

STANDOUT BE PROACTIVE



Annual Report
2021



STAND OUT BE PROACTIVE

Aiming for empathy, care giving and feeling pleasure to light up, which results in our wanting to approach and care for other people.



**Annual Report
2021**

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A close-up photograph of a human eye, looking slightly upwards and to the right. The eye is brown with long, dark eyelashes. Overlaid on the image are several thin, curved lines in blue and orange, creating a sense of movement and design. The background is a soft, out-of-focus blue.

VISION

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

MISSION

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



The infographic features a central white circle with the text 'IBL VALUES' in bold, dark blue letters. To the right of this circle is a vertical stack of four white, arrow-shaped boxes pointing to the right. Each box contains a value in bold, dark blue letters: 'PARTNERSHIP' at the top, followed by 'PASSION', 'EXCELLENCE', and 'INTEGRITY' at the bottom. To the left of the central circle is a semi-circular arrangement of four colored segments: dark blue at the top, medium blue in the middle, and light blue at the bottom. Each segment contains a white icon: a caduceus in the dark blue segment, a bandage in the medium blue segment, and a stethoscope in the light blue segment. The background is a dark blue gradient with several thin, curved orange lines.

IBL VALUES

PARTNERSHIP

PASSION

EXCELLENCE

INTEGRITY

Actively seeks to improve transparency between business and groups.

Makes decisions fairly & impartially

Upholds corporate governance policy



COMPANY INFORMATION

BOARD OF DIRECTORS

Ms. Aameena Saiyid
Mr. Munis Abdullah
Mr. S. Nadeem Ahmed
Mr. Mufti Zia ul Islam
Mr. Zubair Razzak Palwala
Mr. Mobeem Alam
Mr. Shuja Malik

Chairperson
Director
Director
Chief Executive Officer
Director
Director
Director

AUDIT COMMITTEE

Mr. Shuja Malik
Mr. Zubair Razzak Palwala
Ms. Aameena Saiyid

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman
Member
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 24th annual general meeting of the shareholders of IBL HealthCare Limited will be held through video link (in compliance with Circular No. 06 of 2021 issued by SECP dated March 03, 2021), on Thursday, October 28, 2021 at 03:00 p.m. from 3rd floor, One IBL Centre, Block 7&8, DMCHS, Tipu Sultan Road, off Shahrah-e-Faisal, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of last annual general meeting held on October 23, 2020.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2021 together with the directors' and auditors' reports thereon.
3. To consider and approve final cash dividend for the financial year ended June 30, 2021, at the rate of Re.1/- per share of Rs.10/- each, equivalent to 10% as recommended by the board of directors.
4. To appoint auditors for the financial year ending June 30, 2022 and to fix their remuneration. The present auditors, A.F. Ferguson & Co., Chartered Accountants, retired, being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2022.

SPECIAL BUSINESS

5. To approve the issue of bonus shares in the ratio of twenty shares for every hundred shares held i.e. 20% as recommended by the board of directors and, if thought appropriate, to pass with or without modification(s) the following resolution as ordinary resolution.

RESOLVED that a sum of Rs.108,175,210/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 10,817,521 ordinary shares of Rs.10/- each and allotted as fully paid bonus shares to the members who are registered in

the books of the Company as at the close of business on October 21, 2021, in the proportion of twenty shares for every hundred ordinary shares held and that such new shares shall rank Pari-Passu with the existing ordinary shares but shall not be eligible for the final cash dividend declared for the year ended June 30, 2021.

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

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

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

"RESOLVED THAT the company be and hereby approves and authorizes the payment of remuneration to the Chief Executive Officer for a total sum not exceeding Rs. 27.72 million per annum inclusive of perquisites and retirement benefits, admissible under the Company's Rules.

7. To ratify and approve transactions conducted with related parties for the year ended June 30, 2021 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with related parties as disclosed in the note 30 of the financial statements for the year ended June 30, 2021 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed."

8. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2022 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, 2022.”

“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.”

NOTES:

A. Book closure:

- i. The share transfer books will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive) for entitlement of 10% final cash dividend & 20% bonus shares. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Shahrah-e-Faisal, Karachi-74400 by close of the business on October 21, 2021 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.

OTHER BUSINESS

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

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

By the order of the board

October 07, 2021


Shariq Zafar
Company Secretary

- ii. In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

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

- iii. Members are requested to intimate any changes in address immediately to Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Shahrah-e-Faisal, Karachi-74400.

C. Payment of Cash Dividends through electronic mode:

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, IBL HealthCare Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the

requirement of providing their International Bank Account Number (IBAN).

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

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

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

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

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

15%.

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

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

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

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

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

E. Request for Video conference facility:

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

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

Signature of Member (s)

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

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

Members who desire to receive financial statements & notice of annual general meeting through email are requested to send their consent on Standard Request Form available on company's website www.iblhlc.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 latest Circular No. 06 of 2021 dated March 03, 2021, 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 3 03 7770836
Cell phone No.:	+ 92 3 03 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 02:00 p.m. on October 28, 2021 enabling the participants to join the proceedings which will start at 3:00 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

- i) 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 6 of the notice – Approval of the remuneration of Chief Executive Officer

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

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

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

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies. These transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 30 to the financial statements for the year ended June 30, 2021. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	'000
International Brands Limited	Interest income	10,471
	Corporate service charges	21,000
	Dividend paid	347
	SAP maintenance fee	112
	Repayment of loan	249,630
The Searle Company Limited	Dividend paid	78018
	Reimbursement of expenses	30,985
	Claims	5,238
	Utilities	2,110
	Rent expense	3,208
	Bank guarantee margin	7,633
	Purchase of goods	219,375
IBL Operations (Private) Limited	Sale of goods	1,585,030
	Shared cost	7,620
United Brands Limited	Sale of goods	75,100
United Retail (SMC) Private Limited	Rental income	351
	Other income	413
IBL Logistics (Private) Limited	Cartage and freight charges	9,562
United Distributors Pakistan Limited	Dividend paid	2,368
Employees' provident fund	Contribution paid	8,452
Key management personnel	Salaries and other benefits	83,836
	Directors' fee and conveyance	2,050
	Sale of goods	612

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

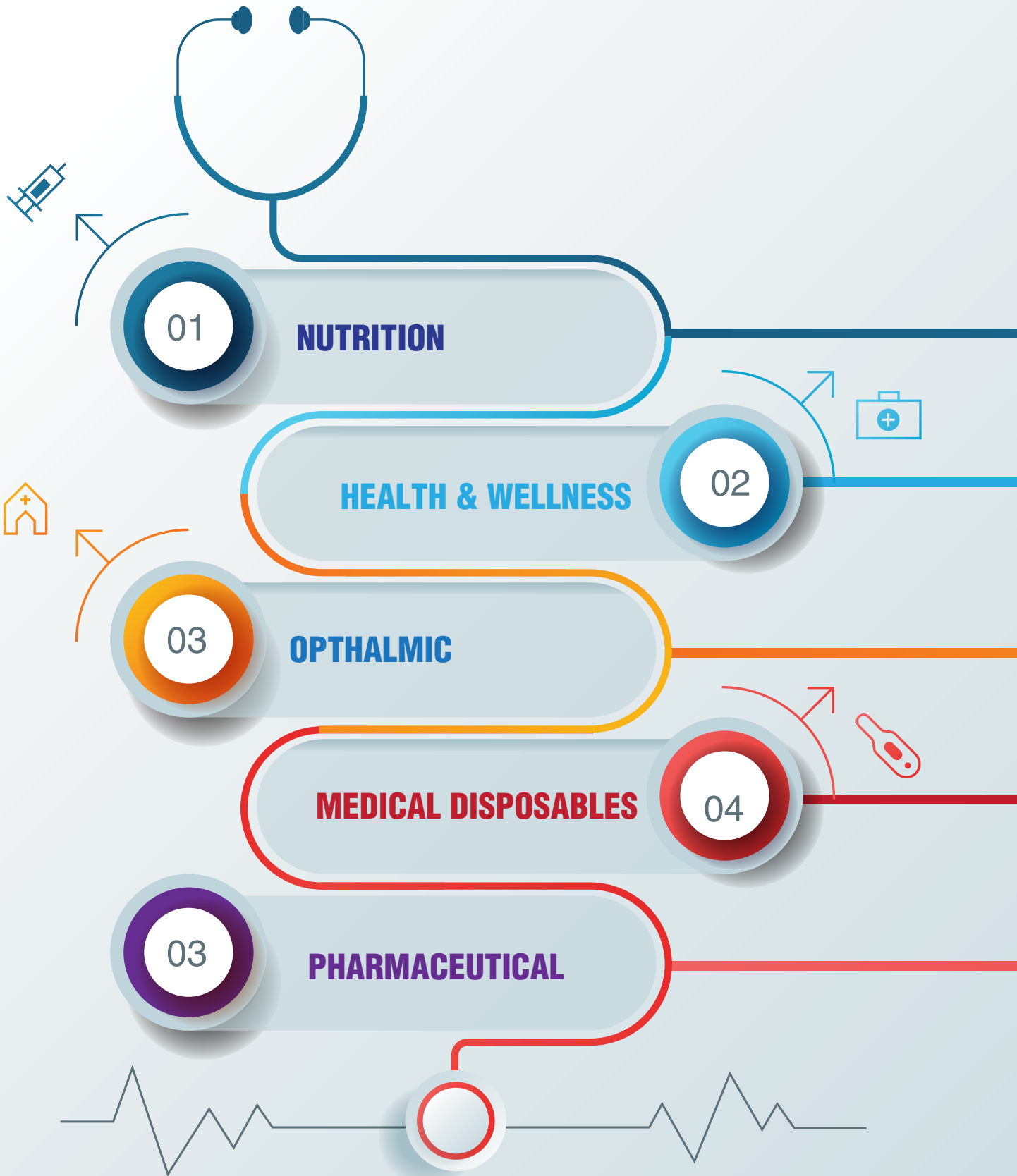
Transactions entered into with the related parties include, but are not limited to, sale of goods, rental income, shared cost, dividends paid, (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel.

