our Principal, we are importing and manufacturing vast range of nutritional supplements that caters major nutrition support for routine and specialized cases.

# **COMPASSION**

Makes life beautiful from the beginning.



# CHAIRMAN'S REVIEW REPORT

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

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

#### Vision, mission and values:

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

#### **Strategic planning:**

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

#### **Diligence:**

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

#### **Monitoring:**

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

#### **Diversity:**

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

#### **Governance:**

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

Chairman

Date: September 24, 2020

# DIRECTORS' REPORT

The Board of Directors of IBL HealthCare Limited (IBLHL) are pleased to present the audited financial statements for the year ended June 30, 2020.

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

#### SUMMARY OF FINANCIAL PERFORMANCE

	<b>2020</b> (Rupees in	2019 Thousand)
Revenue	2,664,604	1,584,972
Gross profit	811,263	443,926
Gross profit as % of revenue	30.45%	28.01%
Profit before taxation	321,809	199,008
Profit after taxation	220,030	121,376

#### **PRINCIPAL ACTIVITES**

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

#### **OVERVIEW OF FINANCIAL PERFORMANCE**

The revenue for the financial year ended June 30, 2020 was Rs.2.66 billion as against a revenue of Rs. 1.58 billion last year i.e. a growth of 68%. This phenomenal growth of 68% was driven by addition of new portfolio in the Company along with growth of existing business. Gross profit as per cent age of sales increased to 30.45% as against 28.01% last year due to addition of high margin local products in the existing portfolio. During the 2nd half of the financial year ended June 30, 2020, the issue of COVID 19 arose which caused unprecedented shocks to global and Pakistan economies. However, despite facing severe challenges due to closure of business activities on account of lockdown in the country, the Company was able to sustain its revenue growth and profitability by adopting timely measures to address the extremely difficult situation.

#### **HOLDING COMPANY**

The Searle Company Limited (TSCL) is Holding Company of IBL HealthCare Limited. As at June 30, 2020, TSCL held 39,008,863 shares of Rs.10 each.

#### **BASIC EARNINGS PER SHARE**

Basic earnings per share were Rs. 4.07 (2019: Rs. 2.24)





#### **DIVIDEND**

The board of directors has recommended Rs. 2/dividend of 20% for the year ended June 30, 2020 (2019: 10%).

#### **EVALUATION OF COMPANY'S PERFORMANCE**

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

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

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

#### PRINCIPAL RISKS AND THEIR MANAGEMENT

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

#### STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

#### **COMPOSITION OF THE BOARD**

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

<b>Total number of directors</b> Male Female	06 01
Composition	
I Independent Director	02
II Non-Executive Director	04
III Executive Director	01

#### **MEETINGS OF THE BOARD OF DIRECTORS**

A summary of meetings held and attended by directors during the year ended June 30, 2020 is as follows:

Directors	Meetings attended
Mr. Rashid Abdulla	5
Mr. Shahid Abdulla	1
Mr. Adnan Asdar Ali	2
Mr. S. Nadeem Ahmed	5
Mr. Mufti Zia ul Islam	5
Mr. Zubair Palwala	5
Mr. Ayaz Abdulla	4
Mr. Shuja Malik	1
Ms. Ameena Saiyid	3

#### **COMMITTEES OF THE BOARD**

#### **AUDIT COMMITTEE**

#### **MEMBERS**

Ms. Ameena Saiyid - Chairperson

Mr. Shuia Malik

Mr. Zubair Palwala

# HUMAN RESOURCE AND REMUNERATION COMMITTEE

#### **MEMBERS**

Mr. Shuja Malik – Chairman

Mr. Syed. Nadeem Ahmed

Ms. Ameena Saiyid

#### **NOMINATION COMMITTEE**

#### **MEMBERS**

Mr. Rashid Abdulla – Chairman

Mr. Zubair Palwala

#### **DIRECTORS' TRAINING PROGRAM**

As recommended by the Listed Companies (Code of Corporate Governance) Regulations, 2019, five (5) out of seven (7) directors have obtained training from SECP approved institutions for directors' training or exempt from the training program. All directors on board are fully conversant with the duties as directors of a board of a corporate body.

#### PERFORMANCE EVALUATION OF THE BOARD

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

#### **DIRECTORS' REMUNERATION**

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

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

#### **CORPORATE AND SOCIAL RESPONSIBILITY**

IBL HealthCare being a socially responsible organization firmly believes in providing support to CSR initiatives. It's a ongoing process and a number of CSR programs initiated in the field of health care, education and training.

#### **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, 2021. 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, 2021.

#### **SUBSEQUENT EVENTS**

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

# CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

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

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance.
- Key operating and financial data for the last six years is summarized on page 36.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the financial statements.
- Significant deviations, from last year in the operating results of the Company have been highlighted and explained.

In accordance with the criteria specified in the Regulations, more than 50% of the directors as at June 30, 2020 have certification or exempt from the Directors' Training Program. All the Directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies

#### **FUTURE OUTLOOK**

We believe that there is a huge potential in the Health Care industry of Pakistan. The Health care industry can contribute significantly to the country by paying taxes, generating employment, and improving the quality of lives of people living in the country. The board of directors of your Company is optimistic for enhancing the growth and profitability by tapping new opportunities i.e. diversification of our product portfolio, launching of more local brands and extending the product line with the current partners. As a part of strategy, some products have already launched and we are expecting considerable contribution towards revenue and profitability. The transfer

of some products from the parent company has already shown a massive impact in revenue and profitability of the Company and management is optimistic to enhance the impact and 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, 2020 and other related information is set out on page 38 to 43.

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

#### **CHAIRMAN'S REVIEW**

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



**Syed Nadeem Ahmed** Director



**Mufti Zia ul Islam** Chief Executive

Karachi September 24, 2020 ہم اس موقع پراپنے ملاز مین کے بھی مشکور ہیں کیونکہ انہوں نے کمپنی کے بہتر نتائج کے حصول میں اپنا بھر پورکر دارا دا کیا۔

# شيئر ہولڈنگ کی معلومات

کمپنی کے شیئرز کی پاکستان اسٹاک ایکیجینج میں تجارت ہوتی ہے۔ ۳۰ جون ۲۰۲۰ء کے مطابق شیئر ہولڈنگ کا طریقہ کاراور دیگر متعلقہ معلومات صفحہ نمبر 38سے 43 پردرج ہیں۔

کمپنی کے کوئی ڈائر مکٹرز،ا مگز مکٹوز اوران کے شریکِ حیات اور نابالغ بچوں نے اس مدت کے دوران کمپنی کے شیئرز کی کوئی خرید وفر وخت نہیں کی۔

## چير مين كاجائزه

کمپنیزایک ۲۰۱۷ کے سیشن ۱۹۲(۲۲) کی شرائط کے مطابق بورڈ کی کارکردگی اور کمپنی کے اغراض ومقاصد کے موثر ہونے کے بارے میں چیئر مین کا جائزہ'' چیئر مین کی جائزہ رپورٹ' میں پیش کیا گیا ہے۔

مفتى ضياء الاسلام چيف الكيزيكو آفيسر

گرهه الم سیرندیم احد ڈائر بکٹر

کراچی ۲۴ ستمبر ۲۰۲۰

- موزوں ترین اکا وَنٹنگ پالیسیاں مالیاتی حسابات اورا کا وَنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پرلا گو کی جاتی ہیں اور یہ مناسب اور مختاط فیصلوں پر منحصر ہوتی ہیں۔
- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈ رڈز، جبیہا کہ پاکستان میں مروجہ ہیں، مالیاتی حسابات کی تیاری میں لا گو کیے جاتے ہیں اوران سے کسی بھی رُوگر دانی کومناسب انداز میں بیان اور واضح کر دیا جاتا ہے۔
  - اندرونی کنٹرول کا نظام مشحکم طور پر تیار کیا گیا ہے اور موثر طور پر نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
    - اس امر میں کوئی شبہیں کہ کمپنی میں ترقی کرنے کی بہترین صلاحیت موجود ہے۔
      - کارپوریٹ گورنینس کے بہترین طریقہ کارسے کوئی انحراف نہیں کیا گیا۔
    - گزشته ۲ سالول کیلئے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کی تفصیل صفح نمبر 36 پردرج ہے۔
  - واجبالا داشیکسز، قانونی اخراجات اور ڈیوٹیز، اگر کوئی ہیں، توان کا واضح طور پر تذکرہ مالیاتی حسابات میں کردیا گیا ہے۔
  - کمپنی کے آپریٹنگ نتائج میں گزشتہ سال سے نمایاں رُوگر دانی کو واضح کرنے کے ساتھ ان کی وضاحت بھی پیش کر دی گئی ہے۔

ر گولیشنز میں مقرر کردہ معیار کے مطابق ۵۰ فیصد سے زائد ڈائر بکٹرز ۳۰ جون ۲۰۲۰ء کے مطابق سرٹیفکیشن حاصل کر چکے ہیں یا ڈائر بکٹرز کے تربیتی پروگرام سے مشتیٰ ہیں۔ بورڈ پرموجود تمام ڈائر بکٹرز کارپوریٹ اداروں کے ڈائر بکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے بخو بی واقف ہیں۔

# مستقبل برايك نظر

ہم اس امر پر یقین رکھتے ہیں کہ پاکستان کی ہیلتھ کیئر انڈسٹری میں ایک وسیع تر صلاحیت اور قوت ہے۔ ہیلتھ کیئر انڈسٹری ٹیکسوں کی ادا کیگی، روزگار کے مواقعوں اور ملک میں مقیم عوام کا معیارِ زندگی بہتر بنانے کے سلسلے میں اپنا کر دار بخو بی ادا کرسکتی ہے۔ آپ کی کمپنی کے بورڈ آف ڈائر کیٹرز نئے مواقعوں مثلاً اپنے پروڈکٹ کے بورٹ فولیو میں توسیعے ، مزید مقامی برانڈز کے تعارف اور موجودہ شراکت کاروں کے ساتھ پروڈکٹ لائن میں توسیع کے ذریعے ترقی اور منافع جات بڑھانے کے ضمن میں پُرعزم ہے۔ اس حکمت عملی کے جھے کے طور پر چند مصنوعات پہلے ہی متعارف کرائی جا چی ہیں اور ہمیں تو قع ہے کہ ہیآ مدنی اور منافع جات میں اضافے کے ضمن میں بھر پورشراکت کی حامل ثابت ہوں گی۔ سر پرست کمپنی کی ترقی اور مارکیٹ شیئر میں مزید اضافے کے ضمن میں بہترین اثرات مستقبل میں دیکھنے میں آئیں گے۔

ہم پُر اعتاد ہیں کہ ہم شیئر ہولڈرز کیلئے منافع جات میں اضافے کے ساتھ اپنے صارفین کو بہترین مصنوعات اور خدمات کی فراہمی میں بھی کامیاب رہیں گے۔اس عزم کے ساتھ ہم اپنی سیلز فورس کے بھر پورتعاون اور سپورٹ کے بھی شکر گزار ہیں جس کے بغیرہم ان نتائج کے حصول میں کامیاب نہیں ہوسکتے تھے۔

