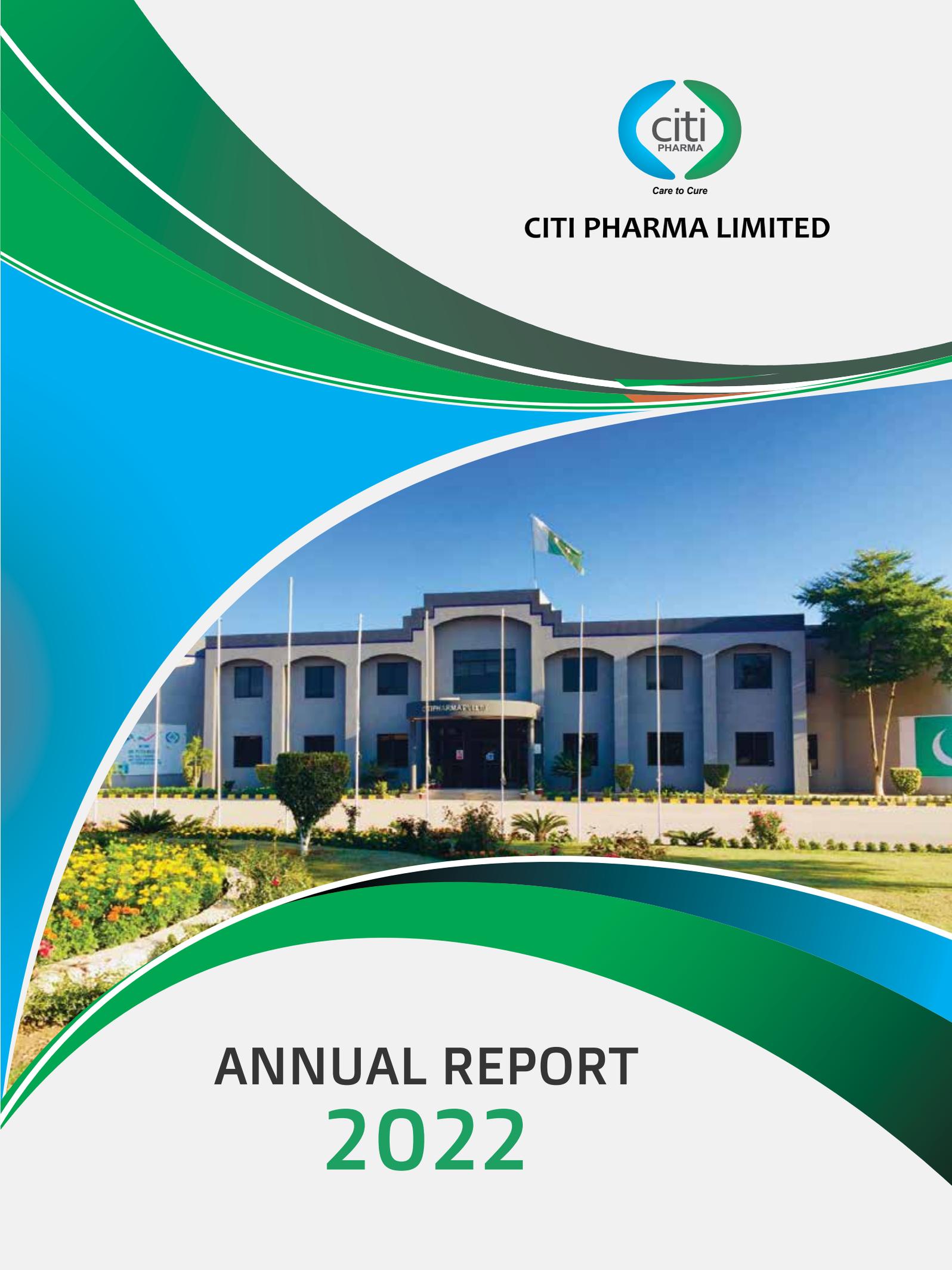




Care to Cure

CITI PHARMA LIMITED



ANNUAL REPORT
2022

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COMPANY INFORMATION

Board of Directors

Mr. Nadeem Amjad
Chairman

Mr. Rizwan Ahmad
Chief Executive Officer

Zamir Ul Hassan Shah
Executive Director

Ms. Saira Aslam
Non-Executive Director

Mr. Muhammad Naeem
Non-Executive Director

Mr. Abdul Jaleel Shaikh
Independent Director

Ms. Farzin Khan
Independent Director

Audit Committee

Mr. Abdul Jaleel Shaikh
(Independent Director)
Mr. Nadeem Amjad
(Non-Executive Director)
Mr. Muhammad Naeem
(Non-Executive Director)

Human Resource & Remuneration Committee

Ms. Farzin Khan
(Independent Director)
Mr. Zameer Ul Hassan Shah
(Executive Director)
Mr. Rizwan Ahmad
(Executive Director)

Chief Financial Officer

Mr. Asif Iqbal

Company Secretary & Head of Legal

Mr. Muhammad Riaz

Head of Internal Auditor

Muhammad Ishaq

External Auditors

Aslam Malik & Co
Chartered Accountants

Share Registrar

F.D Registrar Services (Pvt) Ltd

Bankers

Habib Metropolitan Bank Limited
Habib Bank Limited- Islamic
Samba Bank Limited
Soneri Bank Limited
Bank of Punjab Limited
National Bank of Pakistan
Bank Al Habib Limited
Meezan Bank Limited

Head Office

588-Q Block, M.A., Johar Town, Lahore
Tel: +92-42-35316587

Registered Office

3-KM, Head Balloki Road, Bhai Pheru, Distt
Kasur
Tel: +92-49-4510189, 4513392
Fax: +92-49-4510191
E-Mail: corporate@citipharma.com.pk
Website: www.citipharma.com.pk

CHAIRMAN'S REVIEW

ON BOARD'S OVERALL PERFORMANCE U/S 192 OF THE COMPANIES ACT 2017

I am pleased to present the Review Report to the shareholders on the Board's overall performance and effectiveness in achieving the Company's objectives.

Review of Overall Performance and Effectiveness of the Board

The Board has diligently carried out its roles and responsibilities and contributed to the Company's strategic leadership.

The Board has reviewed the Company's financial statements periodically along with all governance matters such as the transparency of disclosures, policies, corporate plans, budgets, and regulatory requirements.

The Company continues to face challenging business environment in the light of massive currency devaluation and very high financing & inflation rate. The Board monitors the whole situation very closely and guides the management to overcome these challenges. Appropriate safeguards have been taken to minimize the impacts of these adverse fluctuations on the Company.

The composition of the Board of Directors reflects a mix of varied backgrounds to provide quality strategic direction to the management. The Board has also formed subcommittees,

including the Human Resource & Remuneration Committee, the Audit Committee and the Investments Committee. These subcommittees are operating effectively within the framework of law.

The Board has approved a risk management framework with a vision to implement a robust system of internal controls and provide an effective control environment for compliance with the best practices of Corporate Governance. The Board has also stressed on high standards of honesty and integrity as pivotal factors for success of the business and Company.

The members of the Board have rich and vast experience. Committees of the Board have provided excellent support in fulfilling Board's mandatory responsibilities including ensuring compliance by the Company with all legal and regulatory requirements and effectiveness of internal controls. Based on an evaluation, the overall role performed by the Board and its Committees have been found satisfactory and effective.

I would like to appreciate members of the Board for their able guidance, support received from all stakeholders including committed efforts of our employees.

Nadeem Amjad
Chairman

CEO MESSAGE

It gives me great pleasure to address you all after another successful year. Despite the challenges and disruptions during the year due to political uncertainty and economic crises, our business segments were able to perform well and deliver excellent results. The outgoing year was full of challenges and under the current circumstances we have continued to fulfill the promise and commitment to all our stakeholders.

During the year under review our company has performed well not only in financial terms but also successful to secure the approval of carbapenem and Nutraceutical facilities from the DRAP. In the coming year we have a plan to commence the establishment of a state-of-the-art facility of forward and backward integration. Moreover, we have also planned to establish a complete health care facility, which includes 200 beds capacity hospital, which is already in the approval process, along with research based medical science university with an inhouse facility of practical training.

We are convinced that our investors, partners and employees depend on us to protect their investments and deliver the level of returns needed to meet their financial obligations. By exercising a culture that strives to avoid undue risk, we are able to protect capital and increase shareholders 'value. Our Management Team also understands that our high standards of integrity places great value on doing the right things and on doing things right. We are proud that our efforts to build a great Company have been recognized locally, regionally and internationally by our competitors and our peers.