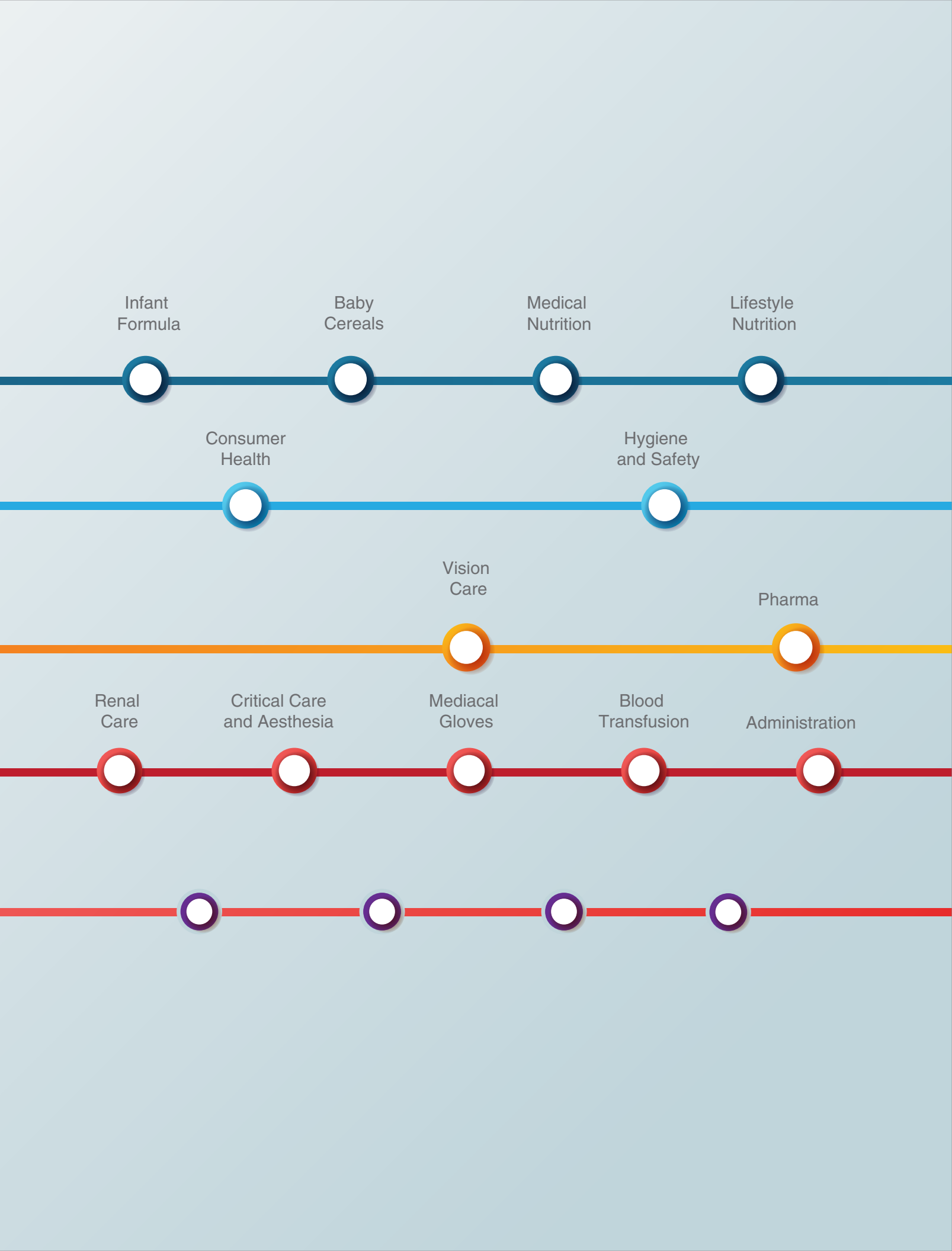
The nature of relationship with these related parties has also been indicated in the note 30 to the financial statements for the year ended June 30, 2021. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

3. Item number 8 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2022

The Company shall be conducting transactions with its related parties during the year ending June 30, 2022 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, 2022, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

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







Nutrition





Ophthalmic





Health and Wellness





Medical Disposables





A woman and a child are walking away from the camera on a sandy beach. The woman is wearing a dark long-sleeved top and light-colored pants. The child is wearing a light-colored top and pants. The background shows the ocean with waves and a bright sunset sky. There are decorative orange and blue curved lines on the right side of the image.

NUTRITION



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.



CHAIRMAN'S REVIEW REPORT

The board of IBL HealthCare is committed in operating with highest standards of Corporate Governance and best practices as set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of IBL HealthCare Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

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

Vision, mission and values:

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

Strategic planning:

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

Diligence:

The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business

Strategies, plans, budgets and financial statements. The Board adequately discharge its responsibilities.

Monitoring:

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

Diversity:

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

Governance:

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



Chairman
Date: September 29, 2021

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, 2021.

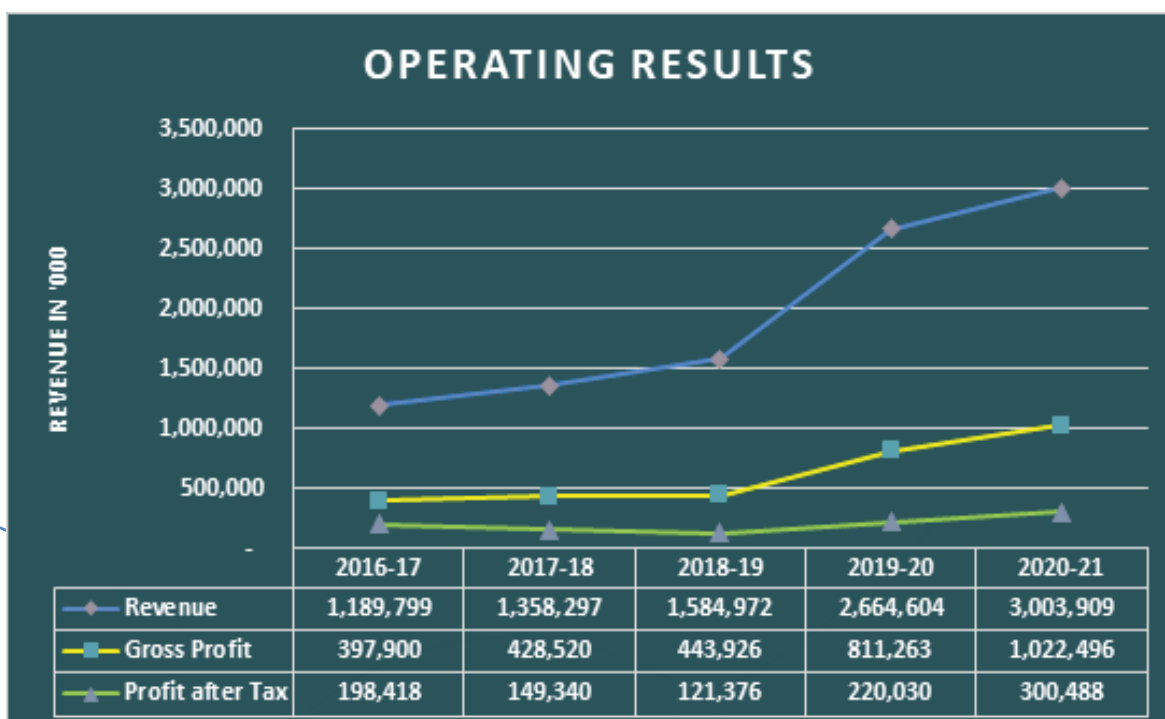
The Directors' report is prepared under section 227 of the Companies Act, 2017 and chapter XII clause 34 (Reporting & Disclosure) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

SUMMARY OF FINANCIAL PERFORMANCE

	2021	2020
	(Rupees in Thousand)	
Revenue	3,003,909	2,664,604
Gross profit	1,022,496	811,263
Gross profit as a percentage of revenue	34.04%	30.45%
Profit before taxation	409,147	321,809
Profit after taxation	300,488	220,030

PRINCIPAL ACTIVITIES

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



OVERVIEW OF FINANCIAL PERFORMANCE

The revenue for the financial year ended June 30, 2021 was Rs.3.0 billion as against revenue of Rs.2.66 billion last year with a growth of 13%. This growth was driven by the existing portfolio and addition of pharma & consumer products. The gross profit as a percentage of sales increased to 34.04% compared to last year 30.45% showing significant growth. This growth in profit derived from the high margin products of pharma and exemptions on the duties of nutrition and medical disposables. Despite of uncertain situation due to economic & social crisis arise because of Covid-19, the Company able to manage its revenue and profitability by adapting and implementing various strategies to address the challenges faced.

HOLDING COMPANY

The Searle Company Limited (TSCL) is Holding Company of IBL HealthCare Limited. As at June 30, 2021, TSCL held 39,008,863 shares of Rs.10 each.

BASIC EARNINGS PER SHARE

Basic earnings per share were Rs. 5.56 (2020: Rs. 4.07)



DIVIDEND

The board of directors has recommended 10% (Re.01) cash dividend and 20% bonus shares (20 shares for every 100 shares) held for the year ended June 30, 2021 (2020: 20% cash dividend).

EVALUATION OF COMPANY'S PERFORMANCE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

PRINCIPAL RISKS AND THEIR MANAGEMENT

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

STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

COMPOSITION OF THE BOARD

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

Total number of directors		
a)	Male	06
b)	Female	01
Composition		
I	Independent Director	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, 2021 is as follows:

Name of Director	Meetings attended
Mr. Rashid Abdulla	2
Mr. Shahid Abdulla	2
Mr. Munis Abdullah	2
Mr. S. Nadeem Ahmed	5
Mr. Mufti Zia ul Islam	5
Mr. Zubair Palwala	5
Mr. Mobeen Alam	2
Mr. Shuja Malik	4
Ms. Ameena Saiyid	5

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

MEMBERS

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MEMBERS

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

DIRECTORS' TRAINING PROGRAM

As recommended by the Listed Companies (Code of Corporate Governance) Regulations, 2019, five (5) out of seven (7) directors have obtained training from SECP approved institutions for

directors' training program. All directors on board are fully conversant with the duties as directors of a board of a corporate body.

PERFORMANCE EVALUATION OF THE BOARD

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

DIRECTORS' REMUNERATION

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

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

Aggregate Director's Remuneration

Details of the director's remuneration are as follows:

	Chief Executive /Executive	Independent & Non-Executive Director
← Rupees in '000 →		
Managerial remuneration and allowances	8,232	-
Bonus and incentives	14,235	-
Leave fare assistance and leave encashment	605	-
Company's contribution to the Provident fund	715	-
Housing and utilities	3,934	-
Fees	100	770
	<u>27,821</u>	<u>770</u>
Number of persons	<u>1</u>	<u>6</u>

CORPORATE AND SOCIAL RESPONSIBILITY

IBL HealthCare being a socially responsible organization firmly believes in providing support to CSR initiatives. It's a ongoing process and a number of CSR activities initiated in the field of health care, education and training. The company in light of current prevailing situation of Covid-19 donated approximately 16,000 face masks to The Citizen Foundation.

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, 2022. 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, 2022.

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 ----.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the financial statements.
- Significant deviations, from last year in the operating results of the Company have been highlighted and explained.

FUTURE OUTLOOK

We believe that there is a huge potential in the health care industry of Pakistan. The health care industry can contribute significantly to the country 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 and imported brands and extending the product line with the current partners. As a part of strategy, pharmaceutical products have already launched and will be adding more products in the portfolio and expecting considerable contribution towards revenue and profitability. The management of your company is optimistic to enhance value and contribution in the company's growth and market share.

We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers. In accomplishing this, we would like to appreciate the enormous cooperation and support of our 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, 2021 and other related information is set out on page ____ and ____.