### كاربوريث اورساجي ذمدداري

آئی بی امل ہیلتھ کیئر ساجی طور پرایک ذمہ دارا دارہ ہے جوس ایس آ راقد امات کی بھر پورمعاونت کی فراہمی پر کامل یقین رکھتا ہے۔ یہ ایک جاری رہنے والاعمل ہے اوراس سلسلے میں ہیلتھ کیئر تعلیم اور تربیت کے شعبوں میں کئی سی ایس آ رپر وگراموں کا آغاز کیا گیاہے۔

# انفارميشن سطم

ہم اس امر پریفین رکھتے ہیں کہ انفار میشن سٹم کسی بھی ادارے کی کارکردگی کو بہتر اور موثر بنانے میں کلیدی کر دارا دارکر تا ہے۔ تیز رفتار کام کے ساتھ شیکنالوجی میں جدت کی ہماری پالیسی کے تحت ہم نے کامیا بی کے ساتھ انتہائی فعال انٹر پر ائزریسورس پلاننگ سٹم ایس اے پی (SAP) لاگوکررکھا ہے۔

### آذيرز

موجودہ آڈیٹرزاے۔ایف۔فرگون اینڈ کمپنی، چارٹرڈ اکا وَظینٹس سبکدوش ہورہے ہیں اوراہل ہونے کی بناء پرانہوں نے خودکو دوبارہ تقرری کیلئے پیش کیا ہے۔ آڈٹ کمپنی کو ۳۰ جون ۲۰۲۱ء کوختم ہونے والے سال کیلئے پیش کیا ہے۔ آڈٹ کمپنی کو ۳۰ جون ۲۰۲۱ء کوختم ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی حیثیت سے تقرری وے دی جائے۔ بورڈ آف ڈائز یکٹرز نے آڈٹ کمپٹی کی سفارشات پر ۳۰ جون ۲۰۲۱ء کوختم ہونے والے مالیاتی سال کیلئے اے۔ایف۔فرگون اینڈ کمپنی کی تقرری کی قرش 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 عمل میں نہیں آئے۔

# كار پوريك اور مالياتي ر پورننگ فريم ورك

کمپنی کے ڈائز یکٹرلٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس)ریگولیشنز ،۲۰۱۹ کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔آپ کی کمپنی بہتر کارپوریٹ گورنینس اورضا بطے پرعملدرآ مدکونینی بنانے کیلئے تمام ترضروری اقد امات بروئے کارلاتی ہے۔ڈائز بکٹرز بمسرت اس امرکی توثیق کرتے ہیں کہ:

- تستمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی حسابات اس کے تمام کاروباری امور، اس کے آپریشن کے نتائج ، بہاؤاوراس کی ایکویٹ میں تبدیلی کوشفاف انداز میں پیش کرتے ہیں۔
  - کمپنی کے حسابات کی با قاعدہ کتب تیار کی جاتی ہیں۔

# ميومن ريسورس ايندريميونريش كميثي

ممبران

جناب شجاع ملك - چيئر مين

جناب سيدند يم احمه

مسماة اميينهسيد

نامزدتميني

ممبران

جناب راشد عبدالله - چيئر مين

جناب زبير پال والا

# ڈائز یکٹرز کاتر بیتی پروگرام

جیسا کہ لٹ کمپنیز (کوڈ آف کارپوریٹ گورنیس) ریگولیشنز، ۲۰۱۹ کے ذریعے سفارش کی گئی ہے، کمپنی کے سات (۷) میں سے پانچ (۵) ڈائر کیٹرزالیں ای پی کے منظور شدہ اداروں برائے ڈائر کیٹرزٹر نینگ سے تربیت حاصل کر چکے ہیں یا تربیتی پروگرام سے منتیٰ ہیں۔ بورڈ پر موجودتمام ڈائر کیٹرزکسی بھی کارپوریٹ ادارے کے بورڈ کے ڈائر کیٹرز کی حیثیت سے اپنے فرائض اور سرگرمیوں سے بخوبی آگاہ ہیں

# 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، جبیبا کہ پینیزا یکٹ، ۲۰۱۷ کے پیشن۱۹۲ (۴) کے تحت ضروری ہے، اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

# ڈائر یکٹرز کامشاہرہ

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

- تستمینی اپنے نان ۔ا بگزیکٹوڈ ائر بکٹرزکو بورڈ اوراس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے ادا کی جانے والی فیس کےعلاوہ کسی دیگر مشاہرے کی ادائیگی نہیں کرے گی۔
- ڈائر کیٹرز کو بورڈ ،اس کی کمیٹیوں کے اجلاسوں اور ایا 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۔

	رتیب	e:
02	انڈیبپیڈنٹ ڈائریکٹر	1
04	نان۔ا یکز یکٹوڈ ائر یکٹر	٢
01	ا یگزیکٹوڈ ائریکٹر	٣

# بورد آف دائر يكثرز كاجلاس

۳۰ جون ۲۰۲۰ء کوختم ہونے والے سال کے دوران ڈائر یکٹرز کی جانب سے منعقد کئے جانے اور شرکت کے حامل اجلاسوں کی ایک مختصر وضاحت درج ذیل کے مطابق ہے:

1 20 10 10 10 1	060.6601
اجلاس میں حاضری	ۋائر <i>يکٹرز</i> ڪ نام
5	جناب راشد عبرالله
1	جناب شام برعبدالله
2	جناب <i>عد</i> نان اسدرعلی
5	جناب ايس _نديم احمر
5	جناب مفتى ضياءالاسلام
5	جناب زبيريإل والا
4	جناب ایا <i>زعبدا</i> لله
1	جناب شجاع ملك
3	مسماة أمينهسيد
	بورڈ کی کمیٹیاں
	آ ڈٹ کمیٹی
	ممبران
	مساة امينهسيد - چيئر پرس
	جناب شجاع ملك
	جناب زبير بإل والا

# کمپنی کی کارکردگی کی جانچ

ا تظامیہ کی جانب سے ممپنی کی کارکردگی کی جانچ کے ختمن میں مختلف اجزاء استعمال کئے گئے جن میں کمپنی کے متعلقہ ڈویژنز میں ہم عصر کمپنیوں کے ساتھ تقابل، گزشتہ سال کی کارکردگی اور میکروا کنا مک اشاریئے شامل ہیں۔مزید برآں بجٹ تشکیل دیئے گئے اور ماہانہ بنیاد پر بجٹ کے تحت حقیق کارکردگی کی جانچ کی گئی تا کہ بروقت بنیاد پر درکارفوری اقدامات کو یقینی بنایا جاسکے۔

# اندرونی مالیاتی کنٹرول کی مناسب حد

بورڈ آف ڈائر مکٹرز نے کمپنی کے تمامتر امور کے سلسلے میں موثر اندرونی مالیاتی کنٹرولز تشکیل دیتے ہیں۔ کمپنی کے انٹزل آڈٹ کے امورایک پروفیشنل فرم کے تحت آؤٹ سورس کئے گئے ہیں جو ہا قاعد گی کے ساتھ مالیاتی کنٹرولز کے نفاذ کی تکرانی کرتی ہے اوراپنے جائزے کیلئے آڈٹ محمیٹی کو رپورٹ پیش کرتی ہے۔

### بنيادى خطرات اوران كابندوبست

کمپنی کے خطرات سے نمٹنے کے نظام کا مقصداس امر کویقینی بنانا ہے کہ کوئی بھی بڑے خطرات جو کمپنی پرمضرا ثرات مرتب کر سکتے ہوں ، ان کی شناخت کی جائے اوران کے مہلک اثرات کو کم کرنے کیلئے فوری بنیاد پراقدام کئے جائیں۔ کمپنی کی سینئرا نظامیہ کی جانب سے میکارروائی گروپ انٹرنل آڈٹ ڈپارٹمنٹ کی رہنمائی کے تحت انجام دی جاتی ہے۔ میسر گرمی کمپنی کو در پیش اسٹر پیجک ، آپریشنل اور کمپلائنس خطرات کی شناخت کا احاطہ کرتی ہے۔

# اخلاقى اقداراوركاروبارى طريقه كاركابيان

آئی بی ایل ہیلتھ کیئراپنے تمام ملاز مین،صارفین،سپلائرزاورشیئر ہولڈرز کےساتھ بااخلاق اور ذمہ دارانہ رویئے کے بھر پورعزم کی حامل ہے جن کوآئی بی ایل ہیلتھ کیئر میں متعلقہ پالیسیوں کے ذریعے لاگو کیا گیا ہے۔اس سلسلے میں ایک ضابطہ اخلاق مرتب کیا گیا ہے جس سے تمام ملاز مین کوآگاہ کردیا گیا ہے۔

# بورو كي تفكيل

جیسا کہ لٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس)ریگولیشنز ،۲۰۱۹ کے تحت لازم ہے، کمپنی اپنے بورڈ پرانڈ یبپیڈنٹ اورنان۔ایگزیکٹوڈ ائر یکٹرز بشمول مختلف اضاف کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ ہمارے موجودہ بورڈ کی تشکیل درج ذیل کے مطابق ہے:

ر ا	مجموعی ڈائر یکٹرز کی تعداد	- 10
06	25	21
01	خاتون	بي

# مالياتى كاركردكى كاجائزه

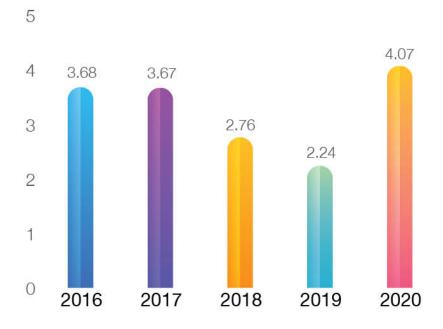
# *بولڈنگ سمینی*

دی سرل کمپنی لمیٹڈ (ٹی ایس می ایل)، آئی بی ایل ہیلتھ کیئر لمیٹڈ کی ہولڈنگ کمپنی ہے۔۳۰ جون۲۰۲ء کےمطابق دی سرل کمپنی لمیٹڈ ہرایک ۱۰رویے مالیت کے۳۶،۰۸،۸۲۳ شیئر زبر قرار رہی۔

# بنيادى آمدنى فى شيئر

بنیادی آمدنی فی شیئر ۷۵ ء ۹۲ روپے رہی (۲۰۱۹ء:۲۴ ء۲روپے )۔

#### Earnings Per Share (Rs.)





آئی بی ایل ہیلتھ کیئر کمیٹر (آئی بی ایل ایکا ایک ایل) کے بورڈ آف ڈائر کیٹرز ۳۰ جون ۲۰۲۰ ء کوختم ہونے والے مالی سال کے لئے بمسرت آڈٹ شدہ مالیاتی حسابات پیش کررہے ہیں۔