Our investment in the upgrade of our manufacturing facilities with the addition of a new top of the line sterile area is a prime example of our commitment to a long-time strategy. During a difficult time of political and economic instability, we continued to support a highly skillful labor force, a team of highly trained professionals and a great management team in achieving our operating synergies and in growing our business regionally, while taking a futuristic viewpoint to further fortify our investment in order to increase our equity value.

We are always looking to the future, anticipating changes in the needs of our customers and shaping our business strategy in order to lead the industry towards a new Possibilities.

In the end I would like to extend my personal and genuine appreciation to all our Citi family for their valuable contribution to Citi Pharma Limited. I would like also to thank all our stakeholders, including our shareholders and customer for their trust and support during this time. Let us move forward to another successful coming year.

Rizwan Ahmad
Chief Executive

VISION STATEMENT

We aim to be among the top pharmaceutical companies in Pakistan by constantly evolving and bringing home innovative products in healthcare segment.

MISSION STATEMENT

Citi Pharma's mission is to dedicate itself exceptional value through creation of innovative & cost-effective pharma products and develop a corporate culture that rewards initiative, enthusiasm and ethical practices.



DIRECTOR'S PROFILE



Mr. Nadeem Amjad

Chairman

Mr. Amjad is also an early age entrepreneur with over 3 decades of profession business experience. Early on in his career, he has remained involved with trading businesses, dealing in Jewelry, Computer Micro-chips & Hardware, Telecommunications business.

He is a well-organized entrepreneur with an impeccable reputation of successful business ventures across the far east, middle east and Pakistan. He was the person behind the growth of the family businesses into various fields as well as geographies. He expanded the family business into the Hong Kong Real Estate business as well as hospitality.

He holds an MBA from University of London.



Mr. Rizwan Ahmad

CEO

Mr. Rizwan Sheikh is the Chief Executive Officer of the Company. He is widely recognized as one of the leading thought leaders, entrepreneurs and Chief Executives in Pakistan's pharma sector.

Mr. Sheikh entered into the world of business at an early age, when he joined the family telecommunications business under the name of Citi Phones (Pvt.) Limited. He gained considerable success as he graduated the business from a retailer to an importer. Later on, he joined the family business in Hong Kong and ventured into telecommunications, real estate, hospitality (restaurants) and pharma (API) trading. In 2007, Mr. Sheikh established a mobile phone manufacturing plant in Chinese province of Shenzhen and set up a trading company, "Discover Wireless" in Dubai, UAE. Since 2012, he has been spearheading CPHL successfully, transforming the Company from a loss-making entity to a profitable one.

Mr. Rizwan holds an LLB (Bachelors of Law) from University of Punjab. After completing his bachelors, he studied law further from the University Law College.

Until recently, he was a Member Board of Management, Pakistan Drugs Testing and Research Center (a Government of Punjab undertaking), which is an independent contract research organization carrying out drugs' testing and bioavailability/bioequivalence (BA/BE) studies and providing clinical, analytical and bio analytical chemistry services. He was also a member of the Expert Panel (Ministry of Health, Pakistan) for inspection of bioequivalence centers.

DIRECTOR'S PROFILE



Mr. Abdul Jaleel Sheikh
Independent Director

Mr. Jaleel is serving as Group Head Operations of Pak Brunei Investment Company and also holds nominee directorship in Nimir Industrial Chemicals Limited and Haq Bahu Sugar Mills Limited. Mr. Shaikh brings with him more than thirty years of diversified experience in Project Management & Civil Engineering, Corporate Finance, Credit Administration, Human Resource Management and General Administration. Mr. Shaikh worked as an engineer for ten years in Saudi Arabia before joining Saudi Pak Industrial & Agricultural Investment Company in Islamabad. He remained with the Company for twenty years and was a key member of the senior management team involved in all strategic business decisions. He represented SAPICO on the boards of various manufacturing and service sector companies. Amongst other, these included Saudi Pak Commercial Bank, Saudi Pak Insurance Company, Fecto Cement Co. Ltd. and Japan Power Generation Co. Ltd.



Ms. Farzin Khan
Independent Director

Ms. Farzin is presently serving as National Programme Manager – Anti Corruption/AML/CFT at United Nations Office on Drugs & Crime (UNODC) Pakistan. Previously, she has served as Deputy Chief of Project for USAID's Financial Market Development (FMD) Project. In her recent roles with leading donors in the development sector, she has handled extensive support portfolios at national level for various regulatory and financial institutions and gained extensive experience of Financial Oversight & Regulation, Compliance & Corporate Governance, Stakeholder Communications & Advocacy, Project Management & AML/CFT Compliance mechanisms.

Ms. Farzin has twelve years of local and regional experience across legal & regulatory enforcement agencies, regional governmental bodies and donor sectors. She has served for ten years as the Deputy Secretary General of the South Asian Federation of Exchanges (SAFE)-an industry association comprising of 24 securities market institutions from South Asia as well as from Mauritius and UAE. In her earlier assignments, Ms. Farzin worked in a number of national level regulatory institutions such as the Competition Commission of Pakistan (CCP) as well as the Securities and Exchange Commission (SECP).

In recent years Ms. Farzin has worked on a number of corporate governance assignments and successfully graduated as a Certified Director from the Lahore University of Management Sciences (LUMS) as per SECP approved program. She speaks regularly at seminars and events at regional and national level on her areas of expertise as well as growing role of Women in financial world.

Ms. Farzin has an extensive educational and training background. She holds an MBA in Finance as well as a Masters in Financial Management from the University of Bedfordshire Business School, United Kingdom, besides having attended many other career development programs, seminars and conferences. She also has the distinction of being an IVLP Scholar under the United States funded Program on Financial Reforms. Alongside her professional accomplishments, she is happily married for sixteen years and has a thirteen years old son. In her own words, she greatly values work life balance and promotes organizational commitment for promoting gender equality and an enabling rather encouraging environment for female professionals.

DIRECTOR'S PROFILE



Mrs. Saira Aslam
Non-Executive Director

Mrs. Saira Aslam is an Bsc from Lahore Garrison College and is associated with CPHL as a Director. She actively participates in the philanthropy in the city of Lahore and is considered to be one of the active philanthropists in the city.



Dr. Zameer Ul Hassan
Director

Dr. Shah is an experienced pharmaceutical sector professional with over 2 decades of experience in leading local and MNC companies. He is currently working as Director Operations of CPHL and is in charge of all production related matters. Prior to joining CPHL in 2002, Dr. Shah was involved with leading pharma sector players such as Global Pharmaceuticals (Pvt.) Limited, Caraway Pharmaceuticals, Cirin Pharmaceuticals Pvt. Limited, Merck Marker in Pakistan. He has also worked internationally with Tabuk Pharmaceutical Manufacturing Company – Riyadh, Saudi Arabia and Shifa Jeddah Polyclinics.

Throughout his career, he has been involved with the production of various penicillin, cephalosporin and psychotropic medicines.

He has completed his Master of Philosophy in Pharmaceutics from Gomal University (D.I. Khan). During his M. Phil, his thesis was on Bioequivalence Study of 400mg dispersible tablets (deferasirox) in comparison to Asurna 400 mg dispersible tablets by a leading MNC.

Following his M. Phil, he obtained a PhD in Pharmaceutics from Sargodha University.



Mr. Muhammad Naeem
Non-Executive Director

He has more than 25 years of experience in retail sector, covering mostly electronic items and mobile phones. He serves as the Director of Citi Pharma Limited.

PROFILE OF KEY MANAGEMENT



Mr. Asif Iqbal
Chief Financial Officer

Mr. Asif Iqbal is the Chief Financial Officer at CPHL since last three years. He has vast experience in raising debt financing and equity financing from institutional and individual investors. He has contributed towards listing of CPHL at Pakistan Stock Exchange and made successful IPO of CPHL in coordination with renowned consultants. Mr. Asif has good relationships and reputation in financial markets. He holds extensive experience of more than 12 years in finance, financial reporting and corporate taxation and audit & assurance and has previously been associated in various finance related roles. He is a member of Pakistan Institute of Public Finance Accountants, and holds Certificate in Accounting and Finance (CAF) from Institute of Chartered Accountants of Pakistan. He has completed his Bachelor's in Commerce (B. Com) in 2008.