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
Director

Ahmed Mufti Zia ul Islam
Chief Executive Officer

Karachi
September 29, 2021

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

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

شیئر ہولڈنگ کی معلومات

کمپنی کے شیئرز کی پاکستان اسٹاک ایکسچینج میں تجارت ہوتی ہے۔ ۳۰ جون ۲۰۲۱ء کے مطابق شیئر ہولڈنگ کا طریقہ کار اور دیگر متعلقہ معلومات صفحہ نمبر _____ اور _____ پر درج ہیں۔

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

چیئر مین کا جائزہ

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

مفتی ضیاء الاسلام

چیف ایگزیکٹو آفیسر

سید ندیم احمد

ڈائریکٹر

کراچی

۲۹ ستمبر ۲۰۲۱ء

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

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

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

مستقبل پر ایک نظر

ہم اس امر پر یقین رکھتے ہیں کہ پاکستان کی ہیلتھ کیئر انڈسٹری میں ایک وسیع تر صلاحیت اور قوت ہے۔ ہیلتھ کیئر انڈسٹری ٹیکسوں کی ادائیگی، روزگار کے مواقع اور ملک میں مقیم عوام کا معیار زندگی بہتر بنانے کے سلسلے میں اپنا کردار بخوبی ادا کر سکتی ہے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹر نئے مواقعوں مثلاً اپنے پروڈکٹ کے پورٹ فولیو میں توسیع، مزید مقامی اور درآمد شدہ برانڈز کے تعارف اور موجودہ شراکت کاروں کے ساتھ پروڈکٹ لائن میں توسیع کے ذریعے ترقی اور منافع جات بڑھانے کے ضمن میں پُر عزم ہے۔ اپنی ایک حکمت عملی کے طور پر فارماسیوٹیکل پروڈکٹس پہلے ہی متعارف کرائی جا چکی ہیں اور پورٹ فولیو میں مزید پروڈکٹس کا اضافہ کیا جا رہا ہے اور امید کی جاتی ہے کہ آمدنی اور منافع جات کے ضمن میں مزید قابل قدر شراکت حاصل کی جاسکے گی۔ آپ کی کمپنی کی انتظامیہ کمپنی کی قدر و قیمت اور مارکیٹ شیئر کی قدر و قیمت اور شراکت میں اضافے کے لئے پُر عزم ہے۔

ڈائریکٹرز کا مجموعی مشاہرہ

ڈائریکٹرز کے مشاہرہ کی تفصیلات درج ذیل ہیں۔

	Chief Executive /Executive Director	Independent & Non-Executive Director
	Rupees in '000	
Managerial remuneration and allowances	8,232	-
Bonus and incentives	14,235	-
Leave fare assistance and leave encashment	605	-
Company's contribution to the Provident fund	715	-
Housing and utilities	3,934	-
Fees	100	770
	27,821	770
Number of persons	1	6

کارپوریٹ اور سماجی ذمہ داری

آئی بی ایل ہیلتھ کیئر سماجی طور پر ایک ذمہ دار ادارہ ہے جو سی ایس ایس آراقدامات کی بھرپور معاونت کی فراہمی پر کامل یقین رکھتا ہے۔ یہ ایک جاری رہنے والا عمل ہے اور اس سلسلے میں ہیلتھ کیئر، تعلیم اور تربیت کے شعبوں میں کئی سی ایس آر سرگرمیوں کا آغاز کیا گیا ہے۔ COVID-19 (کورونا وائرس) کی موجودہ صورتحال کی روشنی میں کمپنی نے سٹیزن فاؤنڈیشن کو تقریباً ۱۶,۰۰۰ فیس ماسک کا عطیہ فراہم کیا۔

آڈیٹرز

موجودہ آڈیٹرز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس سبکدوش ہو رہے ہیں اور اہل ہونے کی بناء پر انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ آڈٹ کمیٹی نے غور و خوض کے بعد بورڈ کو سفارش کی ہے کہ اے۔ ایف۔ فرگوسن اینڈ کمپنی کو ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی حیثیت سے تقرری دے دی جائے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات پر ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے مالیاتی سال کیلئے اے۔ ایف۔ فرگوسن اینڈ کمپنی کی تقرری کی توثیق کر دی ہے۔

بعد ازاں ہونے والے واقعات

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

ہیومن ریسورس اینڈ ریمونیشن کمیٹی

ممبران

جناب شجاع ملک - چیئرمین

جناب سید ندیم احمد

مسماۃ امینہ سید

ڈائریکٹرز کا تربیتی پروگرام

جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے ذریعے سفارش کی گئی ہے، کمپنی کے سات (۷) میں سے پانچ (۵) ڈائریکٹرز ایس ای سی پی کے منظور شدہ اداروں برائے ڈائریکٹرز ٹریننگ پروگرام سے تربیت حاصل کر چکے ہیں۔ بورڈ پر موجود تمام ڈائریکٹرز کسی بھی کارپوریٹ ادارے کے بورڈ کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور سرگرمیوں سے بخوبی آگاہ ہیں۔

بورڈ کی کارکردگی کا جائزہ

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

ڈائریکٹرز کا مشاہرہ

آئی بی ایل ہیلتھ کیئر کے بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کیلئے ایک ”مشاہرے کی پالیسی“ منظور کی ہے جس میں درج ذیل نکات شامل ہیں:

- کمپنی اپنے نان۔ ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے ادا کی جانے والی فیس کے علاوہ کسی دیگر مشاہرے کی ادائیگی نہیں کرے گی۔
- ڈائریکٹرز کو بورڈ، اس کی کمیٹیوں کے اجلاسوں اور/یا کمپنی کے اجلاس عام میں شرکت کے لئے خرچ ہونے والے تمام سفری اور دیگر اخراجات فراہم کیے جائیں گے یا ان کی زرتلافی کردی جائے گی۔

مجموعی ڈائریکٹرز کی تعداد		
06	مرد	اے
01	خاتون	بی
ترتیب		
02	انڈیپنڈنٹ ڈائریکٹر	۱
04	نان۔ ایگزیکٹو ڈائریکٹر	۲
01	ایگزیکٹو ڈائریکٹر	۳

بورڈ آف ڈائریکٹرز کے اجلاس

۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کے دوران ڈائریکٹرز کی جانب سے منعقد کئے جانے اور شرکت کے حامل اجلاسوں کی ایک مختصر وضاحت درج ذیل کے مطابق ہے:

ڈائریکٹرز کے نام	اجلاس میں حاضری
جناب راشد عبداللہ	2
جناب شاہد عبداللہ	2
جناب منیس عبداللہ	2
جناب ایس۔ ندیم احمد	5
جناب مفتی ضیاء الاسلام	5
جناب زبیر پال والا	5
جناب مبین عالم	2
جناب شجاع ملک	4
مسماۃ امینہ سید	5

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

ممبران

جناب شجاع ملک - چیئر پرسن
مسماۃ امینہ سید
جناب زبیر پال والا

کمپنی کی کارکردگی کی جانچ

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

اندرونی مالیاتی کنٹرول کی مناسب حد

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

بنیادی خطرات اور ان کا بندوبست

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

اخلاقی اقدار اور کاروباری طریقہ کار کا بیان

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

بورڈ کی تشکیل

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

مالیاتی کارکردگی کا جائزہ

۳۰ جون ۲۰۲۱ء کو ختم ہونے والے مالی سال کیلئے آمدنی ۳۰۰ بلین روپے رہی جبکہ اس کے برخلاف گزشتہ سال ۲۶۶ بلین روپے کی آمدنی حاصل کی گئی تھی یعنی ۱۳ فیصد کی شرح نمو حاصل ہوئی۔ یہ شرح نمو موجودہ پورٹ فولیو اور فارما و دیگر کنزیومر پروڈکٹس کے اضافے کے ذریعے ممکن ہوئی۔ سیلز کی فیصدی شرح کے طور پر مجموعی منافع ۳۴۰۴ فیصد تک بڑھ گیا جبکہ گزشتہ سال ۳۰۴۵ فیصد تھا جس سے تیز رفتار شرح نمو ظاہر ہوتی ہے۔ منافع جات میں یہ شرح نمو فارما کی بلند تر شرح منافع کی حامل مصنوعات اور نیوٹریشن و میڈیکل ڈسپوز ایبل کی ڈیویژن میں استثنیٰ کی بدولت حاصل ہوئی۔ COVID-19 (کورونا وائرس) کی وجہ سے معاشی اور سماجی بحران کے باعث غیر یقینی صورتحال کے باوجود کمپنی ان درپیش چیلنجوں سے نمٹنے کیلئے اختیار کی گئی تدابیر اور مختلف حکمت عملیوں کے ذریعے اپنی آمدنی اور منافع جات کی شرح برقرار رکھنے میں کامیاب رہی۔

ہولڈنگ کمپنی

دی سرل کمپنی لمیٹڈ (ٹی ایس سی ایل)، آئی بی ایل ہیلتھ کیئر لمیٹڈ کی ہولڈنگ کمپنی ہے۔ ۳۰ جون ۲۰۲۱ء کے مطابق دی سرل کمپنی لمیٹڈ ہر ایک ۱۰ روپے مالیت کے ۳۹،۰۰۸،۸۶۳ شیئرز برقرار رہی۔

بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر ۵۶۵ روپے رہی (۲۰۲۰ء: ۴۰۷ روپے)۔



منافع منقسمہ

بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال کے لئے ۱۰ فیصد (۱۰ روپے) کے نقد منافع منقسمہ اور ۲۰ فیصد بونس شیئرز (ہر ایک ۱۰۰ شیئرز کے لئے ۲۰ شیئرز) کی سفارش کی ہے۔ (۲۰۲۰ء: ۲۰ فیصد نقد منافع منقسمہ)

ڈائریکٹرز کی رپورٹ

آئی بی ایل ہیلتھ کیئر لمیٹڈ (آئی بی ایل ایچ ایل) کے بورڈ آف ڈائریکٹرز ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے مالی سال کے لئے بمسرت آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

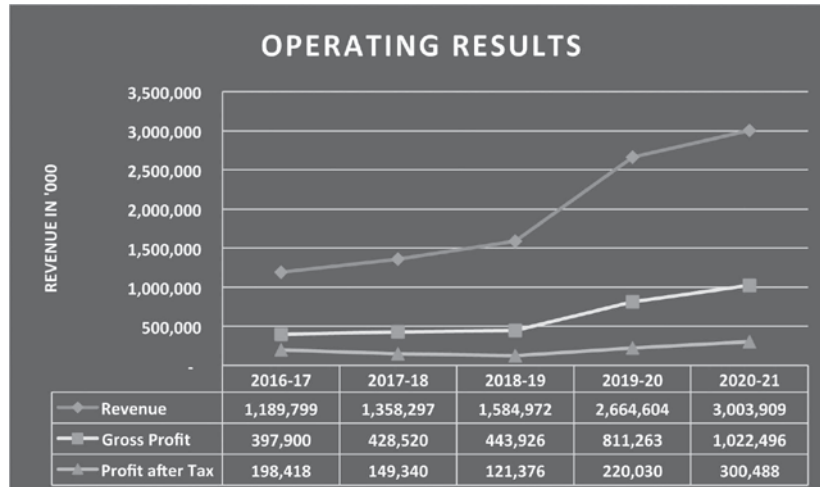
ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۲۲۷، باب XII شق ۳۴ (رپورٹنگ اینڈ ڈسکلوزر) برائے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی کا خلاصہ