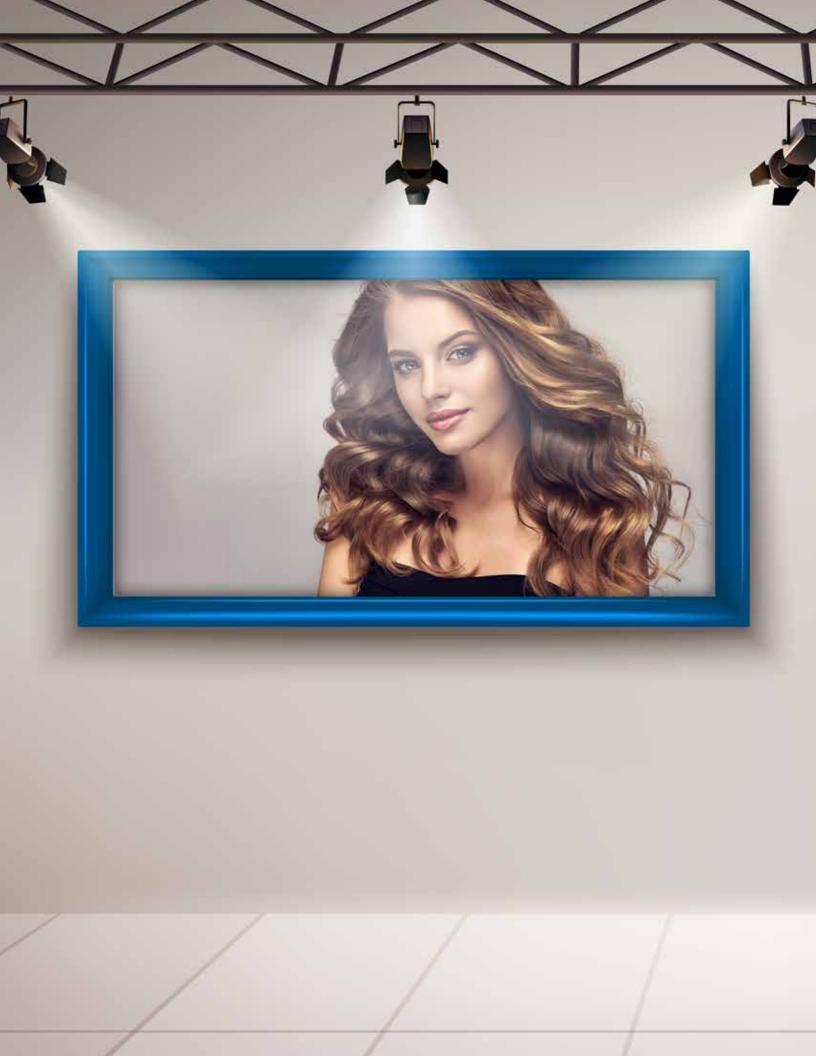
۔ ڈائر کیٹرز کی رپورٹ کمپنیزا میٹ، ۲۰۱۷ کے سیشن ۲۲۷، باب XII شق۳۳ (رپورٹنگ اینڈ ڈسکلوژر) برائے لیٹڈ کمپنیز (کوڈ آف کارپوریٹ گورنینس) کے تحت تیار کی گئی ہے۔

# مالياتي كاركردكي كاخلاصه

	2020	2019
	(روپے، ہزاروں میں)	
آمدنی	2,664,604	1,584,972
مجموع منافع جات	811,263	443,926
مجموى منافع جات كى شرح بەنىبىت آمدنى	30.45%	28.01%
منافع قبل ازليكس	321,809	199,008
منافع بعدازتيس	220,030	121,376

# **بنیادی سرگرمیاں** سمپنی کی بنیادی سرگرمیوں میں ہیلتھ کیئر پروڈ کٹس کی مارکیٹنگ تقشیم اور فروخت شامل ہے۔







Eye Care is key lifestyle factor that can have long-term effects on ocular health. IBL HealthCare is importing and making available world's largest suppliers of contact lenses, lens care products in Pakistan that have poured decades of eye science into this line to inspire radiance and confidence, without compromising eye health.

### **COMPASSION**

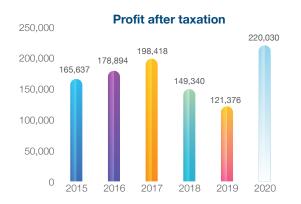
Teaches us to value ourselves.

	Unit	2020	2019	2018	2017	2016	2015
FINANCIAL POSITION							
Balance Sheet							
Property and equipment Investment property Other non-current assets Asset classified as held for sale Current assets Total assets	Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000		8,052 266,526 13,520 75,500 1,525,168 1,888,766	6,198 341,253 31,805 - 1,020,662 1,399,918	115,603 123,588 56,428 - 1,021,501 1,317,120	1,527 123,588 150,753 - 903,013 1,178,881	815 123,588 147,443 - 589,823 861,669
Share capital Unappropriated profit plus share premium Total equity	Rs. in '000 Rs. in '000 Rs. in '000	540,877 881,105 1,421,982	540,877 715,163 1,256,040	540,877 647,874 1,188,751	491,706 596,876 1,088,582	427,570 505,351 932,921	299,000 365,327 664,327
Non-current liabilities Current liabilities Total liabilities	Rs. in '000 Rs. in '000 Rs. in '000	830,042 830,042	632,726 632,726	211,167 211,167	228,538 228,538	245,960 245,960	197,342 197,342
Total equity and liabilities	Rs. in '000		1,888,766	1,399,918	1,317,120	1,178,881	861,669
OPERATING AND FINANCIAL TREND	Rs. in '000	1,421,902	1,256,040	1,188,751	1,088,582	932,921	664,327
Profit and loss  Revenue Cost of sales Gross profit Operating profit Finance cost Profit before taxation Profit after taxation	Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000		1,584,972 1,141,046 443,926 211,943 5,056 199,008 121,376	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	931,981 575,209 356,772 190,532 1,956 196,474 165,637
Cash flows							
Operating activities Investing activities Financing activities	Rs. in '000 Rs. in '000 Rs. in '000	40,438 (10,272) (52,093)	(176,179) 55,788 (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)
Rate of return	Unit	2020	2019	2018	2017	2016	2015
Pre tax return on equity Post tax return on equity	% %	22.63 15.47	15.84 9.66	17.86 12.56	23.20 18.23	23.65 16.43	29.57 24.93

	Unit	2020	2019	2018	2017	2016	2015
Profitability							
Gross profit margin Pre tax profit to sales Post tax profit to sales	% % %	30.45 12.08 8.26	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
Liquidity							
Current ratio Quick ratio		2.24 1.02	2.41 0.88	4.83 2.30	4.47 2.18	3.67 1.53	2.99 1.84
Financial gathering							
Debt equity ratio		0.58	0.50	0.18	0.21	0.26	0.30
Capital efficiency							
Debtors turnover Inventory turnover Total assets turnover	days days times	93 114 1.29	105 117 0.96	98 87 1.00	98 103 1.11	82 124 1.02	86 130 0.92
Investment							
Earnings per share	Rs.	4.07	2.24	2.76	3.67	3.68	3.98











No. of Shareholders		Shareholdings'Slab		<b>Total Shares Held</b>
2149	1	to	100	58,988
1216	101	to	500	336,905
827	501	to	1000	590,064
767	1001	to	5000	1,717,962
129	5001	to	10000	921,556
42	10001	to	15000	511,176
16	15001	to	20000	287,215
14	20001	to	25000	324,523
15	25001	to	30000	413,292
3	30001	to	35000	100,478
7	35001	to	40000	266,518
6	40001	to	45000	257,122
4	45001	to	50000	194,404
5	50001	to	55000	262,171
1	55001	to	60000	58,082
1	60001	to	65000	63,476
3	65001	to	70000	200,021
1	75001	to	80000	75,097
1	80001	to	85000	81,422
1	85001	to	90000	87,159
1	90001	to	95000	94,500
2	95001	to	100000	195,002
1	100001	to	105000	100,419
1	105001	to	110000	107,854
1	125001	to	130000	129,273
1	135001	to	140000	136,001
1	140001	to	145000	144,770
1	170001	to	175000	173,495
1	180001	to	185000	184,500
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	420001	to	425000	423,358
1	450001	to	455000	454,705
1	1180001	to	1185000	1,183,792
1	1200001	to	1205000	1,200,200
1	1440001	to	1445000	1,442,285
1	39005001	to	39010000	39,008,754
5233				54,087,605

Categories of Shareholders	Shareholders	<b>Shares Held</b>	Percentage
Directors and their spouse(s) and minor children			
MR. S. NADEEM AHMED	3	650	0.00
MR. RASHID ABDULLA	2	136,002	0.25
MR. ZUBAIR PALWALA	2	1,186	0.00
MS. AMEENA SAIYID	1	1	0.00
SHAKILA RASHID	1	418	0.00
SHAHID ABDULLA	1	311,452	0.58
MUFTI ZIA UL ISLAM	1	962	0.00
SHUJA MALIK	1	1,000	0.00
Associated Companies, undertakings and related parties			
FIRST UDL MODARABA	3	113,439	0.21
THE SEARLE COMPANY LIMITED	2	39,008,863	72.12
INTERNATIONAL BRANDS LTD.	1	173,495	0.32
UNITED DISTRIBUTORS PAKISTAN LIMITED	1	1,183,792	2.19
Executives	-	-	-
NIT and ICP	0	0	-
Banks Development Financial Institutions, Non-Banking	0	0004	0.00
Financial Institutions	9	9901	0.02
Insurance Companies	2	438314	0.81
Modarabas and Mutual Funds			
FIRST IBL MODARABA	1	219	0.00
CDC - TRUSTEE APF-EQUITY SUB FUND	1	6,000	0.01
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	9,000	0.02
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	45,500	0.08
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	69,000	0.13
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	1	0.00
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	1	3,000	0.01
General Public			
a. Local	58	3,401,434	6.29
b. Foreign	7	445,004	0.82
Foreign Companies	20	19,945	0.04
Others	5111	8,709,027	16.10
Totals	s 5233	54,087,605	100.00

Share holders holding 10% or moreShares Held PercentageTHE SEARLE COMPANY LIMITED39,008,86372.12

## PATTERN OF SHAREHOLDING As of June 30, 2020

S.No.	Folio #	Name of shareholder	Number of shares	Per %
		Directors and their spouse(s) and minor children		
3	8	MR. S. NADEEM AHMED	1	0.00
4	2088	SYED NADEEM AHMED	164	0.00
5	2435	SYED NADEEM AHMED	485	0.00
1	2	MR. RASHID ABDULLA	1	0.00
7	03277-11384	RASHID ABDULLA	136,001	0.25
2	7	MR. ZUBAIR PALWALA	1	0.00
11	03277-93293	ZUBAIR RAZZAK PALWALA	1,185	0.00
6	2976	MS. AMEENA SAIYID	1	0.00
8	03277-12714	SHAKILA RASHID	418	0.00
9	03277-15000	SHAHID ABDULLA	311,452	0.58
10	03277-56270	MUFTI ZIA UL ISLAM	962	0.00
12	04234-13382	SHUJA MALIK	1,000	0.00
		12	451,671	0.84
Associa	ated compani	es, undertakings and related parties		
1	1876	FIRST UDL MODARABA	20	0.00
2	02113-708	First UDL Modaraba	13,000	0.02
3	03277-1651	FIRST UDL MODARABA	100,419	0.19
4	00539-16820	THE SEARLE COMPANY LIMITED	109	0.00
5	03277-94394	THE SEARLE COMPANY LIMITED	39,008,754	72.12
6	03277-2937	INTERNATIONAL BRANDS LTD.	173,495	0.32
7	03277-62621	UNITED DISTRIBUTORS PAKISTAN LIMITED	1,183,792	2.19
		7	40,479,589	74.84
Execut	ive			
1		Nil		
		0	-	_
NIT and	d ICP			
1		Nil		-
		0	_	_
Banks	Development	Financial Institutions, Non-Banking Financial Institutions		
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	1890	BUSINESS & INDUSTRIAL INSURANCE COMPANY	14	0.00
5	2471	INDUS BANK LIMITED	6,579	0.01
6	2475	BANK ALFALAH LIMITED	2,017	0.00
7		ESCORTS INVESTMENT BANK LIMITED	106	0.00
8	03889-28	NATIONAL BANK OF PAKISTAN	405	0.00
J	00000 20		400	0.00