Mr. Muhammad Riaz
Company Secretary & Head of Legal

Mr. Muhammad Riaz is working at Citi Pharma Limited since 2020 and successfully completed the conversion process of Citi pharma (Pvt.) Limited to Public unlisted and subsequently accomplish the process of listing and met with all the pre & post listing requirements with SECP, CDC and PSX.

He holds the degree of MBA & LLB by qualification. He holds approx. 16 years of professional experience covering multifaceted concerns ranging from both the Public and the Private sectors of the economy. Areas of his professional experience & expertise include Direct & Indirect taxes, Corporate and Legal Services.

Positions previously held include:

- Senior Manager Corporate Affairs (Systems Limited)
- Assistant Manager Corporate & Tax (KPMG Taseer Hadi & Co)
- Corporate & Tax Executive (The TAQ Organization)



Mr. Muhammad Javed Rafique
Head of Sales

Mr. Javed Rafique is an MBA Marketing (VU Lahore). He has the vast experience of serving the corporate sector which includes the following.

- Morgan Technologies Karachi Feb. 2008 to Oct 2009 (Area Sales Manager Central & North)
- Causeway International Karachi Sep. 2009 to Dec. 2018 (Regional Sales Manager Central & North)
- Citi Pharma Pvt Limited Lahore Jan. 2019 to till Dated (Head of Sales and Marketing All Pakistan)
- Having experience of International Marketing as Sales Manager in Holland 2007.

DIRECTOR'S REPORT

The Board of Directors of Citi Pharma Limited (the "Company") is pleased to present the Annual Report along with the Audited financial statements for the year ended June 30, 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is manufacturing and sale of pharmaceuticals, medical, chemicals and botanical products.

OVERVIEW OF ECONOMY AND BUSINESS

During the period under review, in spite of Country's substantial economic growth to around 6% in GDP and boost in export to all time high, country is facing serious balance of payment task due to higher import bill and extraordinary international price hike in energy and commodity prices. The major impact was result of Russian and Ukrainian war. The Government in the wake of managing its foreign currency reserves have made efforts to curtail import bill which has resulted in negative impact on economy. Rising cost, depreciation of local currency, increase in interest rate coupled with extra ordinary rain and flood situation creating rehabilitation issues and food security problems are the major challenges for economic growth for FY 2023. Thus economic growth is expected to remain under severe pressure and balance of payment challenge situation remains a serious challenge.

OVERVIEW OF FINANCIAL PERFORMANCE OF THE COMPANY

For the year ended June 30, 2022, the Company achieved net sales of Rs. 9,779 as compared to Rs. 5,795 million, an increase of 69%. The Gross Profit for the period under review has been achieved at Rs. 1,352 million, compared to Rs. 780 million last year exhibiting increase in Gross margin of 13.83% over last year. The gross margin closed a bit suppressed due to impact of abnormally high inflation along with uneven fluctuation in forex exchange rate in the last quarter. Net profit of the Company has improved to Rs. 635 million as compared to Rs. 351 million of the previous year, hence an increase of almost 81%, in spite of levy of additional super tax of almost Rs. 100 million along with listing expenses which the Company paid during the year under review.

During the financial year, Ministry of National Health Services, Government of Pakistan has approved the layout plan of Nutraceutical and Carbapenem facility of the Company. This is another achievement for the Company and addition of new products portfolio which will increase in profit margins and also pave way for the Company to be one of leading pharmaceutical national brands of the Country.

EARNING PER SHARE

Dilutive earning per share in the current year is Rs. 2.80 per share and in the last year it was 2.07 which shows a growth of 35% in earning per share from last year.

COMPOSITION OF BOARD OF DIRECTORS

The Citi Pharma Limited has an independent and objective Board. The roles of the Chairman and the Chief Executive are different and each has a clearly defined in functional profile. In addition, both the Audit and HR committees are chaired by independent directors. There are 7 Board members including 2 female and 5 male directors, whereas current composition of the Board is as follows;

Sr. No.	Category	Name
1	Independent Director	1. Mr. Abdul Jaleel Shaikh 2. Ms. Farzin Khan
2	Executive Director	1. Mr. Rizwan Ahmad 2. Mr. Dr. Zameer Ul Hassan Shah
3	Non-Executive Director	1. Mr. Nadeem Amjad 2. Mr. Muhammad Naeem 3. Ms. Saira Aslam

COMMITTEES OF THE BOARD

a. Audit Committee

Audit committee comprises of three members from the Board. The chairman of the Board is an independent director as required in the CCG Regulations 2019 while the other two are non-executive directors. The Board of Directors has set out terms of reference for the audit committee. The Audit Committee reviews the annual and quarterly financial statements, internal audit reports and holds its meeting prior to the Board meetings. The following are the members of the Audit Committee.

DIRECTOR'S REPORT

Name	Designation
Abdul Jaleel Shaikh	Chairman/Independent Director
Nadeem Amjad	Non-Executive Director
Muhammad Naeem	Non-Executive Director
Muhammad Riaz	Secretary to the Audit Committee

b. Human Resource & Remuneration Committee

The Committee consists of three members from the Board; one is independent director and two are executive directors. The Chairman of the Committee is the independent director. The Committee reviews and formulates the HR & management policies of the company. The Committee is also responsible for the remuneration of employees and ensures that it is aligned with the Company's business strategy and long-term interests. The following are the members of the Human Resource committee:

Name	Designation
Farzin Khan	Chairman/Independent Director
Rizwan Ahmad	Executive Director
Zameer Ul Hassan Shah	Executive Director

BOARD OF DIRECTOR'S MEETING AND ATTENDANCE

The board of directors met Six (6) times in FY 2022 and all these meeting were held in the Pakistan.

AUDIT COMMITTEE

Board Audit Committee: Four (4) meetings have been convened during the financial year ended June 30, 2022.

Human Resource, Remuneration and Nominations Committee Meetings

Human Resource, Remuneration and Nominations Committee Meetings were held one (1) time during the financial year ended June 30, 2022.

DIRECTOR'S TRAINING PROGRAM

Out of seven Directors of the Company, two directors

have completed the training under the Director's Training Program and the company has planned to conduct the director's training program of remaining directors in upcoming financial year.

All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

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

The Board is well versed with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has taken relevant steps to ensure compliance with the same, along with the management. Please refer to the review report on the Statement of Compliance issued by the external auditors of the Company further to the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the Annual Report.

ADEQUACY OF INTERNAL AND FINANCIAL CONTROLS

The Board has established effective internal financial controls across all functions. The independent Internal Audit function of the Company regularly monitors the implementation of financial controls, and the Audit Committee reviews it.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- We are pleased to report that the Company has taken necessary steps to comply with the provisions of the Code of Corporate Governance as a result of its listing at the Pakistan Stock Exchange.
- The financial statements prepared by the management of the Company, represent fairly its state of affairs, the result of the operations, cash flows, and changes in equity.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- Proper books of accounts have been maintained by the Company.
- Financial reporting is based on the approved

DIRECTOR'S REPORT

International Accounting Standards as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.

- There is no significant doubt about the Company's ability to continue as a going concern.
- The system of internal control is continuously being monitored by Internal Audit and will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.

RELATED PARTY TRANSACTIONS

The Company ensures compliance with Code of Corporate Governance for all the related party transactions. The details of these transactions are provided in note no. 36 of the annexed financial statements.

OPERATING AND FINANCIAL DATA

Operating and financial data of the company for the last six years is annexed.

MATERIAL CHANGES

There have been no material changes and the Company has not consciously entered into any commitment that will affect its financial position.

SUBSEQUENT EVENTS

No material changes affecting the Company's financial position have occurred between the statement of financial position date and date of this report.

MATERIAL CHANGES

There have been no material changes and the company has not consciously entered into any commitment that will affect its financial position.

PATTERN OF SHAREHOLDING

Pattern of shareholding is annexed with the report in accordance with the Companies Act, 2017 as at June

30, 2022.

AUDITORS

The present Auditors M/s Aslam Malik & Co, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2023 at a mutually agreed fee.

DIVIDEND

Your company remains committed to both increasing its shareholders' wealth and providing sustainable returns over a longer term. The company's diversification plan over the years, most of which has been financed by internally generated cash flows, has not only fulfilled this commitment but has also started bearing fruits. Despite the uncertain times arising due to global food and energy crisis, increasing foreign exchange rates, soaring inflation and political instability, the company has continued with its expansion and diversification strategy which involves capital expenditure.