2020	2021	
(روپے، ہزاروں میں)		
2,664,604	3,003,909	آمدنی
811,263	1,022,496	مجموعی منافع جات
30.45%	34.04%	مجموعی منافع جات کی شرح بہ نسبت آمدنی
321,809	409,147	منافع قبل از ٹیکس
220,030	300,488	منافع بعد از ٹیکس

بنیادی سرگرمیاں

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



OPHTHALMIC



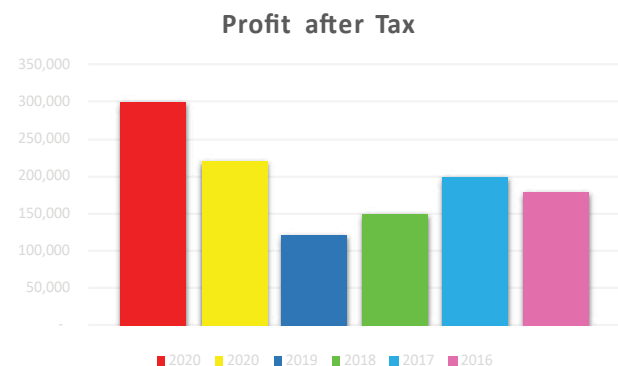
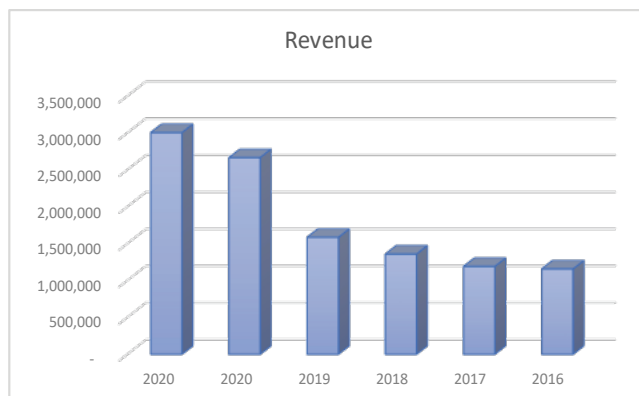
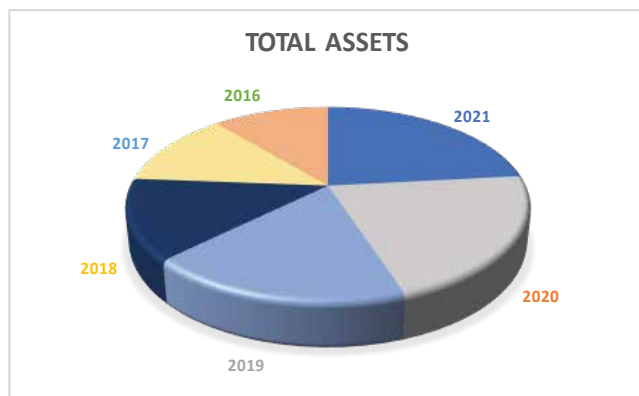
Eye Care is key lifestyle factor that can have long-term effects on ocular health. IBL HealthCare is importing and making available world's largest suppliers of contact lenses, lens care products in Pakistan that have poured decades of eye science into this line to inspire radiance and confidence, without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



OPERATING & FINANCIAL HIGHLIGHTS

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

	Unit	2021	2020	2019	2018	2017
Rate of return						
Pre tax return on equity	%	25.35	22.63	15.84	17.86	23.20
Post tax return on equity	%	18.61	15.47	9.66	12.56	18.23
Profitability						
Gross profit margin	%	30.45	30.45	28.01	31.55	33.44
Pre tax profit to sales	%	13.62	12.08	12.56	15.63	21.23
Post tax profit to sales	%	10.00	8.26	7.66	10.99	16.68
Liquidity						
Current ratio		2.27	2.24	2.41	4.83	4.47
Quick ratio		1.17	1.02	0.88	2.30	2.18
Financial gathering						
Debt equity ratio		0.52	0.58	0.50	0.18	0.21
Capital efficiency						
Debtors turnover	days	99	93	105	98	98
Inventory turnover	days	126	114	117	87	103
Total assets turnover	times	1.28	1.29	0.96	1.00	1.11



PATTERN OF SHAREHOLDING

As of June 30, 2021

<u>S.No.</u>	<u>Folio #</u>	<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Per %</u>
<u>Directors and their spouse(s) and minor children</u>				
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	4	MR. MUNIS ABDULLA	1	0.00
7	03277-39675	MUNIS ABDULLA	28,597	0.05
2	7	MR. ZUBAIR PALWALA	1	0.00
11	03277-93293	ZUBAIR RAZZAK PALWALA	1,185	0.00
6	02113-2753	Samreen Munis	22	0.00
8	03277-80898	SAMREEN MUNIS	295	0.00
9	2976	MS. AMEENA SAIYID	1	0.00
10	03277-56270	MUFTI ZIA UL ISLAM	962	0.00
12	03277-78515	SHUJA MALIK	1,000	0.00
13	2813	MOBEEN ALAM	1	0.00
13			32,715	0.06
<u>Associated companies, undertakings and related parties</u>				
1	1876	FIRST UDL MODARABA	20	0.00
2	02113-708	First UDL Modaraba	15,419	0.03
3	00539-16820	THE SEARLE COMPANY LIMITED	109	0.00
4	03277-94394	THE SEARLE COMPANY LIMITED	39,008,754	72.12
5	03277-2937	INTERNATIONAL BRANDS LTD.	173,495	0.32
5			39,197,797	72.47
<u>NIT and ICP</u>				
1		Nil	-	-
0			-	-
<u>Banks Development Financial Institutions, Non-Banking Financial Institutions</u>				
1	1414	ATLAS INVESTMENT BANK LTD.	33	0.00
2	1419	ASSET INVESTMENT BANK LIMITED	3	0.00
3	1871	CRESCENT INVESTMENT BANK LTD	500	0.00
4	2471	INDUS BANK LIMITED	6,579	0.01
5	2475	BANK ALFALAH LIMITED	2,017	0.00
6	03525-100145	ESCORTS INVESTMENT BANK LIMITED	106	0.00
7	03889-28	NATIONAL BANK OF PAKISTAN	405	0.00
8	05587-6474	PROGRESSIVE INVESTMENT MANAGEMENT (PVT)L	244	0.00
8			9,887	0.02
<u>Insurance Companies</u>				
1	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	423,358	0.78
2	18085-28	EFU LIFE ASSURANCE LIMITED	14,956	0.03
2			438,314	0.81
<u>Modarabas and Mutual Funds</u>				
1	03277-3367	FIRST IBL MODARABA	219	0.00
2	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	165,000	0.31
3	06726-23	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	175,000	0.32
4	07062-23	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	163,500	0.30
5	09506-26	CDC - TRUSTEE NBP BALANCED FUND	62,000	0.11
6	10397-29	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	121,000	0.22
7	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND	122,000	0.23
8	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	27,500	0.05
9	14415-21	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	96,500	0.18
10	14431-29	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	146,500	0.27

<u>S.No.</u>	<u>Folio #</u>	<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Per %</u>
11	15362-27	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	12,000	0.02
12	15388-25	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	15,000	0.03
13	15719-23	CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	105,000	0.19
14	15727-22	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	0.00
15	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	162,500	0.30
16	16402-20	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	17,500	0.03
17	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	444,000	0.82
18	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	103,000	0.19
18			1,938,220	3.58

General Public Foreign

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	02832-2764	H.E. SH. EBRAHIM KHALIFA ALI AL KHALIFA	20,000	0.04
6	03277-106911	WAQAR ARSHAD ZAHID	15,000	0.03
7	03277-110833	Mujtaba Jaffary	1,000	0.00
8	05769-14757	MOHAMMAD RAFAY MALIK	3,000	0.01
9	05769-14765	MOHAMMAD WASAY MALIK	2,500	0.00
10	07450-22202	FARAZ AHMED	1	0.00
10			481,004	0.89

Foreign 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
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
21	02832-1865	Noor Financial Invest Co.	5,000	0.01
21			24,945	0.05

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

PATTERN OF SHAREHOLDING

As of June 30, 2021

S.No.	Folio #	Name of shareholder	Number of shares	Per %
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4	2088	SYED NADEEM AHMED	164	0.00
5	2435	SYED NADEEM AHMED	485	0.00
1	4	MR. MUNIS ABDULLA	1	0.00
7	03277-39675	MUNIS ABDULLA	28,597	0.05
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11	03277-93293	ZUBAIR RAZZAK PALWALA	1,185	0.00
6	02113-2753	Samreen Munis	22	0.00
8	03277-80898	SAMREEN MUNIS	295	0.00
9	2976	MS. AMEENA SAIYID	1	0.00
10	03277-56270	MUFTI ZIA UL ISLAM	962	0.00
12	03277-78515	SHUJA MALIK	1,000	0.00
13	2813	MOBEEN ALAM	1	0.00
13			32,715	0.06

Associated companies, undertakings and related parties

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4	03277-94394	THE SEARLE COMPANY LIMITED	39,008,754	72.12
5	03277-2937	INTERNATIONAL BRANDS LTD.	173,495	0.32
5			39,197,797	72.47

NIT and 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	2471	INDUS BANK LIMITED	6,579	0.01
5	2475	BANK ALFALAH LIMITED	2,017	0.00
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7	03889-28	NATIONAL BANK OF PAKISTAN	405	0.00
8	05587-6474	PROGRESSIVE INVESTMENT MANAGEMENT (PVT)L	244	0.00
8			9,887	0.02

Insurance Companies

1	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	423,358	0.78
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7	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND	122,000	0.23
8	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	27,500	0.05
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10	14431-29	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	146,500	0.27

Categories of Shareholders		Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children				
MR. S. NADEEM AHMED		3	650	0.00
MR. MUNIS ABDULLA		2	28,598	0.05
MR. ZUBAIR PALWALA		2	1,186	0.00
Samreen Munis		2	317	0.00
MS. AMEENA SAIYID		1	1	0.00
MUFTI ZIA UL ISLAM		1	962	0.00
SHUJA MALIK		1	1,000	0.00
MOBEEN ALAM		1	1	0.00
Associated Companies, undertakings and related parties				
FIRST UDL MODARABA		2	15,439	0.03
THE SEARLE COMPANY LIMITED		2	39,008,863	72.12
INTERNATIONAL BRANDS LTD.		1	173,495	0.32
NIT and ICP		0	0	-
Banks Development Financial Institutions, Non-Banking Financial Institutions		8	9,887	0.02
Insurance Companies		2	438,314	0.81
Modarabas and Mutual Funds		18	1,938,220	3.58
General Public				
	a. Local	4421	7,046,830	13.03
	b. Foreign	10	481,004	0.89
Foreign Companies		21	24,945	0.05
Others		57	4,917,893	9.09
Totals		4,555	54,087,605	100.00