S.No.	Folio #	Name of shareholder	Number of shares	Per %
9	05587-6474	PROGRESSIVE INVESTMENT MANAGEMENT (PVT)L	244	0.00
		9	9,901	0.02
	nce Compani			
1	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	423,358	0.78
2	03277-2538	EFU LIFE ASSURANCE LTD	14,956	0.03
		2	438,314	0.81
Modar	abas and Mut	rual Funds		
1	03277-3367	FIRST IBL MODARABA	219	0.00
2	10603-21	CDC - TRUSTEE APF-EQUITY SUB FUND	6,000	0.01
3	10900-25	CDC - TRUSTEE APIF - EQUITY SUB FUND	9,000	0.02
4	14845-29	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	45,500	0.08
5	14860-27	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	69,000	0.13
6	15727-22	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	0.00
7	17541-22	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	3,000	0.01
		7	132,720	0.25
Gener	al Public Fore	ign		
1	2917	MR. ROBERT K. SIRGIOVANNI	42,124	0.08
2	00364-137057	DR. OMAR ABDUL MONEM YOUSUF AL ZAWAWI	262,575	0.49
3	00364-137065	DR. OMAR ABDUL MONEM YOUSUF AL ZAWAWI	107,854	0.20
4	00695-19883	SAYED HASHIM SAYED MOHAMMAD ALHASHIMI	26,950	0.05
5	05769-14757	MOHAMMAD RAFAY MALIK	3,000	0.01
6	05769-14765	MOHAMMAD WASAY MALIK	2,500	0.00
7	07450-22202	FARAZ AHMED	1	0.00
		7	445,004	0.82
Foreig	n Companies			
1	1271	MIDLAND BANK TRUST CORP. (JERSEY) LTD	153	0.00
2	1620	INVESTORS BANK & TRUST COMPANY	430	0.00
3	1622	DAY LIMITED	223	0.00
4	1623	SMITH NEW COURT FAR EAST LIMITED	39	0.00
5	1653	INVESTORS BANK & TRUST COMPANY	1,596	0.00
6	1654	MORGAN STANLEY TRUST COMPANY	3,105	0.01
7	1656	AETNA INVESTMENT MGMT B.V.I NOMINEES LTD	1,750	0.00
8	1657	STATE STREET BANK AND TRUST CO. U.S.A.	1,402	0.00
9	1664	THE NORTHERN TRUST COMPANY	436	0.00
10	1677	CHASE MANHATTAN BANK (IRELAND) PLC	121	0.00
11	1680	THE AETNA CASUALTY AND SURETY COMPANY	363	0.00

# PATTERN OF SHAREHOLDING As of June 30, 2020

S.No.	Folio#	Name of shareholder	Number of shares	Per %
12	1775	SOMERS NOMINEES (FAR EAST) LTD	545	0.00
13	1776	SMITH NEW COURT FAR EAST LTD	36	0.00
14	1779	THE NORTHERN TRUST COMPANY	361	0.00
15	1781	CHEM BANK NOMINEES LTD	39	0.00
16	1782	H.S.B.C. INTERNATIONAL TRUSTEE LIMITED	154	0.00
17	1884	CHEM BANK NOMINEES LTD.	237	0.00
18	1961	MERRILL LYNCH, PIERCE, FENNER & SMITH INC.	981	0.00
19	1981	THE BANK OF NEWYORK	7,902	0.01
20	2140	INVESCO (BVI) NOMINEES LIMITED	72	0.00
		20	19,945	0.04
General	l Public	5111	8,709,027	16.10
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
11	2483	ISMAIL ABDUL SHAKOOR SEC.	39	0.00
12	2541	THE COMPANY SECRETARY	5,078	0.01
13	2574	MR. MOBEEN ALAM (B-1)	2,916	0.01
14	2619	MR. MUHAMMAD TARIQ (B-2)	2,574	0.00
15	2626	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-2)	454,705	0.84
16	2685	M/S. FEDERAL BOARD OF REVENUE	9,131	0.02
17	2708	MR. MUHAMMAD TARIQ (B-3)	2,398	0.00
18	2756	TEMPORARY FOLIO - WITHHOLD BONUS SHARES OF COURT CASES (B-3)	324,520	0.60
19	2757	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-3)	58,082	0.11
20	2772	UNIDENTIFIED RIGHT SHARES OF R-1	182	0.00
21	2777	MR. MUHAMMAD TARIQ (B-4)	2,608	0.00
22	2817	TEMPORARY FOLIO - WITHHOLD BONUS SHARES OF COURT CASES (B-4)	196,683	0.36
23	2818	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-4)	21,252	0.04

S.No.	Folio#	Name of shareholder	Number of shares	Per %
24	2851	MR. MUHAMMAD TARIQ (B-5)	2,571	0.00
25	2863	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES (B-5)	282,940	0.52
26	2864	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-5)	34,285	0.06
27	2903	MR. MUHAMMAD TARIQ (B-6)	1,995	0.00
28	2915	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES (B-6)	198,104	0.37
29	02113-3439	SEARLE PAKISTAN LIMITED PROVIDENT FUND	1,442,285	2.67
30	03277-1339	PREMIER FASHIONS (PVT) LTD	30,000	0.06
31	03277-1340	SIZA (PRIVATE) LIMITED	29,000	0.05
32	03277-7633	TRUSTEES MOHAMAD AMIN WAKF ESTATE	7,609	0.01
33	03277-8034	GARIBSONS (PVT.) LTD.	310	0.00
34	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	65,021	0.12
35	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,278	0.00
36	03525-63416	H M INVESTMENTS (PVT) LIMITED	146	0.00
37	03525-63817	NH SECURITIES (PVT) LIMITED.	194	0.00
38	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	0.00
39	04184-22	AZEE SECURITIES (PRIVATE) LIMITED	109	0.00
40	04317-25	DALAL SECURITIES (PVT) LTD.	5,000	0.01
41	04457-45	FDM CAPITAL SECURITIES (PVT) LIMITED	10,268	0.02
42	04457-78	FDM CAPITAL SECURITIES (PVT) LIMITED	23	0.00
43	04481-26	DOSSLANI'S SECURITIES (PVT) LIMITED	24	0.00
44	04705-87224	FEDERAL BOARD OF REVENUE	87,159	0.16
45	05348-21	HH MISBAH SECURITIES (PRIVATE) LIMITED	2,000	0.00
46	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	2,500	0.00
47	07005-29	MAM SECURITIES (PVT) LIMITED	9	0.00
48	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	1	0.00
49	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	129	0.00
50	12666-1724	HONDA SOUTH (PRIVATE) LIMITED	2,000	0.00
51	14241-22	FIKREES (PRIVATE) LIMITED	7,244	0.01
52	14274-29	MUHAMMAD AMER RIAZ SECURITIES (PVT) LTD.	48	0.00
53	14589-21	STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF	26,500	0.05
54	15867-26	MARGALLA FINANCIAL (PRIVATE) LIMITED	800	0.00
55	16576-20	INTERMARKET SECURITIES LIMITED - MF	10,500	0.02
56	16832-28	GROWTH SECURITIES (PRIVATE) LIMITED - MF	10,000	0.02
57	16857-26	MRA SECURITIES LIMITED - MF	50,500	0.09
58	16865-25	BAWA SECURITIES (PVT) LTD MF	500	0.00
		58	3,401,434	6.29
Total		5233	54,087,605	100.00







Our Consumer brands give us a unique opportunity to create positive change, to grow our business, and to achieve our purpose of making people lives carefree. We use insight and dedication to make sure these brands perform for consumers.

### COMPASSION

Achieving harmony for health and fitness

For the year ended June 30, 2020

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

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

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

2. The composition of the board is as follows:

Category	Name of Director
Independent* Director:	Ms. Ameena Saiyid
	Mr. Shuja Malik
Executive Director	r:Mr. Mufti Zia ul Islam
Non-Executive	Mr. Rashid Abdulla
Directors:	Mr. Shahid Abdulla
	Mr. S. Nadeem Ahmed
	Mr. Zubair Razzak Palwala
Female Director:	Ms. Ameena Saiyid

<sup>\*</sup> Based on mathematical rounding off principle, the fraction i.e. 0.33 contained in one third of 7 elected directors was not rounded up as one.

- The Directors have confirmed that none of them is serving as a director on the board of more than seven listed companies, including this company.
- 4. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or updated has been maintained.
- 6. All the powers of the board have been duly exercised and decisions on relevant matters

- have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman. 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. Four directors have attended the training and one director is exempted from the program under these regulations 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. Ameena Saiyid	Chairperson
Mr. Zubair Palwala	Member
Mr. Shuja Malik	Member

#### **HR and Remuneration Committee**

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

#### **Nomination Committee**

Name	Category
Mr. Rashid Abdulla	Member
Mr. Zubair Palwala	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:
  - 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 requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.
- 19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

S. No	Requirement	Explanation	Reg. No
1	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	risk management committee as risk management framework is managed at Company's level.	30

RASHID ABDULLAH Chairman SYED NADEEM AHMED
Director



# MEDICAL DISPOSABLES

"IBL HealthCare Medical Disposable team join hands with the world leading manufacturers for importing high quality medical disposables and devices to cope with the arousing hospital and institutional needs for the patient benefit and well-being. We believe in the philosophy that compassionate care will contribute to the patient health and satisfaction developing their trust on our brands".

### **COMPASSION**

Unites us together in a bond of care.





As a company engaged in health care products, IBL HealthCare aims to provides its customers with best possible health care and nutrition products to enhance the quality of their lives. We strongly believe that this vision is achieved by acting ethically and fairly as engrained in our core values. IBL HealthCare has a firm commitment to ethical and responsible behavior with all its employees, customers, suppliers, contractors and shareholders which has been reinforced through a number of policies in place at IBL HealthCare. Ethical conduct is the cornerstone of the IBL HealthCare business and one of its key strengths and legacies. We firmly believe in compliance of all applicable laws and regulations and committed to operate with integrity, honesty and fairly.

There is a system in place through which any compliance risks related to any level of the management are identified and addressed to ensure that we remain committed to an ethically compliant and responsible company.

#### **Code of conduct**

Our code of conduct provides guidelines for ethical conduct expected from its employees. It expresses our firm commitment to act ethically within the parameters defined in the code of conduct.