Keeping in view the above, the Directors have not proposed any dividend for the year ended June 30, 2022. The company and its director's commitment, towards its shareholders, is staunchly invested in creating long term value and profitability through expansion and diversification which is to be funded through equity.

RISK OF MANAGEMENT

As part of its responsibilities, the Board of Directors have always kept a close watch on socio-economic environment and consequential internal and external risks that might impact the safe and smooth operations of the Company and remained vigilant in identifying and mitigating risks throughout the year: The Board identified potential risks, assessed their impact on the Company and formulated strategies to mitigate any and all foreseeable risks to the business. These strategies will be enforced through Audit Committee to ensure that no gaps remained in risk mitigation.

DIRECTOR'S REPORT

RISK ASSESSMENT

Business face numerous uncertainties that might pose threats to its objectives and if not addressed may cause preventable losses. The Board has carried out vigilant and thorough assessment of both internal and external risks that the Company might face. Rising cost of raw material is the most imminent risk facing the Company and devaluation of Pak Rupee has made this risk more vulnerable. In addition extraordinary increase in cost of electricity has risen a major risk too.

CORPORATE SOCIAL RESPONSIBILITY

As part of its CSR mandate, Citi Pharma invests heavily in uplifting communities and advocating human rights. Our social investments are primarily centered around areas near our plant site, with focus on providing education, livelihood, healthcare, and vocational trainings to the underprivileged and provision of free of cost medical facility to the underprivileged people near our plant site.

ENVIRONMENT, HEALTH AND SAFETY

The Company maintains the safe and secure environment and consider it our duty to ensure that people who work for us know how to work safely and without any risks to their health. The health and safety of our employees and visitors is a high priority for the Company. Therefore, appropriate hazards associated with operations are continuously identified, assessed and managed to eliminate or reduce risks.

REMUNERATION POLICY

The Independent Directors of the Company are entitled to a remuneration recommended by Human Resource, Remuneration and Nominations Committee (HRR&NC) and approved by the Board, based on market benchmark of the consumer healthcare industry and other similar style of business.

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

A detailed note on the remuneration of the Chief Executive Officer, Directors and Executives for the

year 2022 are provided in note no. 37 of the annexed financial statements.

CAPITAL EXPENDITURE

The capital expenditure for the year ended June 30, 2022 amounted to Rs. 586 million.

FUTURE OUTLOOK AND CHALLENGES

The following expansion is underway:

API segment:

In the wake of the COVID-19 pandemic and after effects of flood in shape of Malaria and periodically erupting dengue issue, demand for Paracetamol witnessed a surge. Moreover, health awareness and health spending has also risen. CPHL expand their existing capacity of 3,600 tons per annum of Paracetamol to 5,400 tons per annum and intends to increase it in 6,000 tons per annum. Further to this, CPHL added new APIs to its existing product line, i.e. (i) Ascorbic Acid, (ii) Chloroquine Phosphate, and (iii) Hydroxychloroquine Sulfate; these will also add formulation products of the same to the Company's portfolio.

Particulars	Capacity (Tons) Per Annum
Ascorbic Acid	1,300
Chloroquine Phosphate	300
Hydroxychloroquine Sulfate	300

FORMULATION SEGMENT

In the Formulation Segment, the Company build three manufacturing facilities taking total capacity to 200,000 vials/injectable per day, dry powder/suspension 60,000 bottles per day, capsules 4,200,000 per day, and tablets 4,500,000 per day. These include dedicated lines for:

- Penicillin 36;
- Cephalosporin; and
- Psychotropic & Narcotics drugs 37.

As per guidelines of DRAP, in API manufacturing a separate dedicated line is required to eliminate any chances of cross contamination. CPHL's in-house

DIRECTOR'S REPORT

engineering team shall be responsible for civil, electrical and mechanical work for both API and formulation. Further, they will also be responsible for procurement and installation of machinery for both the API and Formulation.

Business environment of the Country has become very challenging because of massive currency devaluation, spiraling inflation and high interest rate. The recent change in macroeconomic factors has worsened the climate for the industry significantly. The increase in monetary policy rate by 800 bps and the devaluation of Pakistani Rupees by 30% will significantly impact sustainability unless price adjustments are urgently granted to address the crisis. Along with the adverse change in macroeconomics factors, the Government of Pakistan further exacerbated the situation by introducing multiple taxation measures, including a super tax levy of 10% on Pharmaceutical Sector and sales tax on raw materials import (through a change in industry's status from Exempt to 17%).

In the Finance Act, 2022, Government of Pakistan again changed the industry's status from 17% to reduced rate of 1%, whereby non-adjustable 1% input and output sales tax has been levied on the industry's 'Active Pharmaceutical Ingredients' (APIs) and 'Finished Goods' imports respectively. This additional sales tax cannot be claimed nor transferred to the end consumers. The management has taken proactive measures to address these challenges.

We are optimistic that the year FY 2023 will continue to contribute to successful execution of all our plans. The investment plans have been structured to bring more innovative solutions to our customers. Focus on systems, capacity enhancement and market penetration have positioned your Company to further consolidate leadership position in all categories it operates in.

ACKNOWLEDGMENT

The Company remains grateful to its shareholders, employees, business partners and all other stakeholders for their confidence in the Company and their support in the Company's journey on the path of growth and prosperity.

For and on behalf of the of Board



(Rizwan Ahmed)
Chief Executive Officer



Nadeem Amjad
Chairman

Lahore
Dated: September 23, 2022

ڈائریکٹرز رپورٹ

سٹی فار مالیمینڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے لیے نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمی دواسازی، طبی، کیمیکل اور نیا تاتی مصنوعات کی تیاری اور فروخت کرنا ہے۔

معیشت اور کاروبار کا جائزہ

زیر جائزہ مدت کے دوران، ملک کی خاطر خواہ معاشی نمو جی ڈی پی میں تقریباً 6 فیصد اور برآمدات میں اب تک کی بلند ترین سطح پر اضافے کے باوجود، ملک کو زیادہ درآمدی بل اور توانائی اور ایشیا کی قیمتوں میں غیر معمولی بین الاقوامی اضافی وجہ سے شدید ادائیگی کے توازن کا سامنا ہے۔ سب سے زیادہ اثر دہانہ اور یوکرائن کی جنگ کا نتیجہ تھا۔ حکومت نے اپنے غیر ملکی کرنسی کے ذخائر کو سنبھالنے کے تناظر میں درآمدی بل کو کم کرنے کی کوششیں کی ہیں جس کے نتیجے میں معیشت پر منفی اثرات مرتب ہوئے ہیں۔ بڑھتی ہوئی لاگت، مقامی کرنسی کی قدر میں کمی، سود میں اضافے کے ساتھ ساتھ غیر معمولی بارشوں اور سیلاب کی صورت حال سے بحالی کے مسائل اور غذائی تحفظ کے مسائل مالی سال 2023 کے لیے اقتصادی نمو کے لیے بڑے چیلنجز ہیں۔ چنانچہ اقتصادی نمو متعدد باؤ کے تحت رہنے کی توقع ہے اور ادائیگی توازن کی مشکل صورت حال ایک سنگین چیلنج بنی ہوئی ہے۔

کمپنی کی مالی کارکردگی کا جائزہ

30 جون 2022 کو ختم ہونے والے سال کے لیے، کمپنی نے 5,795 ملین روپے کے مقابلے میں 9,779 روپے کی خالص فروخت حاصل کی، جو 69 فیصد کا اضافہ ہے۔ زیر جائزہ مدت کے لیے مجموعی منافع پچھلے سال کے 780 ملین روپے کے مقابلے میں 1,352 ملین روپے حاصل کیا ہے جو پچھلے سال کے مقابلے میں 13.83 فیصد مجموعی مارجن میں اضافہ کو ظاہر کرتا ہے۔ آخری سہ ماہی میں فاریکس ایکسیج ریٹ میں غیر مساوی اتار چڑھاؤ کے ساتھ غیر معمولی زیادہ افراط زر کے اثرات کی وجہ سے مجموعی مارجن قدرے کم ہو گیا۔ کمپنی کا خالص منافع پچھلے سال کے 351 ملین روپے کے مقابلے میں بڑھ کر 635 ملین روپے ہو گیا، اس طرح تقریباً 81 فیصد کا اضافہ ہوا، باوجود کہ تقریباً 100 ملین روپے اضافی سپر ٹیکس کی عائدگی مع فرسٹ سازی کے اخراجات جو کمپنی نے زیر جائزہ سال کے دوران ادا کیے۔