Share holders holding 10% or more		Shares Held	Percentage
THE SEARLE COMPANY LIMITED		39,008,863	72.12

PATTERN OF SHAREHOLDING

As of June 30, 2021

# Of Shareholders	Shareholdings'Slab	Total Shares Held
2,056	1 to	100 55,493
1,046	101 to	500 278,996
665	501 to	1000 457,306
541	1001 to	5000 1,193,344
100	5001 to	10000 707,323
35	10001 to	15000 432,503
21	15001 to	20000 380,356
12	20001 to	25000 281,822
12	25001 to	30000 327,682
3	30001 to	35000 100,769
6	35001 to	40000 226,815
8	40001 to	45000 338,182
3	45001 to	50000 141,500
3	50001 to	55000 158,404
1	55001 to	60000 58,082
2	60001 to	65000 125,476
1	65001 to	70000 65,021
1	75001 to	80000 75,097
1	80001 to	85000 81,422
1	85001 to	90000 87,159
3	95001 to	100000 296,500
2	100001 to	105000 208,000
1	105001 to	110000 107,854
2	120001 to	125000 243,000
2	125001 to	130000 254,773
1	135001 to	140000 136,001
1	140001 to	145000 144,770
2	145001 to	150000 296,500
1	155001 to	160000 158,500
3	160001 to	165000 491,000
2	170001 to	175000 348,495
2	195001 to	200000 394,787
1	215001 to	220000 218,775
1	220001 to	225000 224,012
1	260001 to	265000 262,575
2	280001 to	285000 564,945
1	310001 to	315000 311,452
1	320001 to	325000 324,520
1	420001 to	425000 423,358
1	440001 to	445000 444,000
1	450001 to	455000 454,705
1	570001 to	575000 571,500
1	1180001 to	1185000 1,183,792
1	1440001 to	1445000 1,442,285
1	39005001 to	39010000 39,008,754
4,554		54,087,605

SEARLE

World's leading
Zero Calorie
Sweetener

NOW IN
PAKISTAN



CONSUMER



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

STATEMENT OF COMPLIANCE

(WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019)

For the year ended June 30, 2020

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

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

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

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

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

7. The meetings of the Board were presided over by the Chairperson. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. During the year, the Board did not arrange training program for its directors. However, one director has attended the required training this year and other 4 directors have attended the required training in the previous years. Further, 2 newly appointed directors through casual vacancy on February 24, 2021 will acquire the directors training program certification within a period of one year.
10. The board has approved the appointment of the CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

Audit Committee

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

HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per the following:
- Audit Committee: Four quarterly meetings during the financial year ended June 30, 2021
 - HR & R Committee: One meeting during the financial year ended June 30, 2021
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 3,6,7,8,27,32,33,36 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.	The Internal Audit Department of the Company performs the requisite functions and apprises the Board accordingly.	30(1)
2	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board has a nomination committee comprising of one member Mr. Zubair Palwala (Non-Executive Director) as the other member passed away during the year. The vacancy will be filled in next Board Meeting.	29 (1)
3	The Chairman of the Board shall, at the beginning of term of each Director, issue letter to Directors setting out their role, obligations, powers and responsibilities in accordance with the Act.	The Chairman discussed the Board's role under the Regulations, during the meetings in which casual vacancies were filled.	10 (5)
4	All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	Two directors have been appointed to fill in the casual vacancies for the remaining term. The Company will arrange their orientation within one year.	18
5	The Company may post on its website key elements of its significant policies including but not limited to the following: I. Communication and disclosure policy; II. Code of conduct for members of Board of Directors, senior management and other employees; III. Risk management policy; IV. Internal control policy; V. Whistle blowing policy; VI. Corporate social responsibility / sustainability / environmental, social and governance related policy	As the Regulation provides concession with respect to disclosure of significant policies on the website, and therefore the Company is in the process of updating their website	35



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.



GOVERNANCE

IBL Health Care Ethics and compliance

As a company engaged in health care products, IBL Health Care aims to provide its customers with the 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 Health Care 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 Health Care. Ethical conduct is the cornerstone of the IBL Health Care 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 Whistleblowing 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 in violation 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.



A. F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF IBL HEALTHCARE LIMITED

Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IBL HealthCare Limited for the year ended June 30, 2021 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, 2021.

A handwritten signature in dark ink, appearing to read 'A. F. Ferguson & Co.'.

Chartered Accountants

Karachi

Dated: October 6, 2021



A. F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of IBL HealthCare Limited
Report on the Audit of the Financial Statements

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IBL HealthCare Limited for the year ended June 30, 2021 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, 2021.

Chartered Accountants

Karachi

Dated: October 6, 2021



A. F. FERGUSON & CO.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
i)	<p>Revenue from contracts with customers</p> <p>Refer note 2.20 and note 19 to the financial statements)</p> <p>Revenue is recognized when control of the underlying products is transferred to the customers. The Company is engaged in marketing, selling and distribution of healthcare products.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has increased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">evaluated management controls over revenue and checked their validation;performed verification of sales with underlying documentation including gate pass, delivery order and invoice;tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;verified that sales prices are negotiated and approved by appropriate authority;performed audit procedures to analyze variation in the price and quantity sold during the year;obtained confirmations from debtors on sample basis; andassessed the adequacy of disclosures made in the financial statements related to revenue.



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 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.



A. F. FERGUSON & CO.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

A. F. Ferguson & Co.
Chartered Accountants

Karachi
Date: October 6, 2021

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 Rupees in '000	2020
ASSETS			
Non-current assets			
Furniture and equipment	3	11,316	9,628
Right-of-use asset	4	11,812	-
Investment properties	5	572,860	368,235
Intangible assets	6	9,993	11,641
		605,981	389,504
Current assets			
Inventories	7	708,379	654,727
Trade and other receivables	8	857,524	823,592
Loans, advances, deposits and prepayments	9	158,599	345,926
Taxation - payments less provision		24,647	18,370
Cash and bank balances	10	91,561	20,148
		1,840,710	1,862,763
Total assets		2,446,691	2,252,267
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid up capital	11	540,877	540,877
Capital reserve			
Share premium	12	119,600	119,600
Revenue reserve			
Unappropriated profit		953,818	761,505
		1,614,295	1,421,982
Liabilities			
Non-current liabilities			
Long-term finance - secured	13	9,531	-
Deferred income - Government grant	14	188	-
Lease liability	15	10,297	-
		20,016	-
Current liabilities			
Trade and other payables	16	557,460	640,263
Short term borrowings	17	217,925	178,682
Current portion of long-term finance	13	18,340	-
Current portion of lease liability	15	2,583	-
Unclaimed dividend		7,097	7,111
Unpaid dividend		8,975	4,229
		812,380	830,285
Contingencies and commitments	18		
Total equity and liabilities		2,446,691	2,252,267

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



Chief Executive



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees in '000	2020
Revenue from contracts with customers	19	3,003,909	2,664,604
Cost of sales	20	(1,981,413)	(1,853,341)
Gross profit		1,022,496	811,263
Other income	21	32,314	53,682
Marketing and distribution expenses	22	(523,338)	(427,085)
Administrative and general expenses	23	(92,386)	(85,056)
Finance costs	24	(29,939)	(30,995)
Profit before income tax		409,147	321,809
Income tax expense	25	(108,659)	(101,779)
Profit after taxation		300,488	220,030
Other comprehensive income		-	-
Total comprehensive income		300,488	220,030
Earnings per share	26	Rs. 5.56	Rs. 4.07

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


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid up capital	Capital reserve Share Premium	Revenue reserve Unappropriated profit	Total reserves	Total
	← Rupees in '000 →				
Balance as at July 01, 2019	540,877	119,600	595,563	715,163	1,256,040
Transaction with owners					
Final dividend for the year ended June 30, 2019 @ Re. 1 per share	-	-	(54,088)	(54,088)	(54,088)
Total comprehensive income for the year ended June 30, 2020	-	-	220,030	220,030	220,030
Balance at June 30, 2020	540,877	119,600	761,505	881,105	1,421,982
Transaction with owners					
Final dividend for the year ended June 30, 2020 @ Rs. 2 per share	-	-	(108,175)	(108,175)	(108,175)
Total comprehensive income for the year ended June 30, 2021	-	-	300,488	300,488	300,488
Balance at June 30, 2021	540,877	119,600	953,818	1,073,418	1,614,295

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



Chief Executive



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees in '000	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	204,143	142,612
Interest income received		10,471	33,541
Income tax paid		(114,937)	(104,720)
Finance cost paid		(29,703)	(30,995)
Net cash inflow from operating activities		<u>69,974</u>	<u>40,438</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment		(4,886)	(4,066)
Proceeds from sale of investment property		-	75,500
Payments for acquisition of investment property		(204,625)	(101,709)
Payments for acquisition of intangible assets		(900)	(613)
Repayment of loan by related party		249,630	20,616
Net cash inflow / (outflow) from investing activities		<u>39,219</u>	<u>(10,272)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan obtained - net		29,397	-
Payments against lease liability		(2,977)	-
Dividends paid		(103,443)	(52,093)
Net increase / (decrease) in cash and cash equivalents		<u>32,170</u>	<u>(21,927)</u>
Cash and cash equivalents at beginning of the year		(158,534)	(136,607)
Cash and cash equivalents at end of the year	28	<u>(126,364)</u>	<u>(158,534)</u>

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


Chief Executive


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. LEGAL STATUS AND OPERATIONS

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

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

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

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

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

- 1.1** The Company is the sole distributor of Mead Johnson products in Pakistan and the agreement remains valid and effective 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2.1.2 Critical accounting estimates and judgements

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

(i) Income tax

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

(ii) Contingencies

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

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

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

2.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

		Effective date (Annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in estimates and errors (Amendments)	January 1, 2023
IAS 12	Income taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruments (Amendments)	January 1, 2022
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that application of above amendments in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

- c) Further, following new standards have been issued by the International Accounting Standards Board which are yet to be notified by the Securities & Exchange Commission of Pakistan for applicability in Pakistan:

IFRS 1 First time Adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

2.3 Overall valuation policy

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

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

2.6 Intangible Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2.7 Inventories

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

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

2.8 Loans, advances, deposits and prepayments

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

Interest free loans to employees are stated at amortised cost.

2.9 Trade and other receivables

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

2.10 Government grants

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

2.11 Cash and bank balances

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

2.12 Financial instruments

Initial Recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial asset

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

Off-setting of financial assets and liabilities

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

2.13 Lease liability and right-of-use asset

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

2.14 Foreign currencies

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

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

2.15 Income Tax

Current

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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.

2.16 Employee benefits

Defined contribution plan

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

2.17 Trade and other payables

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

2.18 Contract asset and contract liability

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

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

2.19 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2.20 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.

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

2.21 Other income

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

Profit from savings accounts is accounted for as income on accrual basis.