Key areas highlighted in the code are as follows:

- Legal Compliance and Ethics We engage in business activities in a legal and ethical manner
- Bribery and Corruption We have zero tolerance for corruption and do not give or receive bribes
- Conflict of Interest We do not allow conflict of interest to influence or compromise any of our professional duties or decisions.
- Health, Safety and Environment We carry out business in a responsible manner to ensure health and safety of people and the environment

- Respect and fairness We treat people with fairness and respect.
- Company assets and information We protect company information and, resources and assets from loss or misuse
- Insider trading We prohibit insider trading.

#### Whistle blowing policy

In order to promote adherence to ethical business conduct, a Whistle blowing system is in place at IBL Health Care as well as at the level of its' parent company. The purpose is to provide multiple avenues to its stakeholders to voice their concerns. All employees, customers, suppliers, contractors and shareholders of IBL Health Care are encouraged to report serious concerns that could have a significant impact across the IBL Health Care. These would include actions that:

- are unlawful or may damage the reputation of the IBL Health Care
- are fraudulent and lead to a loss of assets
- may be intended to result in incorrect financial reporting
- give rise to harassment, discrimination or other unfair employment practices
- are unethical, biased, favored and imprudent event
- are inviolation of Safety Health & Environmental standards applicable to the business

Every effort is made to maintain the confidentiality of complainants and the investigation is carried out by a team under supervision of an 'Ethics Committee' to prevent any kind of retaliatory act or victimization for any genuine concerns raised in good faith. Any other employee assisting in the said investigation or furnishing evidence are protected to the same extent as the complainant. However, allegations (if any) made recklessly, maliciously or with mala fide intentions and knowingly false result in strict disciplinary action against the person raising a complaint.





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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IBL HealthCare Limited (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Chartered Accountants

Karachi

Date: October 02, 2020





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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS.

#### **Opinion**

We have audited the annexed financial statements of IBL HealthCare Limited (the Company), which comprise the statement of financial position as at June 30, 2020, 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, 2020 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.

# pwc

#### 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:

• 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



#### A. F. FERGUSON & CO.

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.



#### A. F. FERGUSON & CO.

#### **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.

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

Mag - 36.

A. F. Ferguson & Co. Chartered Accountants

Karachi

Date: October 02, 2020



# Financial Statements



### STATEMENT OF **FINANCIAL POSITION** as at June 30, 2020

ASSETS	Note	<b>2020</b> 2019Rupees in '000	
Non-current assets			
Furniture and equipment Investment properties Intangible assets	3 4 5	9,628 368,235 11,641 389,504	8,052 266,526 13,520 288,098
Current assets			
Inventories Trade and other receivables Short-term deposits, prepayments, loans and advances Interest accrued Refunds due from government - Sales Tax	6 7 8	654,727 823,592 345,926	506,983 528,981 431,083 2,970 9,071
Taxation Cash and bank balances	9	18,127 20,148 1,862,520	15,186 30,894 1,525,168
Asset classified as 'Held for Sale'	10	-	75,500
Total assets		2,252,024	1,888,766
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital Issued, subscribed and paid up capital	11	540,877	540,877
Capital reserve Share premium		119,600	119,600
Revenue reserve Unappropriated profit		761,505 1,421,982	595,563 1,256,040
Liabilities		.,,	1,200,010
Current liabilities Trade and other payables Contract Liability Short term borrowings Unclaimed dividend	12 13	623,772 16,248 178,682 11,340	441,868 14,012 167,501 9,345
Contingencies and commitments	14	830,042	632,726
Total equity and liabilities		2,252,024	1,888,766

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

### STATEMENT OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the year ended June 30, 2020

	2020	2019
Note	Rupees in '000	
15	2,664,604	1,584,972
16	(1,853,341)	(1,141,046)
	811,263	443,926
17	53,682	47,238
18	(428,806)	(203,093)
19	(83,335)	(76,128)
20	-	(7,879)
21	(30,995)	(5,056)
	321,809	199,008
22	(101,779)	(77,632)
	220,030	121,376
	-	-
	220,030	121,376
23	Rs. 4.07	Rs. 2.24
	15 16 17 18 19 20 21	NoteRupees  15

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

li Director

### STATEMENT OF CASH FLOWS for the year ended June 30, 2020

	Note	<b>2020</b> Rupees	2019 in '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operations Interest income received Income tax paid Finance cost paid Decrease in long term loans and advances	24	142,612 33,541 (104,720) (30,995)	(149,156) 34,879 (83,106) (5,056) 26,260
Net cash inflow/ (outflow) from operating activities		40,438	(176,179)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment Proceeds from sale of investment property Payments for acquisition of investment property Payments for acquisition of intangible assets Proceeds from redemption of short term investments Repayment of loan by related party Net cash (outflow) / inflow from investing activities		(4,066) 75,500 (101,709) (613) - 20,616 (10,272)	(4,028) - (451) (9,029) 56,176 13,120 55,788
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(52,093)	(51,930)
Net decrease in cash and cash equivalents		(21,927)	(172,321)
Cash and cash equivalents at beginning of the year		(136,607)	27,722
Cash and cash equivalents at end of the year	26	(158,534)	(136,607)

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Executive

### STATEMENT OF **CHANGES IN EQUITY** for the year ended June 30, 2020

	Issued, subscribed	Capital reserve	Revenue reserve	Total	Total	
	and paid up capital	Share Premium	Unappropriated profit	reserves	iolai	
			Rupees in '000			
Balance as at July 01, 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 June 30, 2018 @ Re. 1 per share	-	-	(54,087)	(54,087)	(54,087)	
Balance at June 30, 2019	540,877	119,600	595,563	715,163	1,256,040	
Total comprehensive income for the year ended June 30, 2020	-	-	220,030	220,030	220,030	
Transaction with owners Final dividend for the year ended June 30, 2019 @ Re. 1 per share	-	-	(54,088)	(54,088)	(54,088)	
Balance at June 30, 2020	540,877	119,600	761,505	881,105	1,421,982	

The annexed notes 1 to 34 form an integral part of these financial statements.

for the year ended June 30, 2020

#### 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 (the Parent Company) and International Brands Limited (the Ultimate Parent Company).

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

- The registered office of the Company is located at One IBL Centre, 2nd floor, Plot No.1, Block 7 and 8, D.M.C.H.S. Tipu Sultan Road, Off Shahra-e-faisal, 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. In this respect, the Company has also entered into a service level agreement on January 1, 2019 that remains valid and effect until December 31, 2021.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Basis of preparation

#### 2.1.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; 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. Investment properties are revalued by using the methodology as mentioned in note 2.5.

for the year ended June 30, 2020

#### 2.2 Changes in accounting standards, interpretations and pronouncements

#### Standards, interpretations and amendments to published approved accounting standards that became effective during the year and relevant

#### IFRS 16 'Leases'

IFRS 16 (Leases) - IFRS 16 replaces 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 has assessed that this new standard does not have any significant impact on its financial statements.

#### **Amendment in Fourth Schedule**

Amendment in Fourth Schedule of the Companies Act, 2017 (the Act) - SECP brought certain alterations in Fourth Schedule of the Act with regard to preparation and presentation of financial statements through notification dated July 29, 2019. These alterations resulted in elimination of certain disclosures in these financial statements of the Company as at June 30, 2020.

Amendment in Companies Act, 2017

Certain changes in the Companies Act, 2017 have been made through Companies (Amendment) Ordinance, 2020 which has been promulgated by the President of Pakistan under Article 89 of the Constitution of Pakistan on April 30, 2020 where by certain provisions and disclosure requirements have been added and removed which are applicable to both listed and unlisted companies.

### 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 January 1, 2019, 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, 2020 that may have an impact on the financial statements of the Company.

#### IAS 1 & 8 - Definition of material

Amendments to IAS 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS Standards. Refined definition of materiality - Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

for the year ended June 30, 2020

#### IAS 1 - Presentation of Financial Statements

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendment, the requirement for a right to be unconditional has been removed and instead, the amendment requires that a right to defer settlement must have substance and exist at the end of the reporting period.

The management do not expect any significant impact arising due to changes laid down by these amendments on these financial statements.

#### 2.3 Overall valuation policy

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

#### 2.4 Furniture and equipment

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

Depreciation on assets is charged to Statement of Profit or Loss and Other Comprehensive Income applying the straight-line method whereby the depreciable cost of an asset is written off over its useful life.

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

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.

for the year ended June 30, 2020

#### 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.

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, cheques in hand and short term borrowings.

#### 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

for the year ended June 30, 2020

- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

#### Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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.

for the year ended June 30, 2020

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

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

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

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

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.

#### 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, 2020

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) minimum tax regime applicable to the Company based on tax withheld at import stage and (ii) for normal income; tax calculated at the current rates of taxation in accordance with the prevailing law for taxation.

#### **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.

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.

for the year ended June 30, 2020

#### 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.	FURNITURE AND EQUIPMENT		2020 Rupees in	2019 1 <b>'000</b>
0.	Operating assets - note 3.1		9,628	8,052
	Particulars	Office equipment	Furniture and fittings Rupees in '000 -	Total
3.1	Net carrying value basis			
	Year ended June 30, 2020			
	Opening net book value	5,717	2,335	8,052
	Additions - at cost	4,066	-	4,066
	"Depreciation charge - note 3.2" Interclass reclassifications	(2,066)	(424)	(2,490)
	- Cost - Accumulated depreciation	(2,967) 2,967	2,967 (2,967)	
			-	
	Closing net book value	7,717	1,911	9,628
	Gross carrying value basis			
	At June 30, 2020			
	Cost Accumulated depreciation	14,198 (6,481)	6,581 (4,670)	20,779 (11,151)
	Net book value	7,717	1,911	9,628

for the year ended June 30, 2020

	Particulars	Office equipment	Furniture and fittings	Total
	Net carrying value basis	Rupees in '000		
	Year ended June 30, 2019			
	Opening net book value	4,079	2,119	6,198
	Additions - at cost	3,389	639	4,028
	"Depreciation charge - note 3.2"	(1,751	) (423)	(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		
	Net book value	5,717	2,335	8,052
	Depreciation rates	10% - 33%	10% - 20%	<u>)                                    </u>
			2020 Rupees	2019 in '000
3.2	Depreciation for the year has been allocated as fo	ollows:	•	
	Marketing and distribution expenses - note 18 Administrative and general expenses - note 19		307 2,183 2,490	326 1,848 2,174
4.	INVESTMENT PROPERTIES			
	Operating assets - at cost - notes 4.1 & 4.2		368,235	266,526
4.1	Operating assets			
	Balance at beginning of the year		266,526	341,253
	Acquisition - note 4.1.1		97,625	-
	Capitalised subsequent expenditure - note 4.1.2		4,084	451
	Classified as «Held for Sale»		-	(75,178)
	Balance at end of the year		368,235	266,526

for the year ended June 30, 2020

- **4.1.1** This represents purchase cost, mutation and other registration charges for Plot 24/4, Block 7 & 8, D.M.C.H.S, Karachi.
- **4.1.2** This represents amount paid as amalgamation charges in respect of Plots 24/4, 24/4-A and 24/3, Block 7 & 8, D.M.C.H.S, Karachi.
- 4.2 This represents investment in plots which have been rented to various tenants including IBL Identity (Private) Limited, United Franchises (Private) Limited and Trax Online (Private) Limited (associated companies), Espresso Coffee Houses (Private) Limited and J.B Saeed Home and Hardware in consideration for monthly rentals.
- 4.3 The valuations of investment properties have been carried out by M/s. PEE DEE & Associates, an independent valuer engaged by the Company as at June 30, 2020. Market value of these investment properties as at June 30, 2020 is Rs. 1,008.28 million (2019: Rs. 795.131 million).