مالی سال کے دوران، وزارت پینشنل ہیلتھ سروسز، حکومت پاکستان نے کمپنی کی نیوٹرا سیڈونیکل اور کار بائیوٹیکل سہولت کے لے آؤٹ پلان کی منظوری دے دی ہے۔ یہ کمپنی کی ایک اور کامیابی اور نئی مصنوعات کے پورٹ فولیو کا اضافہ ہے جس سے منافع کے مارجن میں اضافہ ہوگا اور کمپنی کے لیے ملک کے معروف فارماسیوٹیکل قومی برانڈز میں سے ایک ہونے کی راہ ہموار ہوگی۔

فی حصص آمدنی

موجودہ سال میں فی حصص آمدنی 2.80 روپے فی حصص رہی اور پچھلے سال یہ 2.07 روپے تھی جو پچھلے سال کے مقابلے میں فی حصص آمدنی میں 35 فیصد اضافہ کو ظاہر کرتی ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

سٹی فار مالیمینڈ کا ایک غیر جانبدار اور اونڈیکو بورڈ ہے۔ چیئرمین اور چیف ایگزیکٹو کے کردار مختلف ہیں اور ہر ایک کی فنکشنل پروفائل میں واضح طور پر وضاحت کی گئی ہے۔ اس کے علاوہ، دونوں آڈٹ اور ایچ آر کمیٹیوں کی صدارت غیر جانبدار ڈائریکٹرز کرتے ہیں۔ بورڈ کے 7 ممبران ہیں جن میں 2 خواتین اور 5 مرد ڈائریکٹرز شامل ہیں، جبکہ بورڈ کی موجودہ تشکیل حسب ذیل ہے۔

نمبر شمار	کیٹیگری	نام
1	غیر جانبدار ڈائریکٹر	1- جناب عبدالجلیل شیخ 2- محترمہ فرزین خان
2	ایگزیکٹو ڈائریکٹر	1- جناب رضوان احمد 2- جناب ڈاکٹر ضمیر الحسن شاہ
3	نان ایگزیکٹو ڈائریکٹر	1- جناب ندیم احمد 2- جناب محمد نعیم 3- محترمہ سائرہ اسلم

بورڈ کی کمیٹیاں

a- آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کے تین ارکان پر مشتمل ہوتی ہے۔ CCG ریگولیشنز 2019 کے مطابق بورڈ کے چیئرمین ایک غیر جانبدار ڈائریکٹر ہیں جبکہ دیگر دو نان ایگزیکٹو ڈائریکٹر ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کے لیے ٹرمز

ڈائریکٹرز رپورٹ

آف ریفرنس کا تعین کیا ہے۔ آڈٹ کمیٹی سالانہ اور سد ماہی مالیاتی گوشواروں، اندرونی آڈٹ رپورٹس کا جائزہ لیتی ہے اور بورڈ کے اجلاسوں سے قبل اپنے اجلاس منعقد کرتی ہے۔ آڈٹ کمیٹی کے ممبران درج ذیل ہیں۔

نام	عہدہ
عبدالجلیل شیخ	چیئر مین / غیر جانبدار ڈائریکٹر
ندیم امجد	نان ایگزیکٹو ڈائریکٹر
محمد نعیم	نان ایگزیکٹو ڈائریکٹر
محمد ریاض	سیکرٹری آڈٹ کمیٹی

b۔ انسانی وسائل اور معاوضہ کمیٹی

کمیٹی بورڈ کے تین ارکان پر مشتمل ہے۔ ایک غیر جانبدار ڈائریکٹر اور دو ایگزیکٹو ڈائریکٹر ہیں۔ کمیٹی کا چیئر مین غیر جانبدار ڈائریکٹر ہوتا ہے۔ کمیٹی کمیٹی کی HR اور انتظامی پالیسیوں کا جائزہ اور تشکیل دیتی ہے۔ کمیٹی ملازمین کے معاوضے کے تعین کی بھی ذمہ دار ہے اور اس بات کو یقینی بناتی ہے کہ یہ کمیٹی کی کاروباری حکمت عملی اور طویل مدتی مفادات سے ہم آہنگ ہے۔ ہیومن ریسورس کمیٹی کے ممبران درج ذیل ہیں۔

نام	عہدہ
فرزین خان	چیئر مین / غیر جانبدار ڈائریکٹر
رضوان احمد	ایگزیکٹو ڈائریکٹر
ضمیر الحسن شاہ	ایگزیکٹو ڈائریکٹر
محمد ریاض	سیکرٹری برائے ایچ آر اینڈ ریمزیشن کمیٹی

بورڈ آف ڈائریکٹرز کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز کے مالی سال 2022 میں چھ (6) اجلاس ہوئے اور یہ تمام اجلاس پاکستان میں ہوئے۔

آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی: 30 جون 2022 کو ختم ہونے والے مالی سال کے دوران چار (4) اجلاس بلائے گئے ہیں۔

انسانی وسائل، معاوضہ اور نامزدگی کمیٹی کے اجلاس

30 جون 2022 کو ختم ہونے والے مالی سال کے دوران انسانی وسائل، معاوضہ اور نامزدگی کمیٹی کا ایک (1) اجلاس منعقد ہوا۔

ڈائریکٹرز کا ترقیاتی پروگرام

کمیٹی کے سات ڈائریکٹرز میں سے دو ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت تربیت مکمل کی ہوئی ہے اور کمیٹی نے آئندہ مالی سال میں بقیہ ڈائریکٹرز کے لئے ڈائریکٹرز ترقیاتی پروگرام منعقد کرنے کا منصوبہ بنایا ہے۔

تمام ڈائریکٹرز کا رپورٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

بورڈ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضروریات سے بخوبی واقف ہے اور اس نے انتظامات کے ساتھ ساتھ اس کی تعمیل کو یقینی بنانے کے لیے متعلقہ اقدامات کئے ہیں۔ براہ کرم کمیٹی کے بیرونی

آڈیٹرز کی طرف سے جاری کردہ تعمیل کے بیان پر نظر ثانی رپورٹ مزید برآں سالانہ رپورٹ میں لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ملاحظہ کریں۔

موزوں داخلی اور مالیاتی کنٹرول

بورڈ نے تمام کاموں میں مؤثر داخلی مالیاتی کنٹرول قائم کئے ہیں۔ کمیٹی کا خود مختار اندرونی آڈٹ فنکشن مالیاتی کنٹرول کے نفاذ کی باقاعدگی سے نگرانی، اور آڈٹ کمیٹی اس کا جائزہ لیتی ہے۔

ڈائریکٹرز رپورٹ

کارپوریٹ اور مالیاتی فریم ورک

- ہم یہ بخوشی بیان کرتے ہیں کہ کمپنی نے پاکستان اسٹاک ایکسچینج میں اپنے اندراج کے نتیجے میں کوڈ آف کارپوریٹ گورننس کی دفعات کی تعمیل کے ضروری اقدامات کئے ہیں۔
- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- کمپنی نے اکاؤنٹس کی کتابوں کا صحیح ریکارڈ رکھا ہوا ہے۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
- کاروبار جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- داخلی آڈٹ انڈرونی کنٹرول کے نظام مسلسل نگرانی کر رہا ہے اور کنٹرول کو مزید مضبوط بنانے اور نظام میں بہتری لانے کے مقصد کے ساتھ عمل کو جاری رکھے گا۔

متعلقہ پارٹی لین دین

کمپنی تمام متعلقہ پارٹی لین دین کے لیے کوڈ آف کارپوریٹ گورننس کی قیود کو یقینی بناتی ہے۔ ان لین دین کی تفصیلات منسلک مالی بیانات کے نوٹ نمبر 36 میں فراہم کی گئی ہیں۔

آپریٹنگ اور مالیاتی اعداد و شمار

کمپنی کے پچھلے چھ سالوں کا آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

مادی تبدیلیاں

کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی نے شعوری طور پر کوئی ایسا عہد نہیں کیا ہے جس سے اس کی مالی حالت متاثر ہو۔

بعد کے واقعات

مالیاتی پوزیشن کے بیان اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں نہیں ہوئی ہیں۔

مادی تبدیلیاں

کوئی مادی تبدیلیاں نہیں ہوئی ہیں اور کمپنی نے شعوری طور پر کوئی ایسا عہد نہیں کیا ہے جس سے اس کی مالی حالت متاثر ہو۔