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

2.22 Dividend

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

2.23 Method of preparation of Statement of Cash Flows

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

3. FURNITURE AND EQUIPMENT

Operating assets - note 3.1

2021
Rupees in '000

2020

11,316 9,628

3.1 Operating assets

Particulars

Office equipment Furniture and fittings Total
Rupees in '000

Net carrying value basis

Year ended June 30, 2021

Opening net book value	7,717	1,911	9,628
Additions - at cost	2,586	2,300	4,886
Depreciation charge - note 3.2	(2,660)	(538)	(3,198)
Write-offs			
- Cost	-	(3,574)	(3,574)
- Accumulated depreciation	-	3,574	3,574
	-	-	-
Closing net book value	7,643	3,673	11,316
Gross carrying value basis			
At June 30, 2021			
Cost	16,784	5,307	22,091
Accumulated depreciation	(9,141)	(1,634)	(10,775)
Net book value	7,643	3,673	11,316

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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	(2,066)	(424)	(2,490)
Closing net book value	<u>7,717</u>	<u>1,911</u>	<u>9,628</u>

Gross carrying value basis

At June 30, 2020

Cost	14,198	6,581	20,779
Accumulated depreciation	(6,481)	(4,670)	(11,151)
Net book value	<u>7,717</u>	<u>1,911</u>	<u>9,628</u>
Depreciation rates	<u>10% - 33%</u>	<u>10% - 20%</u>	

2021 2020
Rupees in '000

3.2 Depreciation for the year has been allocated as follows:

Marketing and distribution expenses - note 22	551	307
Administrative and general expenses - note 23	2,647	2,183
	<u>3,198</u>	<u>2,490</u>

4. RIGHT-OF-USE ASSET

Opening balance	-	-
Addition	15,023	-
Depreciation for the year	(3,211)	-
Closing balance	<u>11,812</u>	<u>-</u>
Useful life in years	<u>5</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
		Rupees in '000	
5.	INVESTMENT PROPERTIES		
	Operating assets - at cost - note 5.1	572,860	368,235
5.1	Operating assets		
	Balance at beginning of the year	368,235	266,526
	Acquisition - note 5.1.1	194,592	97,625
	Capitalised subsequent expenditure - note 5.1.2	10,033	4,084
	Balance at end of the year	572,860	368,235
5.1.1	This represents purchase cost, mutation and other registration charges for Plot 24/4, Block 7 & 8, D.M.M.C.H.S, Karachi.		
5.1.2	This represents amount paid as amalgamation charges in respect of Plots 24/4, 24/4-A and 24/3, Block 7 & 8, D.M.M.C.H.S, Karachi.		
5.2	The valuations of investment properties have been carried out by M/s. PEE DEE & Associates, an independent valuer engaged by the Company as at June 30, 2021. Market value of these investment properties as at June 30, 2021 is Rs. 1,307.78 million (2020: Rs.1,008.28 million).		
	The forced sale value of the above properties as at June 30, 2021 is Rs. 1,217.21 million (2020 : Rs. 768.87 million)		
5.3	Particulars of immovable properties (i.e. land) in the name of Company are as follows:		
	Location	Usage of immovable property	Covered Area (in sq. Yds)
i)	Plot no 24/3, Block 7 & 8, D.M.M.C.H.S., Karachi	Rented property	754
ii)	Plot no 24/4A, Block 7 & 8, D.M.M.C.H.S., Karachi	Capital appreciation	1,004
iii)	Plot No.24/4 Block 7 & 8, D.M.M.C.H.S., Karachi (First plot)	Capital appreciation	502
iv)	Plot No.24/4 Block 7 & 8, D.M.M.C.H.S., Karachi (Second plot)	Capital appreciation	502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

5.4 Property mentioned in 5.3 (i) has been rented to United Retail (SMC) Private Limited, an associated company and Espresso Coffee Houses (Private) Limited in consideration for monthly rentals. The rental income in respect of this property amounting to Rs. 14.5 million (2020: Rs. 21.7 million) has been recognized in profit or loss and included in note 21.

5.5 Pursuant to the 'Supply, Marketing and Distribution Agreement', as amended, entered with The Searle Company Limited (TSCL), Holding Company, to acquire certain products from TSCL, the Company has mortgaged during the year, immovable properties mentioned in 5.3 (i), (ii) and (iii) above having carrying value of Rs. 378.27 million and market value of Rs. 1,097.56 million, with a financial institution on behalf of TSCL.

2021 2020
Rupees in '000

6. INTANGIBLE ASSETS

Operating intangible assets - note 6.1	9,993	11,641
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6.1 Operating intangible assets

	Computer Software	Software License	Distribution Rights	Total
	← Rupees in '000 →			
Year ended 30 June 2021				
Opening net book value	4,517	374	6,750	11,641
Additions during the year	900	-	-	900
Amortisation - note 6.2	(637)	(111)	(1,800)	(2,548)
Write-offs				
- Cost	-	(482)	-	(482)
- Accumulated amortisation	-	482	-	482
	-	-	-	-
Closing net book value	4,780	263	4,950	9,993
At 30 June 2021				
Cost	6,879	554	9,000	16,433
Accumulated amortisation	(2,099)	(291)	(4,050)	(6,440)
Net book value	4,780	263	4,950	9,993
Year ended 30 June 2020				
Opening net book value	4,908	62	8,550	13,520
Additions during the year	210	403	-	613
Amortisation - note 6.2	(601)	(91)	(1,800)	(2,492)
Closing net book value	4,517	374	6,750	11,641
At 30 June 2020				
Cost	5,979	1,036	9,000	16,015
Accumulated amortisation	(1,462)	(662)	(2,250)	(4,374)
Net book value	4,517	374	6,750	11,641
Amortisation rates	10% - 20%	20%	20%	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees in '000	
6.2	Amortization for the year has been allocated as follows:	
Marketing and distribution expenses - note 22	1,842	1,821
Administrative and general expenses - note 23	706	671
	2,548	2,492
	2021	2020
	Rupees in '000	
7. INVENTORIES		
Inventory in hand	575,905	390,086
Inventory in transit	132,474	264,641
	708,379	654,727
Provision for slow moving inventory - note 7.1	-	-
	708,379	654,727
7.1 Provision for slow moving inventory		
Opening balance	-	-
Charge for the year	19,350	8,752
	19,350	8,752
Written-off during the year	(19,350)	(8,752)
Closing balance	-	-
8. TRADE AND OTHER RECEIVABLES		
Trade receivables - note 8.1	822,000	805,335
Other receivables - note 8.2	35,524	18,257
	857,524	823,592
8.1 Trade receivables - unsecured		
Considered good		
Due from related parties - notes 8.1.1, 8.1.2 and 8.1.4	550,209	655,386
Others	271,791	149,949
	822,000	805,335
Considered doubtful	8,317	2,184
	830,317	807,519
Less: Provision for doubtful receivables - note 8.1.3	(8,317)	(2,184)
	822,000	805,335

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

8.1.1 As at June 30, 2021, due from related parties of the Company are as follows:

	2021	2020
	Rupees in '000	
IBL Operations (Private) Limited	513,758	653,878
The Searle Company Limited	-	794
United Brands Limited	36,431	578
IBL Logistics (Private) Limited	20	-
My Cart (Private) Limited	-	136
	550,209	655,386

8.1.2 The maximum aggregate amount due from related parties at the end of any month during the year is Rs. 683.47 million (2020: Rs. 848.96 million).

	2021	2020
	Rupees in '000	
8.1.3 Provision for doubtful receivables		
Opening balance	2,184	205
Provision made during the year	6,133	2,373
Written off during the year	-	(394)
Closing balance	8,317	2,184

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

	2021	2020
	Rupees in '000	
Not yet due	382,840	319,292
Past due but not yet impaired		
- 0 to 30 days	167,369	161,262
- 31 to 60 days	-	167,910
- 61 to 90 days	-	4,517
- above 90 days		2,405
	550,209	655,386

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

	2021		2020	
	Amount due	Provision held	Amount due	Provision held
	← 'Rupees in '000 →			
Not yet due	574,490	-	389,572	-
- 0 to 30 days	196,784	375	176,858	109
- 31 to 60 days	11,116	750	174,762	218
- 61 to 90 days	11,814	1,501	17,579	437
- above 90 days	36,113	5,691	48,748	1,420
	830,317	8,317	807,519	2,184

2021 2020
Rupees in '000

8.2 Other receivables

Due from related party - notes 8.2.1, 8.2.2 and 8.2.3	10,744	2,535
Claims receivable from suppliers - note 8.2.4	22,849	11,912
Others	1,931	3,810
	35,524	18,257

8.2.1 As at June 30, 2021, due from related parties of the Company is as follows:

	2021	2020
	Rupees in '000	
Trax Online (Private) Limited (an Associated Company)	-	385
The Searle Company Limited (Holding Company)	7,633	-
IBL Identity (Private) Limited (an Associated Company)	3,111	2,150
	10,744	2,535

8.2.2 The maximum aggregate amount due at the end of any month during the year is Rs. 7.63 million (2020: Rs. 5.2 million).

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

	2021	2020
	Rupees in '000	
Past due but not yet impaired		
- 0 to 30 days	3,111	193
- 31 to 60 days	-	193
- 61 to 90 days	-	-
- 91 to 365 days	7,633	2,149
	10,744	2,535

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

	2021	2020
	Rupees in '000	
9. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS		
Short term deposits - note 9.1	37,521	11,567
Prepayments	649	1,019
Short term loans - note 9.2	-	229,014
Advances - note 9.3	120,429	104,326
	158,599	345,926
9.1 The amount represents following:		
- Trade deposits	36,648	10,694
- Other deposits	873	873
	37,521	11,567
Less: Allowance for doubtful deposits	-	-
	37,521	11,567

- 9.2** This represented loans, granted to International Brands Limited (IBL), the Ultimate Parent Company in prior years. The loans carried mark up ranging between KIBOR + 1% to KIBOR + 2% per annum. These loans were settled during the year along with mark up payments.

9.3 The amount represents following:	2021	2020
	Rupees in '000	
- To employees - note 9.3.1	1,503	3,096
- To suppliers - note 9.3.2	24,542	56,042
- Against imports - note 9.3.3	90,684	45,188
- Others	3,700	-
	120,429	104,326

- 9.3.1** Reconciliation of carrying amount of advances to employees:

	2021	2020
	Rupees in '000	
Balance at beginning of the year	3,096	5,722
Disbursements	2,768	31,158
Repayments	(4,361)	(33,784)
Balance at end of the year	1,503	3,096

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

9.3.2 These include advance to The Searle Company Limited, the Holding Company, amounting to Rs 16.28 million (2020: Rs. 2.14 million)

9.3.3 These include Rs. 83.7 million (2020: Rs. 40.2 million) being 100% cash margin on import of specified items kept with commercial banks in accordance with the requirements of Circular No. 02 of 2017 of Banking Policy & Regulations Department, State Bank of Pakistan.