The forced sale value of the above properties as at June 30, 2020 is Rs. 768.87 million (2019 : Rs 636.105 million)

**4.4** Particulars of immovable properties (i.e. land) in the name of Company are as follows:

	Location	Usage of immovable property	Covered (in sq. \	
	Plot no 24/3, Block 7 & 8, D.M.C.H.S., Karachi	Rented property	754	
	Plot no 24/4A, Block 7 & 8, D.M.C.H.S., Karachi	Rented property	1,004	
	Plot No.24/4 Block 7 & 8, D.M.C.H.S., Karachi	Rented property	502	
			2020	2019 1 <b>'000</b>
5.	INTANGIBLE ASSETS	·		1 000
	Operating intangible assets - note 5.1		11,641	13,520

for the year ended June 30, 2020

5.1		Computer Software	Software License	Distribution Rights	Total
			Rupees	in '000	
	Year ended 30 June 2020 Opening net book value Additions during the year	4,908 210	62 403	8,550	13,520 613
	Amortisation charge - note 5.2	(601)	(91)	(1,800)	(2,492)
	Closing net book value	4,517	374	6,750	11,641
	At 30 June 2020 Cost Accumulated amortisation	5,979 (1,462)	1,036 (662)	9,000 (2,250)	16,015 (4,374)
	Net book value	4,517	374	6,750	11,641
	Year ended 30 June 2019 Opening net book value Additions during the year Amortisation charge - note 5.2	5,453 29 (574)	92 - (30)	9,000 (450)	5,545 9,029 (1,054)
	Closing net book value	4,908	62	8,550	13,520
	· ·				10,020
	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
	Amortisation rates	10%	20%	20%	
5.2	Amortisation for the year has been allocated	ated as follows:		2020 Rupees in '	2019 <b>000</b>
	Marketing and distribution expenses - no Administrative and general expenses - no			1,821 671 2,492	450 604 1,054
6.	INVENTORIES				
	Inventory in hand Inventory in transit			390,086 264,641	246,125 260,858
	Provision for slow moving inventory - no	te 6.1		654,727	506,983 -
		-		654,727	506,983

for the year ended June 30, 2020

6.1	Provision for slow moving inventory	2020 Rupees	2019 in ' <b>000</b>
	Opening balance Charge for the year	- 8,752	- 6,196
	Written-off during the year Closing balance	8,752 (8,752)	6,196 (6,196)
7.	TRADE AND OTHER RECEIVABLES		
	Trade receivables - note 7.1 Other receivables - note 7.2	805,335 18,257 823,592	514,201 14,780 528,981
7.1	Trade receivables - unsecured		
	Considered good  Due from related parties - notes 7.1.1, 7.1.2 and 7.1.3  Others	655,386 149,949 805,335	433,187 81,014 514,201
	Considered doubtful  Less: Provision for doubtful receivables - note 7.1.4	2,184 807,519 (2,184)	205 514,406 (205)
	2555. To No. 6. Troit doubter 1050 Vables 110.0 111.4	805,335	514,201

**7.1.1** As at June 30, 2020, due from related parties of the Company are as follows:

	2020 Rupees	2019 s in ' <b>000</b>
IBL Operations (Private) Limited		
(an associated company)	653,878	433,052
The Searle Company Limited		
(the Parent Company)	794	-
United Brands Limited		
(an associated company)	578	-
MyCart (Private) Limited		
(an associated company)	136	135_
	655,386	433,187

**7.1.2** The maximum aggregate amount due from related parties at the end of any month during the year is Rs. 848.96 million (2019: Rs. 433.19 million).

for the year ended June 30, 2020

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

		2020 Rupees	2019 in ' <b>000</b>
	Not yet due Past due but not yet impaired	319,292	107,677
	- 0 to 30 days - 31 to 60 days	161,262 167,910	146,609 87,819
	- 61 to 90 days - 91 to 365 days	4,517 2,154	54,562 36,509
	- older than 365 days	251 655,386	433,187
7.1.4	Provision for doubtful receivables		
	Opening balance Provision made during the year Written off during the year Reversal of provision due to adoption of IFRS 9 Closing balance	205 2,373 (394) - 2,184	600 200 - (595) 205
7.2	Other receivables		
	Due from related party - notes 7.2.1, 7.2.2 and 7.2.3 Claims receivable from suppliers - note 7.2.4 Others	2,535 11,912 3,810 18,257	3,849 10,872 59 14,780

**7.2.1** As at June 30, 2020, due from related parties of the Company is as follows:

	2020	2019
	Rupees	s in '000
Trax Online (Private) Limited		
(an associated company)	385	175
IBL Identity (Private) Limited		
(an associated company)	2,150	3,674
	2,535	3,849

- **7.2.2** The maximum aggregate amount due at the end of any month during the year is Rs. 5.2 million (2019: Rs. 4.2 million).
- **7.2.3** As at June 30, the age analysis of other receivables from related parties is as follows:

	2020 Rupees	2019 s in ' <b>000</b>
Past due but not yet impaired		
- 0 to 30 days	193	175
- 31 to 60 days	193	-
- 61 to 90 days	-	-
- 91 to 365 days	2,149	3,674
	2,535	3,849

for the year ended June 30, 2020

**7.2.4** These represent amounts claimed from Nestle Health Sciences, Bausch & Lomb, Brand Plus and Reckitt Benckiser in respect of certain claimable expenses related to trade.

		2020	2019
		Rupees	in '000
8.	SHORT-TERM DEPOSITS,		
	PREPAYMENTS, LOANS AND ADVANCES		
	Short term deposits - note 8.1	11,567	4,169
	Prepayments	1,019	923
	Short term loans - notes 8.2.1, 8.2.2 and 8.2.3	229,014	249,630
	Advances - note 8.3	104,326	176,361
		345,926	431,083
8.1	The amount represents following:		
	- Trade deposits	10,694	3,296
	- Other deposits	873	873
	·	11,567	4,169
	Less: Allowance for doubtful deposits	-	-
		11,567	4,169
			,

2020		20	019
Rupees	in	<b>'000</b>	

- **8.2** The amount represents following:
  - Short term loan notes 8.2.1, 8.2.2 and 8.2.3

	229,014	249,630
--	---------	---------

- 8.2.1 This includes loan to International Brands Limited (IBL) amounting to Rs. 200 million (2019: Rs. 200 million) under an agreement between the Company and IBL on June 21, 2016 for a period of one year and was approved in extra ordinary general meeting held on May 18, 2016 in accordance with the requirements of section 208 of the repealed Companies Ordinance, 1984. The rate of markup is One Year KIBOR + 2% per annum. The loan was converted into a long term loan for a period upto five years under an addendum to the loan agreement dated June 29, 2019 and was approved in the annual general meeting held on October 25, 2019 in accordance with the requirements of section 199 of the Companies Act, 2017. However, the management of IBL has expressed intention to repay the loan subsequent to the year end.
- 8.2.2 This includes loan to IBL amounting to Rs 29.01 million (2019: Rs 49.63 million) under an agreement between the Company and IBL on January 19, 2015 for a period of five years and was approved in extra ordinary general meeting held on January 14, 2015 in accordance with the requirements of section 208 of the repealed Companies Ordinance, 1984. The rate of markup is One Year KIBOR + 1% per annum. The management of IBL has expressed intention to repay the loan subsequent to year end within a period of three months.

for the year ended June 30, 2020

**8.2.3** The maximum aggregate amount of loan outstanding at the end of any month during the year was Rs. 229.01 million (2019: Rs. 249.63 million).

<b>8.3</b> T	he amount	represents	following:
--------------	-----------	------------	------------

	2020 Rupees	2019 s in '000
<ul><li>To employees - note 8.3.1</li><li>To suppliers</li><li>Advance against purchase of land</li><li>Against imports - note 8.3.2</li></ul>	3,096 56,042 - 45,188 104,326	5,722 16,397 47,500 106,742 176,361

**8.3.1** Reconciliation of carrying amount of advances to employees:

	2020 Rupees	2019 <b>in &lt;000</b>
Balance at beginning of the year	5,722	
Disbursements Repayments	31,158 (33,784)	1,303 10,040 (5,621)
Balance at end of the year	3,096	5,722

**8.3.2** This includes Rs. 40.2 million (2019: Rs. 102.85 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.

9.	CASH AND BANK BALANCES	2020 Rupees	2019 <b>in '000</b>
	Cash at bank in current accounts Cash in hand Cheques in hand - note 9.1	16,967 100 3,081 20,148	30,794 100 

**9.1** This represents cheque issued by IBL Identity (Private) Limited - an associated company.

#### 10. ASSET CLASSIFIED AS (HELD FOR SALE)

During the year, the Company disposed off the property located at F/2-A/1 S.I.T.E. area, Karachi at the transaction price of Rs 75.5 million.

## 11 Authorised share capital

2020	2019		2020	2019
75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000

for the year ended June 30, 2020

12.

12.1

Issued, subscribed and paid up capital

2020	2019			2020	2019
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
TRADE AND	OTHER PAYA	BLES	_	020 Rupees i	2019 n <b>'000</b>
Due to related Payable to em Workers> Welfa General sales to Advance again Security depos	Creditors Accrued liabilities Due to related parties - note 12.1 Payable to employees, provident fund - note 12.2 Workers, Welfare Fund General sales tax and withholding tax payable Advance against sale of land Security deposits Other Payables			396,218 74,324 128,481 1,505 9,395 8,963 - 3,716 1,170 623,772	292,750 18,186 27,192 894 9,395 3,934 73,500 16,017 
As at June 30, due to related parties of the Company are as follows:					
International B	Company) s (Private) Limit red company)	ed		124,537 3,600 344	27,192 - -
				128,481	27,192

12.2 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.

**2020** 2019 ------Rupees in '000 ------

## 13. SHORT TERM BORROWINGS

Running finance under mark-up arrangements - note 13.1

**178,682** 167,501

for the year ended June 30, 2020

13.1 The Company obtained running finance facilities from Soneri Bank Limited and Habib Bank Limited amounting to Rs. 100 million each at 3 months KIBOR + 1.5% and 1 month KIBOR + 0.75% per annum respectively (2019: 3 months KIBOR + 1.5% and 1 month KIBOR + 0.75% per annum respectively). These facilities have been secured by way of hypothecation of first pari passu charge over present and future current assets amounting to Rs. 267 million and Rs. 133 million respectively.