شیر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کے مطابق 30 جون 2022 تک شیر ہولڈنگ کا پیرن رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اسلم ملک اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بناء پر، انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے باہمی رضامندی کی فیس پر کمپنی کے آڈیٹرز کے طور ان کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کرتا ہے۔

منافع مقسمہ

آپ کی کمپنی اپنے حصص یافتگان کی دولت کو بڑھانے اور طویل مدت میں پائیدار منافع فراہم کرنے کے لیے پُر عزم ہے۔ کمپنی کے کئی سالوں کے تنوع کے منصوبے، جن میں سے زیادہ تر کی مالی اعانت اندرونی طور پر پیدا ہونے والے نقد بہاؤ کے ذریعے کی گئی ہے، نے نہ صرف اس عزم کو پورا کیا بلکہ اس کے نتائج بھی آشکار ہو گئے ہیں۔ عالمی خوراک اور توانائی کے بحران، زرمبادلہ کی بڑھتی ہوئی شرحوں، بڑھتی ہوئی مہنگائی اور سیاسی عدم استحکام کی وجہ سے پیدا ہونے والے غیر یقینی ادوار کے باوجود، کمپنی نے اپنی توسیع اور تنوع کی حکمت عملی کو جاری رکھا جس میں سرمائے کے اخراجات شامل ہیں۔

مندرجہ بالا کو مدنظر رکھتے ہوئے، ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔ کمپنی اور اس کے ڈائریکٹرز کی وابستگی، اس کے شیر ہولڈرز کے لیے، توسیع اور تنوع کے ذریعے طویل مدتی قدر اور منافع پیدا کرنے میں مضبوط سرمایہ کاری ہے، جو ایکویٹی کے ذریعے فنڈ ڈالی گئی ہے۔

رسک آف منجمنٹ

اپنی ذمہ داریوں کے حصے کے طور پر، بورڈ آف ڈائریکٹرز نے ہمیشہ سماجی و اقتصادی ماحول اور اس کے نتیجے میں پیش آنے والے اندرونی اور بیرونی خطرات پر گہری نظر رکھی ہے جو کمپنی کے محفوظ اور ہموار آپریشنز کو متاثر کر سکتے ہیں

ڈائریکٹرز رپورٹ

اور سال بھر خطرات کی نشاندہی اور ان کو کم کرنے میں چوکس رہے۔ بورڈ نے ممکنہ خطرات کی نشاندہی کی، کمپنی پر ان کے اثرات کا جائزہ لیا اور کاروبار کے لیے کسی بھی اور تمام ممکنہ خطرات کو کم کرنے کے لیے حکمت عملی وضع کی۔ ان حکمت عملیوں کو آڈٹ کمیٹی کے ذریعے نافذ کیا جائے گا تاکہ اس بات کو یقینی بنایا جاسکے کہ خطرے کی کمی میں کوئی خلاء باقی نہ رہے۔

خطرے کی تشخیص

کاروبار کو متعدد غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے جو اس کے مقاصد کے لیے خطرات کا باعث بن سکتی ہیں اور اگر ان کا ازالہ نہ کیا جائے تو نقصانات کو نہیں روکا جاسکتا ہے۔ بورڈ نے دونوں اندرونی اور بیرونی خطرات کا چوکس اور مکمل جائزہ لیا جن کا کمپنی کو سامنا ہو سکتا ہے۔ کمپنی کو درپیش سب سے بڑا خطرہ خام مال کی زیادہ قیمت ہے اور پاکستانی روپیہ کی قدر میں کمی نے اس خطرے کو مزید سنگین بنا دیا ہے۔ اس کے علاوہ بجلی کی قیمت میں غیر معمولی اضافہ بھی ایک بڑا خطرہ ہے۔

کارپوریٹ سماجی ذمہ داری

اپنے CSR مینڈیٹ کے ایک حصے کے طور پر، ہٹی فار ماکیونیز کی بہتری اور انسانی حقوق کی وکالت میں بہت زیادہ سرمایہ کاری کرتا ہے۔ ہماری سماجی سرمایہ کاری بنیادی طور پر ہمارے پلانٹ سائٹ کے قریب کے علاقوں پر مرکوز ہے، جس میں پسماندہ افراد کو تعلیم، معاش، صحت کی دیکھ بھال، اور پیشہ ورانہ تربیت فراہم کرنے اور ہمارے پلانٹ سائٹ کے قریب پسماندہ لوگوں کو مفت طبی سہولت کی فراہمی پر توجہ دی گئی ہے۔

ماحولیات، صحت اور حفاظت

کمپنی حفاظت اور محفوظ ماحول کو برقرار رکھتی ہے اور اس بات کو یقینی بنانا اپنا فرض سمجھتی ہے کہ جو لوگ ہمارے لیے کام کرتے ہیں وہ جانتے ہیں کہ کس طرح محفوظ طریقے سے کام کرنا ہے اور ان کی صحت کو کوئی خطرہ لاحق نہیں ہے۔ ہمارے ملازمین اور مہمانوں کی صحت اور حفاظت کمپنی کی اولین ترجیح ہے۔ لہذا، آپریٹرز سے منسلک خطرات کی مسلسل نشاندہی، تشخیص اور خطرات کو ختم یا کم کرنے کے لیے مناسب انتظامات کئے جاتے ہیں۔

معاوضہ کی پالیسی

کمپنی کے غیر جانبدار ڈائریکٹرز ہیومن ریسورس، ریمیزیشن اینڈ نامینیشن کمیٹی (HRR&NC) کے تجویز کردہ معاوضہ کے حقدار ہیں اور صارفین کی صحت کی دیکھ بھال کی صنعت کے مارکیٹ بیچ مارک اور اسی طرح کے کاروبار کے دیگر طرز کی بنیاد پر بورڈ کی طرف سے منظور شدہ ہیں۔

چیف ایگزیکٹو آفیسر، ڈائریکٹر اور ایگزیکٹوز کا معاوضہ

سال 2022 کے لیے چیف ایگزیکٹو آفیسر، ڈائریکٹر اور ایگزیکٹوز کے معاوضہ پر تفصیلی نوٹ منسلک مالی بیانات کے نوٹ نمبر 37 پر فراہم کیا گیا ہے۔

سرمائے کے اخراجات

30 جون 2022 کو ختم ہونے والے سال کے لیے سرمائے کے اخراجات 586 ملین روپے تھے۔

مستقبل کا نقطہ نظر اور مشکلات

مندرجہ ذیل توسیع جاری ہے:

API سیکمنٹ:

COVID-19 وبائی بیماری کے تناظر میں اور لمبریا کی شکل میں سیلاب کے اثرات اور وقتاً فوقتاً ڈینگی کا مسئلہ پھوٹنے کے بعد، بیرونی سرمایہ کی طلب میں اضافہ دیکھنے میں آیا۔ مزید یہ کہ صحت سے متعلق آگاہی اور صحت کے اخراجات میں بھی اضافہ ہوا ہے۔ اس لیے، CPHL بیرونی سرمایہ کی اپنی موجودہ 3,600 ٹن سالانہ صلاحیت کو 5,400 ٹن سالانہ کر دیا ہے اور اسے 6,000 ٹن تک بڑھانے کا ارادہ رکھتی ہے۔ اس کے علاوہ، CPHL اپنی موجودہ پروڈکٹ لائن میں نئے APIs یعنی (i) اسکاربک ایسڈ، (ii) کلورو کین فاسفیٹ، اور (iii) ہائیڈروکسی کلورو کین سلفیٹ شامل کرنے کا ارادہ رکھتی ہے؛ اس کے بعد، یہ کمپنی کے پورٹ فولیو میں اسی کے فارمیویشن پروڈکٹس کو بھی شامل کریں گے۔

تفصیلات	صلاحیت (ٹن) سالانہ
اسکاربک ایسڈ	1,300
کلورو کین فاسفیٹ	300

ڈائریکٹرز رپورٹ

فارمولیشن سیگمنٹ

فارمولیشن سیگمنٹ میں، کمپنی تین مینوفیکچرنگ سہولیات رکھتی ہے جس کی کل صلاحیت 200,000 ایمیلز/انجیکٹ ایبل یومیہ، ڈرائی پاؤڈر/سپیشن 60,000 بوتلیں یومیہ، کپسول 4,200,000 یومیہ، اور گولیاں 4,500,000 یومیہ ہے۔ ان میں مخصوص لائسنس شامل ہیں:

• پینسلن 36؛

• سیفا لوسپورن؛ اور

• سائیکلوٹراپک اور نارکوکسیس دوائیں 37۔

DRAP کی گائیڈ لائنز کے مطابق، API مینوفیکچرنگ میں کراس کنٹامینیشن کے کسی بھی امکانات کو ختم کرنے کے لیے ایک علیحدہ مخصوص لائن کی ضرورت ہے۔ CPHL کی ان ہاؤس انجینئرنگ ٹیم دونوں API اور فارمولیشن کے سول، الیکٹریکل اور مکینیکل کام کی ذمہ دار ہوگی۔ اس کے علاوہ، وہ دونوں API اور فارمولیشن کے لیے مشینری کی خریداری اور تنصیب کے بھی ذمہ دار ہوں گے۔

کرسی کی قدر میں بڑے پیمانے پر کمی، بڑھتی ہوئی افراط زر اور بلند شرح سود کی وجہ سے ملک کا کاروباری ماحول بہت مشکل ہو گیا ہے۔ میکرو اکنامک عوامل میں حالیہ تبدیلی نے صنعت کی آب و ہوا کو نمایاں طور پر خراب کر دیا ہے۔ مائیکرو پالیسی شرح میں 800 bps کا اضافہ اور پاکستانی روپیہ کی قدر میں 30 فیصد کمی پائیداری کو نمایاں طور پر متاثر کرے گی جب تک کہ بحران سے نمٹنے کے لیے قیمتوں میں ایڈجسٹمنٹ فوری طور پر نہیں کی جاتی۔ میکرو اکنامک عوامل میں منفی تبدیلی کے ساتھ ساتھ، حکومت پاکستان نے ٹیکس کے متعدد اقدامات متعارف کر کے صورتحال کو مزید خراب کر دیا، جس میں فارماسیوٹیکل سیکٹر پر 10 فیصد سپر ٹیکس اور خام مال کی درآمد پر سٹیل ٹیکس شامل ہے (صنعت کی حیثیت میں 17 فیصد تک سے اسٹیٹ کی تبدیلی کے ذریعے)۔

فنانس ایکٹ، 2022 میں، حکومت پاکستان نے دوبارہ صنعت کی حیثیت کو 17 فیصد سے کم کر کے 1 فیصد کر دیا، جس کے تحت صنعت کے بااثر تیب 'ایکٹو فارماسیوٹیکل اجزاء' (APIs) اور 'ایئر سامان' کی درآمدات پر غیر ایڈجسٹ 1 فیصد ان پٹ اور آؤٹ پٹ سٹیل ٹیکس لگایا گیا ہے۔ اس اضافی سٹیل ٹیکس کا دعویٰ نہیں کیا جاسکتا اور نہ ہی آخری صارفین کو منتقل کیا جاسکتا ہے۔ انتظامیہ نے ان چیلنجز سے نمٹنے کے لیے فعال اقدامات کئے ہیں۔ ہم پُر امید ہیں کہ مالی سال 2023 ہمارے تمام منصوبوں کے کامیاب نفاذ میں اپنا کردار ادا کرتا رہے گا۔ سرمایہ کاری کے منصوبے ہمارے صارفین کے لیے مزید جدید حل لانے کے لیے بنائے گئے ہیں۔ سسٹمز پر توجہ مرکوز کرنے، صلاحیت میں اضافہ اور مارکیٹ میں رسائی نے آپ کی کمپنی کو ان تمام چیلنجز میں قیادت کی پوزیشن کو مزید مستحکم کیا ہے۔

اعتراف

کمپنی اپنے حصص یافتگان، ملازمین، کاروباری شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کی کمپنی پر اعتماد اور کمپنی کی ترقی اور خوشحالی کی راہ پر تعاون کے لیے ان کی شکرگزار ہے۔

منجانب بورڈ

M Nadeem

ندیم امجد

ڈائریکٹر

رضوان احمد

چیف ایگزیکٹو آفیسر

لاہور

CSR (CORPORATE SOCIAL RESPONSIBILITY)

We maintain participative relationship with the society and being a pharma company, continuously invest in the interventions related to health. In addition to our communities, we ensure the well-being and safety of all the stakeholders in our value chain through continuous engagement with relevant stakeholders to uphold the best practices in social responsibility. Giving away our share of kindness is not a part of a larger social responsibility that the society itself has entrusted upon us.

We conduct different health awareness programs.



COMPANY KEY PRODUCTS

I. PRODUCTS PORTFOLIO

API segment

- 1. Paracetamol**, also known as acetaminophen, is a medication used to treat pain and fever. Paracetamol was first developed in 1877 and is the most commonly used medication for pain and fever across the world. It is on the World Health Organization's List of Essential Medicines. Paracetamol is available as a generic medication, with brand names including Tylenol and Panadol among others.



- 2. Penicillin/Amoxicillin** is an antibiotic used to treat a number of bacterial infections. These include middle ear infection, strep throat, pneumonia, skin infections, and urinary tract infections, among others. It is taken orally, or less commonly by injection. Amoxicillin was discovered in 1958 and came into medical use in 1972. It is on the World Health Organization's List of Essential Medicines. It

is one of the most commonly prescribed antibiotics in children. Amoxicillin is available as a generic medication.



- 3. Levofloxacin** is used to treat a variety of bacterial infections. This medication belongs to a class of drugs known as quinolone antibiotics. It works by stopping the bacterial growth and is used to treat bacterial infections. It will not work for viral infections (such as common cold, flu). Levofloxacin was first approved by the FDA in 1996, and was approved in Canada and several South American countries soon after.
- 4. Cefixime/Cephalosporin**, is an antibiotic medication used to treat a number of bacterial infections. Cefixime was patented in 1979 and approved for medical use in the United States in 1989. It is on the World Health Organization's List of Essential Medicines. It is available as a generic medication.

COMPANY KEY PRODUCTS



- 5. Ciprofloxacin** is an antibiotic used to treat a number of bacterial infections. This includes bone and joint infections, intra-abdominal infections, certain type of infectious diarrhea, respiratory tract infections, skin infections, typhoid fever, and urinary tract infections, among others. Ciprofloxacin was patented in 1980 and introduced in 1987. It is on the World Health Organization's List of Essential Medicines and is classified as critically important for human medicine. It is available as a generic medication.



- 6. Cephradine** is in a group of drugs called cephalosporin antibiotics. Cephradine fights bacteria in the body. Cephradine is used to treat infections caused by bacteria, including upper respiratory infections, ear infections, skin infections, and urinary tract infections.

- 7. Norfloxacin** hydrochloride is a synthetic chemotherapeutic antibacterial agent occasionally used to treat common as well as complicated urinary tract infections. Norfloxacin is a broad-spectrum antibiotic that is active against both Gram-positive and Gram-negative bacteria. It functions by inhibiting DNA gyrase, a type II topoisomerase, and topoisomerase IV, enzymes necessary to separate bacterial DNA, thereby inhibiting cell division.

- 8. Aspirin** is used to reduce fever and relieve mild to moderate pain from conditions such as muscle aches, toothaches, common cold, and headaches. It may also be used to reduce pain and swelling in conditions such as arthritis. Aspirin is known as a salicylate and a nonsteroidal anti-inflammatory drug (NSAID). It works by blocking a certain natural substance in your body to reduce pain and swelling. This effect reduces the risk of stroke and heart attack.

- 9. Ibuprofen** is a nonsteroidal, anti-inflammatory drug (NSAID) class that is used for treating pain, fever, and inflammation. Ibuprofen was discovered in 1961 by Stewart Adams at Boots UK Limited and initially marketed as Brufen. It is available under a number of trade names, including Nurofen, Advil and Motrin. It was first marketed in 1969 in the United Kingdom and in the United States in 1974. It is on the World Health Organization's List of Essential Medicines. It is available as a generic medication.

COMPANY KEY PRODUCTS

II. DEMAND FOR THE PRODUCTS

API segment

Historically, the growth rate in API segment has remained impressive. CPL deals in 9 primary APIs, including Paracetamol, Ciprofloxacin, Cefixime (Cephalosporin), and Amoxicillin (Penicillin). Consistent growth is achieved across the board in all segments mainly due to population growth, availability of health care facilities to the masses, awareness and increasing trend of prescription of generic salts from the practitioners. CPL has developed its expertise in research and development to develop more molecules within its production facilities. Recent COVID-19 pandemic has also triggered sales growth in Paracetamol and Ciprofloxacin categories. However, margins in this segment are relatively low. Higher sales volume requires more working capital in this category, being a B2B segment where larger formulations' producers take longer credit terms.