	2021	2020
	Rupees in '000	
10. CASH AND BANK BALANCES		
Cash at bank in current accounts	75,418	16,967
Cash in hand	100	100
Cheques in hand - note 10.1	16,043	3,081
	91,561	20,148

10.1 These represent cheques issued by The Searle Company Limited - Holding Company and IBL Identity (Private) Limited - an associated company.

11. SHARE CAPITAL

Authorised share capital

	2021	2020
	Rupees in '000	
	2021	2020
	75,000,000	75,000,000
Ordinary shares of Rs. 10 each	750,000	750,000

Issued, subscribed and paid up capital

	2021	2020
	22,990,000	22,990,000
Shares allotted for consideration paid in cash	229,900	229,900
Shares allotted as bonus shares	310,977	310,977
	54,087,605	54,087,605

11.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

2021 **2020**
Rupees in '000

13. LONG-TERM FINANCE – SECURED

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

Balance at beginning of the year	-	-
Disbursements	38,878	-
Deferred grant recognition - note 13.2 and 14	(2,475)	-
Interest expense including impact of unwinding	949	-
Repayments	(9,481)	-
Less: Current portion shown under current liabilities	(18,340)	-
	9,531	-

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

- 13.2** This represents the value of benefit of below-market interest which has been accounted for as government grant under IAS 20 - Government Grants.

2021 **2020**
Rupees in '000

14. DEFERRED INCOME - GOVERNMENT GRANT

Balance at beginning of the year	-	-
Deferred grant recognised during the year	2,475	-
Government grant recognised in income	(1,548)	-
	927	-
Less: Current portion of deferred income - government grant	(739)	-
	188	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees in '000	
15. LEASE LIABILITY		
Opening balance	-	-
Additions to lease liability	14,766	-
Unwinding of finance cost	1,091	-
Lease rentals paid	(2,977)	-
	12,880	-
Less: Current portion of lease liabilities	(2,583)	-
Long term portion of lease liabilities	10,297	-

	2021			2020		
	Principal Outstanding	Financial charge for future	Minimum lease payments	Principal Outstanding	Financial charge for future	Minimum lease payments
	(Rupees in '000)					
Not later than one year	2,583	1,003	3,586	-	-	-
Later than one year but not later than five years	10,297	1,316	11,613	-	-	-
	12,880	2,319	15,199	-	-	-

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

	2021	2020
	Rupees in '000	
16. TRADE AND OTHER PAYABLES		
Creditors	255,458	396,218
Accrued liabilities	75,687	56,990
Due to related parties - note 16.1	96,090	139,764
Advance from customers - unsecured	67,880	16,248
Accrued mark-up	5,843	6,051
Current portion of deferred income - government grant	739	-
Payable to employees' provident fund - note 16.2	1,594	1,505
Workers' Welfare Fund	9,395	9,395
General sales tax and withholding tax payable	16,654	9,206
Security deposits - note 16.3	1,650	3,716
Other payables	26,470	1,170
	557,460	640,263
16.1 As at June 30, due to related parties of the Company are as follows:		
The Searle Company Limited (the Holding Company)	82,178	135,820
Searle BioSciences (Private) Limited	13,912	-
International Brands Limited (the Ultimate Parent Company)	-	344
IBL Operations (Private) Limited (an associated company)	-	3,600
	96,090	139,764

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

16.2 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.

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

2021 2020
Rupees in '000

17. SHORT TERM BORROWINGS

Islamic finances - note 17.1

2021	2020
217,925	178,682

17.1 The Company obtained running musharakah facilities from banks amounting to Rs. 300 million (2020: Rs. 200 million) out of which the amount unavailed at the year end was Rs. 100.08 million (2020: Rs. 21.30 million). Rates of profit range from three month KIBOR plus 1.5% (2020: three month KIBOR plus 1.5%) to one month KIBOR plus 0.75% (2020: one month KIBOR plus 0.75%) per annum. These facilities have been secured by way of hypothecation of first pari passu charge over present and future current assets amounting to Rs. 400 million.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

18.2 Commitments

The facility for opening letter of credit as at June 30, 2021 amounted to Rs. 590 million (2020: Rs. 483 million) of which the amount remaining unutilised at the end of year was Rs. 226.02 million (2020: Rs. 105.8 million).

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross revenue - note 19.1

Less: Sales tax

Less:

Trade discount

Sales returns

2021
2020
Rupees in '000

3,825,811	3,291,452
(133,512)	(171,768)
3,692,299	3,119,684
(469,546)	(400,387)
(218,844)	(54,693)
(688,390)	(455,080)
3,003,909	2,664,604

19.1 Revenue includes sales to IBL Operations (Private) Limited (an associated company) and United Brands Limited (an associated company) amounting to Rs. 2,011.29 million (2020: Rs. 1,894.18 million) and Rs. 163.15 million (2020: Rs. 4.04 million) respectively.

19.2 These financial statements do not include disclosures relating to IFRS 8 "Operating Segments" as the Company is considered to be a single operating segment.

20. COST OF SALES

Opening inventory

Add: Purchases

Less: Cost of samples

Less: Inventory written-off

Less: Closing inventory

2021
2020
Rupees in '000

654,727	506,983
2,071,668	2,023,724
2,726,395	2,530,707
(17,253)	(13,887)
(19,350)	(8,752)
(708,379)	(654,727)
(744,982)	(677,366)
1,981,413	1,853,341

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees in '000	
21. OTHER INCOME		
Income from financial assets		
Interest on loan to International Brands Limited	10,471	30,571
Exchange gain - net	3,874	1,110
Grant income	1,548	-
	15,893	31,681
Income from non-financial assets		
Rental income from investment property	14,492	21,784
Others	351	-
Scrap sales	298	214
	15,141	21,998
Others		
Insurance claim received	1,280	3
	32,314	53,682

	2021	2020
	Rupees in '000	
22. MARKETING AND DISTRIBUTION EXPENSES		
Salaries, wages and benefits - note 22.1	232,849	194,991
Sales promotion and marketing expense	160,042	133,858
Cartage and freight	22,155	21,479
Travelling	24,979	18,130
Inventories written-off	19,350	8,752
Provision against doubtful receivables	6,133	2,373
Depreciation	551	307
Amortisation	1,842	1,821
Rent, rates and taxes	12,641	11,329
Vehicle running expenses	23,379	20,731
Utilities and communication	3,608	4,358
Printing and stationery	831	707
Insurance	2,762	1,956
Repairs and maintenance	1,280	981
Fee and subscription	7,823	2,657
Security charges	607	596
Training	429	72
Others	2,077	1,987
	523,338	427,085

22.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 7.1 million (2020: Rs. 6.3 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees in '000	
23. ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries, wages and benefits - note 23.1	41,165	37,890
Travelling	680	236
Depreciation	2,647	2,183
Depreciation on right-of-use asset	3,211	-
Amortisation	706	671
Rent, rates and taxes	-	3,078
Vehicle running expenses	2,211	2,045
Utilities and communication	700	314
Auditors' remuneration - note 23.2	2,463	2,525
Donations - note 23.3	2,191	50
Legal and professional charges	3,302	2,245
Printing and stationery	2,247	2,132
Insurance	696	486
Fee and subscription	6,247	4,306
Repairs and maintenance	2,253	2,690
Security charges	-	211
Training	16	60
Corporate services charged by the Ultimate Parent Company	21,000	21,000
Others	651	2,934
	92,386	85,056

23.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 1.4 million (2020: Rs. 1.3 million).

	2021	2020
	Rupees in '000	
23.2 Auditors' remuneration		
Audit services		
- Statutory audit fee	1,035	975
- Half yearly review	450	450
- Out of pocket expenses	120	250
	1,605	1,675
Non-audit services		
- Certifications for regulatory purposes	258	250
- Tax advisory service	600	600
	858	850
	2,463	2,525
23.3 Donations given to following exceed Rs. 1 million:		
The Citizens Foundation - note 23.3.1	1,671	-
- Others	520	50
	2,191	50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

23.3.1 This represents in-kind (Company products) donations.

	2021	2020
	Rupees in '000	
24. FINANCE COSTS		
Bank charges	2,506	1,065
Finance lease charges	1,091	-
Mark-up expense and unwinding on long-term finance	2,497	-
Mark-up on Islamic finances	23,845	29,930
	29,939	30,995
25. INCOME TAX EXPENSE		
Current year - note 25.1	108,659	101,779
25.1 Relationship between tax expense and accounting profit		
Accounting profit before tax	409,147	321,809
Tax at the applicable rate of 29% (2020: 29%)	118,653	93,325
Effect of minimum tax	(8,406)	8,422
Effect of permanent differences	-	(1,263)
Effect of tax credit	(635)	(15)
Others	(953)	1,310
Income tax expense for the year	108,659	101,779
Effective rate (% age)	27%	32%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
26. EARNINGS PER SHARE - BASIC		
Profit after taxation attributable to ordinary shareholders (Rupees in '000)	300,488	220,030
Weighted average number of outstanding shares at the end of year (in thousand)	54,088	54,088
Earnings per share - Basic (Rupees)	5.56	4.07

26.1 Earnings Per Share - Diluted

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2021 and 2020 which would have any effect on the earnings per share if the option to convert is exercised.

	2021 Rupees in '000	2020
27. CASH GENERATED FROM OPERATIONS		
Profit for the year	409,147	321,809
Adjustments for non-cash income and expenses:		
Depreciation of furniture and equipment	3,198	2,490
Depreciation of right-of-use asset	3,211	-
Amortisation of intangible assets	2,548	2,492
Finance costs	28,848	30,995
Finance lease charges	1,091	-
Interest income	(10,471)	(30,571)
	28,425	5,406
	437,572	327,215
Changes in working capital:		
(Increase) / decrease in current assets:		
Inventories	(53,652)	(147,744)
Trade and other receivables	(33,932)	(294,611)
Loans, advances, deposits and prepayments.	(62,303)	64,541
Refunds due from government - Sales tax	-	9,071
	(149,887)	(368,743)
(decrease) / Increase in current liabilities:		
Trade and other payables	(83,542)	184,140
	204,143	142,612

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2021 2020
Rupees in '000

28. CASH AND CASH EQUIVALENTS

Cash at bank in current accounts - note 10	75,418	16,967
Cash in hand - note 10	100	100
Cheques in hand - note 10	16,043	3,081
Short term borrowings - note 17	(217,925)	(178,682)
	(126,364)	(158,534)

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

29.2 Financial assets and liabilities by category and their respective maturities

		Interest / Mark up bearing			Non-interest / Non-mark up bearing				
		Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total	
		----- Rupees in '000' -----							
FINANCIAL ASSETS									
At amortised cost									
		Short-term deposits, loans and advances	-	-	-	37,521	-	37,521	37,521
		Trade and other receivables	-	-	-	857,524	-	857,524	857,524
		Cash and bank balances	-	-	-	91,561	-	91,561	91,561
	2021		-	-	-	986,606	-	986,606	986,606
	2020		229,014	-	229,014	855,307	-	855,307	1,084,321
FINANCIAL LIABILITIES									
At amortised cost									
		Long-term finance	18,340	9,531	27,871	-	-	-	27,871
		Lease liability	2,583	10,297	12,880	-	-	-	12,880
		Trade and other payables	-	-	-	428,885	-	428,885	428,885
		Short term borrowings	217,925	-	217,925	-	-	-	217,925
		Unclaimed dividend	-	-	-	7,097	-	7,097	7,097
		Unpaid dividend	-	-	-	8,975	-	8,975	8,975
	June 30, 2021		238,848	19,828	258,676	444,957	-	444,957	703,633
	2020		178,682	-	178,682	614,079	-	614,079	792,761
Off balance sheet items									
	2021	Letters of credit							363,980
	2020								377,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

(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.