## 14. CONTINGENCY AND COMMITMENTS

## 14.1 Contingency

14.1.1 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 (the Act). Further, the Company has also taken the stance that the collection mechanism is ultra vires the Act and therefore no coercive measures be adopted against the Company for the collection of the impugned levy.

The Honourable 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. The impact of this levy on these financial statements is Rs. 0.94 million (2019: 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.

#### 14.2 Commitments

The facility for opening letter of credit and Running Musharakah as at June 30, 2020 amounted to Rs. 683 million (2019: Rs. 683 million) of which the amount remaining unutilised at the end of year was Rs. 94.45 million (2019: Rs. 207.32 million).

15.	REVENUE	2020 Rupees	2019 in ' <b>000</b>
	Gross revenue - note 15.1	3,291,452	1,818,940
	Less: Sales tax	(171,768)	(34,304)
	Less:	3,119,684	1,784,636
	Trade discount	(400,387)	(180,637)
	Sales returns	(54,693)	(19,027)
		(455,080) 2,664,604	(199,664) 1,584,972

Revenue includes Rs. 1,894.18 million (2019: Rs. 1,089.27 million) which represents sales to IBL Operations (Private) Limited (an associated company).

for the year ended June 30, 2020

		2020	2019
		Rupees	in '000
16.	COST OF SALES		
	Opening inventory	246,125	216,620
	Add: Purchases	2,019,941	1,184,205
	Add Faronasso	2,266,066	1,400,825
		_,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Less: Cost of samples	(13,887)	(7,458)
	Less: Inventory written-off	(8,752)	(6,196)
	Less: Closing inventory	(390,086)	(246,125)
		(412,725)	(259,779)
		1,853,341	1,141,046
17.	OTHER INCOME		
	Income from financial assets		
	Interest on loan to International Brands Limited	30,571	21,642
	Exchange gain - net	1,110	21,042
	Others	-	325
		31,681	21,967
	Income from non-financial assets		
	Rental income from investment property	21,784	24,806
	Gain on asset classified as Held for Sale	-	322
	Scrap sales	214	141
	Others	21,998	25,269
	Insurance claim received	3	2
		53,682	47,238
		•	
18.	MARKETING AND DISTRIBUTION EXPENSES		
	Salaries, wages and benefits - note 18.1	194,991	100,587
	Sales promotion and marketing expense	117,111	46,762
	Cartage and freight	21,479	9,016
	Travelling	18,130	18,185
	Provision for claim	8,752	6,196
	Provision against doubtful receivables	2,373	-
	Depreciation	307	326
	Amortisation	1,821	450 5 430
	Rent, rates and taxes Vehicle running expenses	13,050 20,731	5,429 6,612
	Utilities and communication	4,358	2,282
	Printing and stationery	707	423
	Insurance	1,956	613
	Repairs and maintenance	981	521
	Fee and subscription	2,657	1,919
	Security charges	596	498
	Training	72	-
	Royalties	16,747	
	Others	1,987	3,274
		428,806	203,093

for the year ended June 30, 2020

Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 6.3 18.1 million (2019: Rs.2.68 million). 2020 2019

19.	ADMINISTRATIVE AND GENERAL EXPENSES	2020 Rupees	2019 in <b>&lt;000</b>
	Salaries, wages and benefits - note 19.1 Travelling	37,890 236	34,424 645
	Depreciation Amortisation	2,183 671	1,848 604
	Rent, rates and taxes Vehicle running expenses	1,357 2,045	1,701 1,866
	Utilities and communication Auditors, remuneration - note 19.2	314 2,525	1,095 2,435
	Donations - note 19.3 Legal and professional charges	50 2,245	2,500 1,215
	Printing and stationery Insurance	2,132 486	1,504
	Fee and subscription	4,306	3,315
	Repairs and maintenance Security charges	2,690 211	1,080 422
	Training Corporate services charged by	60	-
	the Ultimate Parent Company Others	21,000 2,934	19,200 2,274
40.4		83,335	76,128
19.1	Salaries, wages and other benefits include contributions to con	itrini itari/ aravidan	
	million (2019: Rs. 1.38 million).		
	million (2019: Rs. 1.38 million).	2020 Rupees	2019
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration	2020	2019
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services  - Annual audit fee	2020 Rupees 975	2019 in '000
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services	2020 Rupees 975 450 250	2019 in '000 936 400 250
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services  - Annual audit fee  - Half yearly review  - Out of pocket expenses  Non-audit services	2020 Rupees 975 450 250 1,675	2019 in '000  936 400 250 1,586
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services - Annual audit fee - Half yearly review - Out of pocket expenses	2020 Rupees 975 450 250 1,675	2019 in '000  936 400 250 1,586
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services  - Annual audit fee  - Half yearly review  - Out of pocket expenses  Non-audit services  - Certifications for regulatory purposes	2020 Rupees 975 450 250 1,675	2019 in '000  936 400 250 1,586
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services  - Annual audit fee  - Half yearly review  - Out of pocket expenses  Non-audit services  - Certifications for regulatory purposes	2020 Rupees 975 450 250 1,675 250 600 850	2019 in '000  936 400 250 1,586  300 549 849
19.2	million (2019: Rs. 1.38 million).  Auditors, remuneration  Audit services  - Annual audit fee  - Half yearly review  - Out of pocket expenses  Non-audit services  - Certifications for regulatory purposes	2020 Rupees 975 450 250 1,675 250 600 850 2,525	2019 in '000  936 400 250 1,586  300 549 849 2,435
	million (2019: Rs. 1.38 million).  Auditors remuneration  Audit services - Annual audit fee - Half yearly review - Out of pocket expenses  Non-audit services - Certifications for regulatory purposes - Tax advisory service	2020 Rupees 975 450 250 1,675 250 600 850 2,525	2019 in '000  936 400 250 1,586  300 549 849 2,435  2019

50

2,500

for the year ended June 30, 2020

20.	OTHER OPERATING EXPENSES	2020 Rupees	2019 in '000
	Exchange loss - net		7,794
	Realised loss on investments - at fair value through profit or loss	_	85
		-	7,879
21.	FINANCE COSTS		
	Bank charges Mark-up on running finance arrangements	1,065 29,930 30,995	2,122 2,934 5,056
22.	INCOME TAX EXPENSE		
	Current year - 22.1	101,779	77,632
			2020 Rupees in <000
22.1	Relationship between tax expense and accounting profit		
	Accounting profit before tax		321,809
	Tax at the applicable rate of 29% (2019: 29%) Effect of minimum tax Effect of temporary differences Effect of permanent differences Effect of tax credit Others Income tax expense for the year		93,325 16,707 1,483 (1,263) (15) (8,458) 101,779
23.	EARNINGS PER SHARE - BASIC	2020	2019
	Profit after taxation attributable to ordinary shareholders (Rupees in <000)	220,030	121,376
	Weighted average number of outstanding shares at the end of year (in thousand)	54,088	54,088
	Earnings per share - Basic (Rupees)	4.07	2.24

## 23.1 Earnings Per Share - Diluted

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2020 and 2019 which would have any effect on the earnings per share if the option to convert is exercised.

for the year ended June 30, 2020

**2020** 2019 ------Rupees in '000 ------

#### 24. CASH GENERATED FROM OPERATIONS

Profit for the year

## Adjustments for non-cash income and expenses:

Depreciation of furniture and equipment

Amortisation of intangible assets

Finance costs

Gain on asset classified as (Held for Sale)

Interest income

Realised gain on investments - at fair value

through profit or loss

Unrealised gain on investments - at

fair value through profit or loss

## Changes in working capital:

(Increase) / decrease in current assets:

Inventories

Trade and other receivables

Short-term deposits,

prepayments, loans and advances

Refunds due from government - Sales tax

Increase in current liabilities:

Trade and other payables

Contract Liability

321,809	199,008
2,490	2,174
2,492	1,054
30,995	5,056
(00 574)	(322)
(30,571)	(21,642)
	(200)
-	(308)
_	(85)
5,406	(14,073)
327,215	184,935
(147,744)	(284,531)
(294,611)	(126,629)
64,541	(170,889)
9,071	(9,071)
(368,743)	(591,120)
181.904	251.901
181,904 2,236	251,901 5,128
	251,901 5,128 257,029
2,236	5,128

## 25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

25.1 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.

#### (a) Market risk

## (i) Interest rate risk

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

for the year ended June 30, 2020

## 25.2 Financial assets and liabilities by category and their respective maturities

	"Interest / Mark up bearing"		"Non-interest / Non-mark up bearing"			-	
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
			Rupees in	'000'			
FINANCIAL ASSETS							
At amortised cost							
Interest accrued	-	-	-	-	-	-	-
Short-term deposits,							
loans and advances	229,014	-	229,014	11,567	-	11,567	240,581
Trade and other receivables	-	-	-	823,592	-	823,592	823,592
Cash and bank balances	-	-	-	20,148	-	20,148	20,148
June 30, 2020	229,014	-	229,014	855,307	-	855,307	1,084,321
FINANCIAL LIABILITIES							
At amortised cost							
Trade and other							
payables	-	-	-	602,739	-	602,739	602,739
Borrowings	178,682	-	178,682	-	-	-	178,682
Unclaimed dividend	-	-	-	11,340	-	11,340	11,340
June 30, 2020	178,682	-	178,682	614,079	-	614,079	792,761
FINANCIAL ASSETS							
At amortised cost							
Short-term deposits,							
loans and advances	249,630	-	249,630	181,453	-	181,453	431,083
Trade and other							
receivables	-	-	-	528,981	-	528,981	528,981
Interest accrued	-	-	-	2,970	-	2,970	2,970
Cash and bank balances		-	-	30,894		30,894	30,894
June 30, 2019	249,630	-	249,630	744,298		744,298	993,928
FINANCIAL LIABILITIES							
At amortised cost							
Trade and other							
payables	-	_	_	354,145	_	354,145	354,145
Borrowings	167,501	_	167,501	-	_	-	167,501
Unclaimed dividend	-	-	-	9,345	-	9,345	9,345
June 30, 2019	167,501	-	167,501	363,490	-	363,490	530,991

for the year ended June 30, 2020

At June 30, 2020, the Company had variable interest bearing net financial assets of Rs. 50.33 million (2019: Rs. 82.13 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. 1.01 million (2019: Rs. 1.64 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, 2020 is Rs. 371.1 million (2019: Rs. 249.48 million).

As at June 30, 2020, 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. 14.84 million (2019: Rs. 9.98 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 its management company.

There is no exposure to price risk as at June 30, 2020 as the Company does not hold any financial assets 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, 2020 trade receivables of Rs. 417.59 million (2019: Rs. 375.81 million) were past due but not impaired. The carrying amount of trade receivables relate to number of independent customers for whom there is no history of default.

Deposits, loans, advances and other receivables are not exposed to any material credit risk. The bank balances represent low credit risk as these are placed with banks having good credit rating assigned by credit rating agencies.

for the year ended June 30, 2020

## (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, 2020, 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 financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year. However, determination of fair value of investment properties for disclosure purposes has been made under level 3.