At June 30, 2021, the Company had variable interest bearing net financial liabilities of Rs. 227.46 million, and had the interest rate varied by 200 basis points with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 4.55 million mainly as a result of lower / higher interest income on floating rate loans.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on payables in respect of imported inventory denominated in US Dollar (USD). The total foreign currency risk exposure as at June 30, 2021 is Rs. 200.15 million (2020: Rs. 371.1 million).

As at June 30, 2021, 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. 8.01 million (2020: Rs. 14.84 million), as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

As at June 30, 2021, if the Pak Rupee had weakened / strengthened by 4% against GBP with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.14 million (2020: Rs. Nil million), as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

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

(iii) Price risk

Price risk is the risk that fair value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the fund or it's management company.

There is no exposure to price risk as at June 30, 2021 as the Company does not hold any financial assets subject to price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

(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, 2021 trade receivables of Rs. 382.84 million (2020: Rs. 417.59 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.

(c) Liquidity risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2020				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	Rupees in '000				
Financial liabilities					
Long-term finance - secured	-	-	-	-	-
Lease liability	-	-	-	-	-
Short-term borrowings	178,682	(178,682)	(178,682)	-	-
Trade and other payables	640,263	(640,263)	(640,263)	-	-
Unclaimed dividend	7,111	(7,111)	(7,111)	-	-
Unpaid dividend	4,229	(4,229)	(4,229)	-	-
	<u>830,285</u>	<u>(830,285)</u>	<u>(830,285)</u>	<u>-</u>	<u>-</u>

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

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

(d) Fair value of financial instruments

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

As at June 30, 2021, all financial assets and financial liabilities are carried at amortised cost.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

29.3 Capital Risk Management

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

The debt to capital ratios as at June 30, 2021 and 2020 were as follows:

	2021 Rupees	2020 Rupees
Short term borrowings - note 17	217,925	178,682
Long-term loan	9,531	-
Cash and bank balances - note 10	(91,561)	(20,148)
Net debt	135,895	158,534
Total equity	1,614,295	1,421,982
Total capital	1,750,190	1,580,516
Debt to capital ratio	7.76%	10.03%

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

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

	2020			
	Short term borrowings used for cash management	Long term loan	Unappropriated profit	Total
	----- Rupees in '000' -----			
Balance as at July 1, 2019	167,501	-	595,563	763,064
Changes from financing cash flows				
Repayment of long term loan	-	-	-	-
Proceeds from long term loan	-	-	-	-
Dividend paid	-	-	(54,088)	(54,088)
Payments / (repayments) - net	11,181	-	-	11,181
Total changes from financing activities	11,181	-	(54,088)	(42,907)
Other changes - interest cost				
Interest expense	-	-	-	-
Interest paid	-	-	-	-
Deferred grant recognised	-	-	-	-
Changes in running finance	-	-	-	-
Total loan related other changes	-	-	-	-
Total equity related other changes	-	-	220,030	220,030
Balance as at June 30, 2020	178,682	-	761,505	940,187

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

30. RELATED PARTY TRANSACTIONS

Nature of relationship	Nature of transaction	2,021 Rupees in '000	2020
i. Ultimate parent			
International Brands Limited	- Interest income	10,471	30,571
	- Corporate service charges	21,000	21,000
	- Dividend paid	347	173
	- Recovery of loan	249,630	20,616
	- SAP maintenance fee	112	344
ii. Holding company			
The Searle Company Limited	- Dividend paid	78,018	39,009
	- Purchase of goods	219,375	319,671
	- Claims	5,238	-
	- Reimbursement of expenses	30,985	16,747
	- Utilities	2,110	564
	- Rent expense	3,208	434
	- Bank Guarantee Margin	7,633	-
	- Sale of goods	-	666
iii. Associated companies			
IBL Operations (Private) Limited	- Sale of goods	1,585,030	1,609,464
	- Shared costs	7,620	7,200
United Brands Limited	- Sale of goods	75,100	4,043
Searle Biosciences (Private) Limited	- Purchase of goods	35,833	-
	- Discounts	21,921	-
IBL Unisys (Private) Limited	- SAP maintenance fee	-	745
IBL Logistics (Private) Limited	- Cartage and freight charges	9,562	-
United Distributors Pakistan Limited	- Dividend paid	2,368	1,184
United Retail (SMC) Private Limited	- Rental income	351	-
	- Other income	413	-
iv. Other related parties			
Employees' Provident Fund	- Contribution paid	8,452	7,609
Key Management Personnel *	- Salaries and other employee benefits	83,836	67,740
	- Director's fee and conveyance	2,050	950
	- Sale of goods	612	740

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

30.1 The status of outstanding balances with related parties as at June 30, 2021 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.

30.2 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

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

* Direct holding of International Brands Limited is 0.32%.

31. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

	2021	2020	2021	2020
	Chief Executive Officer		Executives	
	Rupees in '000			
Managerial remuneration	8,232	7,748	46,432	51,381
Bonus and incentives	14,235	3,856	20,003	13,309
Leave fare assistance and leave encashment	605	800	4,705	2,733
Company's contribution to the Provident fund	715	645	4,078	4,327
Housing and utilities	3,934	3,552	22,431	24,057
	27,721	16,601	97,649	95,807
Number of persons	1	1	14	15

31.1 In addition to above, fee to six non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.77 million (2020: Rs. 0.39 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

32.	NUMBER OF EMPLOYEES	2021	2020
	Number of employees at year end	281	262
	Average number of employees during the year	284	249

33. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

- 33.1** The Board of Directors in its meeting held on **September 29, 2021** proposed a cash dividend of **Re. 01** per share (2020: Rs. 02) amounting to Rs. 54.09 million (2020: Rs. 108.174 million) and bonus shares 20% (2020: Nil) at proportion of 20 shares for every 100 shares held subject to approval of members at the forthcoming annual general meeting. This would be recognised in the Company's financial statements in the year in which such dividend and distribution are approved.

34. CORRESPONDING FIGURES

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

35. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on **September 29, 2021**.



Chief Executive



Director



Chief Financial Officer

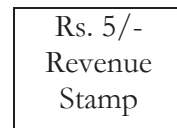
Proxy Form

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

I/We _____ son/daughter/wife/husband of _____,
Shareholder of IBL HealthCare Limited, holding _____ ordinary shares hereby appoint
_____ who is my _____ [state relationship (if
any) with the proxy; required by Government Regulations] and the son /daughter/wife/husband of
_____, (holding _____ ordinary shares in the company under folio
no. _____) [required by Government] as my /our proxy, to attend and vote for me /us
and on my/our behalf at the Annual General Meeting of the Company to be held on October 28,
2021 and/or any adjournment thereof.

Signed this _____ day of _____ 2021.

Witness:



1. _____

Signature of Member (s)

Shareholder Folio No. _____

2. _____

CDC Account No. _____

Note:

1. The member is requested:
 - I. To affix revenue stamp of Rs.5/- at the place indicated above.
 - II. To sign across the revenue stamp in the same style of signature as is registered with the company
 - III. To write down their folio number.
2. In order to be valid, this proxy must be received at the registered office of the company at least 48 hours before the time fixed for the meeting, duly completed in all respects.
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.

پراکسی فارم

دی سیکریٹری

آئی بی ایل ہیلتھ کیئر لمیٹڈ

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

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

میں/ہم _____ پسر/دختر/زوجہ/خاوند بابت _____ شیئر ہولڈر آئی بی ایل ہیلتھ کیئر لمیٹڈ
حامل _____ عمومی شیئرز بذریعہ ہذا _____ کو مقرر کر رہے ہیں جو میرے
(رشتہ بیان کریں) (اگر کوئی ہے) پراکسی ہیں، جیسا کہ حکومتی ضوابط کے تحت ضروری ہے، اور پسر/دختر/زوجہ/خاوند
بابت _____ حامل _____ کمپنی کے عمومی شیئرز فولیو نمبر _____ کے تحت
(حکومت کی جانب سے لازمی، اگر پراکسی کمپنی کا شیئر ہولڈر نہیں ہے) بطور میرے/ہمارے پراکسی میری/ہماری اور میرے/ہمارے جانب سے کمپنی کے
سالانہ اجلاس عام منعقدہ 28 اکتوبر 2021ء یا کسی زیر التوا تاریخ پر ہونے والے اجلاس میں میری/ہماری جانب سے شرکت کریں گے اور ووٹ کا حق
استعمال کریں گے۔

دستخط شدہ بتاریخ _____ دن _____ 2021ء

گواہ نمبر 1:

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

5/- روپے مالیت کے ریونیو
اسٹیپ پر دستخط کریں

ممبر (ممبرز) کے دستخط

دستخط:

نام:

سی این آئی سی نمبر:

پتہ:

گواہ نمبر 2:

دستخط:

نام:

سی این آئی سی نمبر:

پتہ:

نوٹ:

۱۔ ممبر سے درخواست ہے کہ:

- مذکورہ بالا نشان زدہ جگہ پر 5/- روپے مالیت کا ریونیو اسٹیپ چسپاں کریں۔
- ریونیو اسٹیپ پر اسی انداز میں دستخط کریں جیسا کہ کمپنی کے پاس رجسٹرڈ ہیں۔
- اپنا فولیو نمبر صحیح درج کریں۔

(iv) اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ/ پاسپورٹ/ بورڈ کی قرارداد اور پراکسی کے سی این آئی سی کی کاپی پراکسی فارم کے ساتھ منسلک کر کے جمع کرائیں۔
۲۔ کارآمد ہونے کے لئے یہ ضروری ہے کہ یہ پراکسی کمپنی کے رجسٹرڈ آفس میں اجلاس کے لئے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل ہر طرح سے مکمل صورت میں جمع
کرا دیے جائیں۔

۳۔ سی ڈی ایس شیئر ہولڈرز یا ان کے پراکسیز اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ مع پارٹیشنٹ کا آئی ڈی نمبر اور ان کے اکاؤنٹ نمبر اپنی شناخت میں
سہولت کے لئے ہمراہ لائیں مفصل طریقہ کار غیر معمولی اجلاس عام کے نوٹ میں درج ہے۔

IBL HealthCare Limited
2nd Floor, One IBL Centre,
Plot # 1 Block 7 & 8, (DMCHS),
Tipu Sultan Road,
off: Shakra-e-Faisal Karachi.
www.iblhc.com