## 25.3 Capital Risk Management

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

The Company finances its operations and manages its working capital through equity.

for the year ended June 30, 2020

		2020 Rupees	2019 <b>in '000</b>
26.	CASH AND CASH EQUIVALENTS		
	Cash at bank in current accounts - note 9 Cash in hand - note 9	16,967 100	30,794 100
	Cheques in hand - note 9	3,081	-
	Short term borrowings - note 13	(178,682)	(167,501)
	-	(158.534)	(136,607)

## 27. RELATED PARTY TRANSACTIONS

	Nature of relationship	Nature of transaction	<b>2020</b> Rupees	2019 s in <000
i.	Ultimate parent	<ul><li>Interest income</li><li>Corporate service charges</li><li>Dividend paid</li><li>Recovery of loan</li><li>SAP maintenance fee</li></ul>	30,571 21,000 173 20,616 344	21,642 19,200 173 13,120
ii.	Holding company	<ul><li>Dividend paid</li><li>Shared costs</li><li>Purchase of goods</li><li>Sale of goods</li></ul>	39,009 998 319,671 666	39,008 578 2,415
iii.	Associated companies	- Sale of goods	1,613,507	1,084,229
		- Shared costs	7,200	3,303
		<ul><li>Rental income</li><li>SAP maintenance fee</li><li>Dividend paid</li></ul>	4,410 745 1,184	7,464 619 1,184
iv.	Employees, Provident Fund	- Contribution paid	7,609	4,054
V.	Key Management Personnel	<ul> <li>Salaries and other employee benefits</li> <li>Director's fee and conveyance</li> <li>Sale of goods</li> </ul>	67,740 950 740	15,898 450

27.1 The status of outstanding balances with related parties as at June 30, 2020 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.

for the year ended June 30, 2020

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

<sup>\*</sup>Direct Holding of International Brands Limited is 0.32%

# 28 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVES

		2020	2019	2020	2019
		Chief Execu	tive Officer	Execu	utives
			Rupees in '000		
	Managerial remuneration	8,248	7,901	51,381	15,748
	Bonus and incentives "Leave fare assistance	3,856	3,250	13,309	6,535
	and leave encashment"  Company's contribution to the	800	846	2,733	1,825
	Provident fund	645	600	4,327	1,633
	Housing and utilities	3,552	3,301	24,057	10,893
		17,101	15,898	95,807	36,634
Number	of persons	1	1	20	17
29.	NUMBER OF EMPLOYEES		202	20	2019
	Number of employees at year end Average number of employees during the year		262 249	<del></del>	212 169

# 30. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

30.1 The Board of Directors in its meeting held on proposed a cash dividend of Rs. 2/- per share (2019: Re. 1) amounting to Rs. 108.17million (2019: Rs. 54.09 million) subject to approval of members at the forthcoming annual general meeting.

for the year ended June 30, 2020

30.2 The Company has entered into an agreement for purchase of plot measuring 502 square yards amounting to Rs. 190 million subsequent to the year end. The financial effects of this transaction have not been recognised as at June 30, 2020.

#### 31. CORRESPONDING FIGURES

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

#### 32. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The events surrounding the COVID-19 pandemic (the virus) continue to evolve and impact local and global markets. The spread of the virus has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, and shutdowns.

The Company activated its response plan accordingly which included prioritizing the health and safety of its employees while maintaining business continuity.

The Company has assessed its financial performance and condition and concluded that, as at June 30, 2020 there are no material implications of COVID-19 on it.

## 33. ROUNDING OFF

Figures reported in these financial statements have been rounded to the nearest thousand.

## 34. 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, 2020**.

Chief Executive

ecutive Director

Chief Financial Officer

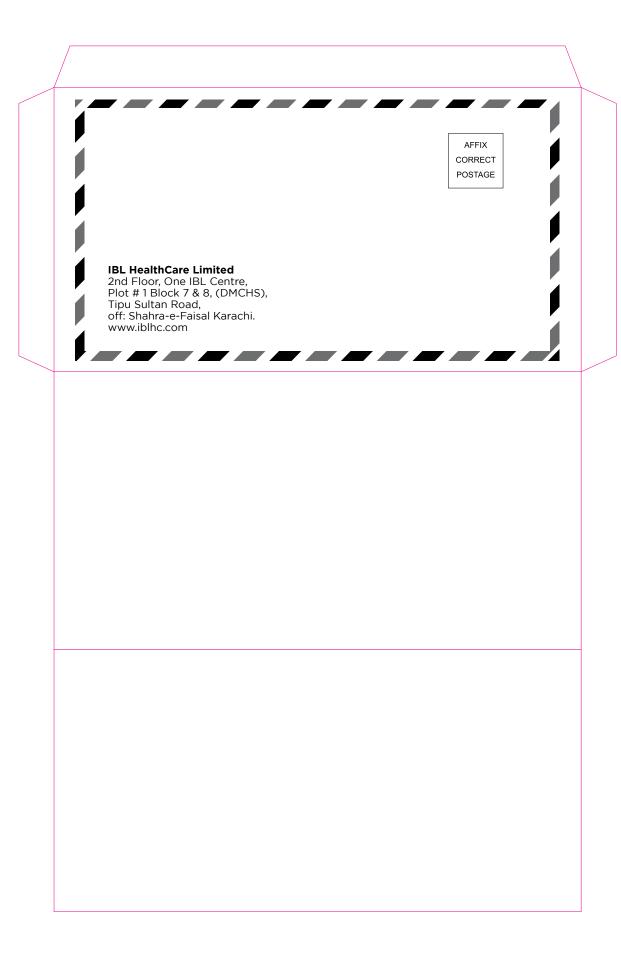
# **Proxy Form**

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

I/We	son/daughter/wife/husband of,		
Shareholder of IBL HealthCare	Limited, holding	ordinary shares hereby appoint	
who	) is my	[state relationship (if any)	
with the proxy; required by Go	vernment Regulations] a	and the son /daughter/wife/husband of	
, (hold	ding ord	linary 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 An	nual General Meeting of t	the Company to be held on October 23,	
2020 and/or any adjournment t	hereof.		
Signed thisday of	2020		
orgrida triioaay or			
Witness:			
1.		Rs. 5/-	
1.		Revenue	
		Stamp	
2.			
	- <del></del>	Signature of Member(s)	
		olders Folio No and / or C Participation I.D. No	

#### Note:

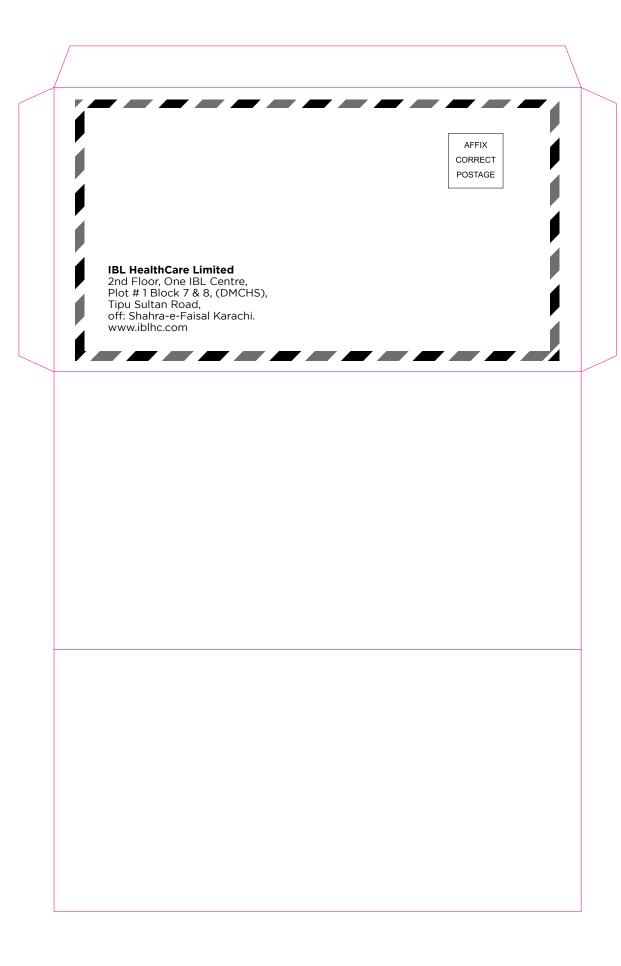
- 1. The member is requested:
  - I. To affix revenue stamp of Rs.5/- at the place indicated above.
  - II. To sign across the revenue stamp in the same style of signature as is registered with the company
  - III. To write down their folio number.
- 2. In order to be valid, this proxy must be received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



براکسی فارم دی سکریژی آنی بی بیانی سینتر کمینیڈ ن ب یک سسته رئید دوسری منزل،ون آئی بی ایل سینشر، بلاث نمبر 1، بلاک 7 اور 8، ٹیروسلطان روڈ، آفشاہراو فیصل، کراچی

عموی شیئرز بذرا بعد ہذا کو مقرر کر رہے ہیں جو میر۔ ہے ) پراکسی ہیں، جیسا کہ حکومتی ضوابط کے تحت ضروری ہے، اور پسرا دختر / زوجہ/ خاو کے تحکیفی کے عمومی شیئرز فولیونمبر کے تحد	(رشته بیان کریں (اگرکوئی
۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	﴿ حَكُومت كَى جانب سے لا زمى ،اگر پرائسى تمپنى كاشيئر ہولڈرنہيں بے
	متخط شده بتاریخ دن <b>۲۰۲۰</b> ء
( دستخط کمپنی کے پاس رجٹر ڈنمونہ دستخط کر میالاق میں : ماہدی ک	گواه نمبر1: پیشن
کے مطابق ہونے چاہیں) -/5روپے مالیت کے ریونیو اسٹیمپ پروستخط کریں	ئام: ئام: ى اين آئى كى نمبر: پية:
ممبر(ممبرز)كِ دستخط	 گواه نمبر2:
شیئر ہولڈرز کا فولیونمبر: اور کریاسی ڈیسی پارٹیسینٹ آئی ڈینمبر: اورڈیلی اکا ؤنٹ ٹمبر:	ئىشىخىلە: ئام: كااين آئى ئىنمبر:
شيئر ،ولڈرز کا ی این آئی ہی نمبر:	:## :##
	<u>نوٹ:</u> ا۔ ممبرے درخواست ہے کہ:
، چسپال کریں ۔ پاس د جشر ؤ میں ۔	<ul> <li>نہ کورہ بالانشان زدہ جگہ پر - 5 روپ مالیت کار ہو نیواسٹیپ</li> <li>ان ریو نیواسٹیپ پرائ انداز میں دستخط کریں جیسا کہ کمپنی کے</li> <li>اننا فیلونم ریٹے درج کریں۔</li> </ul>

رادیئے جا ئیں۔ کرادیئے جا ئیں۔ ۳۔ سی ڈی ایس شیئر ہولڈرزیاان کے پراکسیر اپنے اصل کمپیوٹرائز ڈقو می شاختی کارڈیا پاسپورٹ نم پارٹیسپیٹ کا آئی ڈی نمبراوران کے اکاؤنٹ نمبرا پی شاخت میں سولت کے لئے ہمراہ لائیں مفصل طریقہ کارغیر معمولی اجلائی عام کے نوٹ میں درج ہے۔



# Introducing MUNIBA MAZARI