The demand for API segment is also derived from growth in the formulation segment, which is dependent upon various factors such as healthcare awareness, introduction of new products, etc.

Formulation segment

CPL intends to expand its presence in the formulation segment and is aggressively working towards development of its own brands in various widely used prescriptions. The margins in this segment are relatively higher but being a new segment, sales volumes are expected to grow gradually by establishing an extensive distribution channel across Pakistan. Moreover, CPL product line will include injectables, capsules, syrups etc. This will be a B2C segment and demand of this segment is related to population increase, availability of health care facilities to the masses, awareness and many other factors, as already outlined above.

Hospital Facility

Lahore is the 2nd largest city of Pakistan with a population of ~13.1 million as quoted by world population review . Presently, Lahore is facing a

shortage of quality healthcare facilities. CPHL has acquired a 10-Kanal plot which is ideally located Pine Avenue, opposite DHA Lahore. CPHL intends to set up a state of the art 200 bed hospital facility at this location to cater to the demands of a highly densely populated city.

iii. Future prospects, demand outlook

CPL is one of the leading API manufacturing companies in Pakistan. The Company's Management is apt at adopting and utilizing new technology and committed to adherence to Good Manufacturing Practices (GMP). The Company is continuously striving to acquire the latest technological advancements as the Management realizes the importance of technology. This provides the Company with a key advantage that they are not only compliant with GMP standards but also have the latest production technology available.

With a historical 4 year compounded annual growth rate of around 36.5% per annum in sales value, the growth has remained impressive. Keeping this in mind, the Company is planning further growth in the API segment as an inherent demand for local API product exists. Any additions to API (whether in terms of new compounds or increase in the capacity of the existing product portfolio) will serve as Import substitution and be given preference by the local formulations' players due to savings on custom duty and exchange rate parity, subject to quality check. The Company is planning to:

1. Increase production capacity in both API segment as well as Formulations (adding more products to the API i.e (i) Ascorbic Acid, (ii) Chloroquine Phosphate, and (iii) Hydroxyl Chloroquine Sulfate and subsequent formulation of these APIs.
2. Company plans to add (i) Cephalosporin and (ii) Psychotropic and Narcotics to its formulation portfolio and to expand its existing production capacity for Penicillin
3. Set up a hospital facility in Lahore (as part of vertical diversification)

KEY OPERATING & FINANCE DATA FOR LAST SIX YEARS

FINANCIAL POSITION	2022	2021	2020	2019	2018	2017
Fixed assets net	2,244,062,582	1,734,765,860	814,458,386	735,519,503	740,396,751	501,421,592
Total assets	8,081,377,560	6,499,162,737	2,471,348,598	1,318,273,103	1,485,873,435	1,176,852,428
Paid - up Capital	2,284,612,000	1,350,000,000	450,000,000	450,000,000	450,000,000	450,000,000
Equity	4,685,869,546	4,366,045,109	4,366,045,109	978,308,204	834,722,343	809,946,606
Long term liabilities	402,853,766	297,605,788	241,961,797	139,515,252	36,408,434	52,847,714

STATEMENT OF PROFIT OR LOSS	2022	2021	2020	2019	2018	2017
Net Sales	9,779,879,938	5,795,403,997	3,527,625,000	2,607,027,951	2,003,333,502	1,592,058,797
Gross Profit	1,352,104,615	780,474,326	436,949,856	330,755,595	262,779,006	208,484,843
Operating Profit/(Loss)	982,505,330	570,970,333	254,114,103	136,427,404	135,481,148	99,662,397
Profit/(Loss) before tax	1,032,974,204	499,746,398	202,527,899	136,427,404	116,865,703	84,890,691
Profit/(Loss) after tax	635,884,378	351,768,295	143,416,468	27,804,462	116,865,703	84,890,691

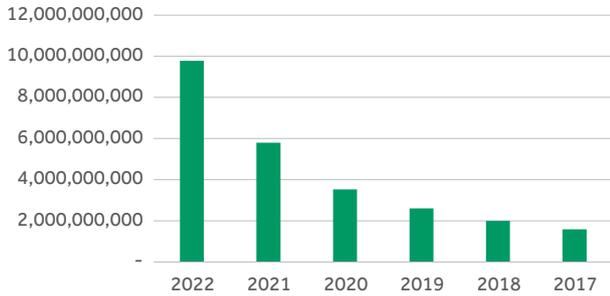
PROFITABILITY RATIOS	2022	2021	2020	2019	2018	2017
Gross Profit	13.83%	13.47%	12.39%	12.69%	13.12%	13.10%
Net Profit Ratio	6.50%	6.07%	4.07%	1.07%	5.83%	5.33%

RETURN TO SHAREHOLDER	2022	2021	2020	2019	2018	2017
Return on Capital Employed	21.70%	13.08%	25.97%	16.34%	16.73%	14.38%
Earning per share- Basic	2.80	3.64	31.87	6.18	25.97	18.86

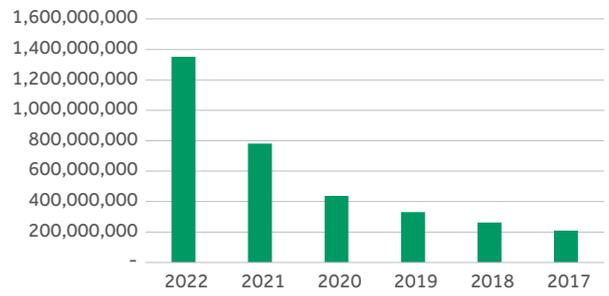
LIQUIDITY/LEVERAGE	2022	2021	2020	2019	2018	2017
Current Ratio	1.85	2.452	1.114	1.169	1.152	1.549
Break up Value Per Share (With Revaluation)	20.51	32.34	217.4	185.49	179.99	154.02
Break up Value Per Share (Without Revaluation)	19.16	30.05	217.4	185.49	179.99	154.02
Debt To Equity Ratio	20%	15%	46%	39%	57%	59%

ACTIVITY	2022	2021	2020	2019	2018	2017
Sales to total assets	1.21	0.89	1.43	1.98	1.35	1.35
Sales to fixed assets	4.36	3.34	4.33	3.54	2.71	3.18

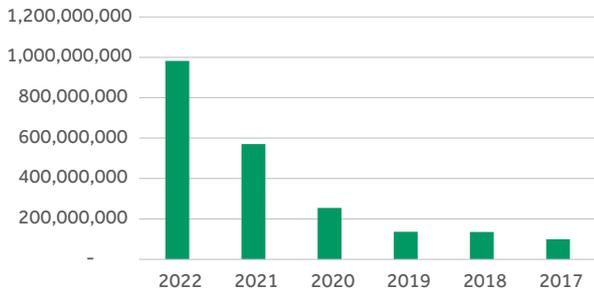
NET SALES RATIO



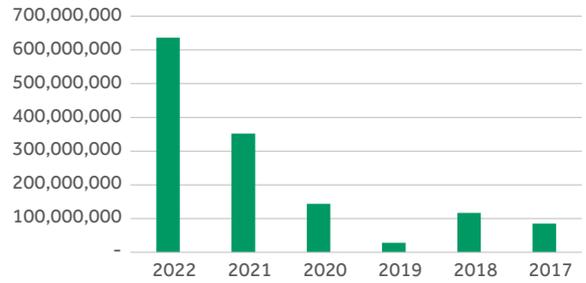
GROSS PROFIT RATIO



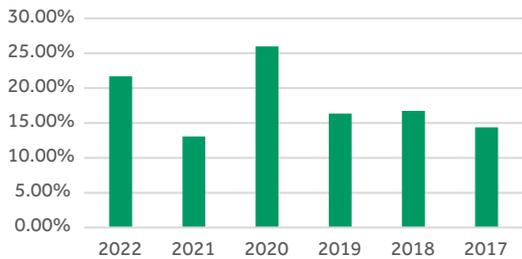
OPERATING PROFIT RATIO



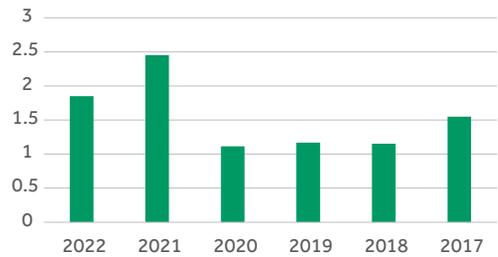
NET PROFIT RATIO



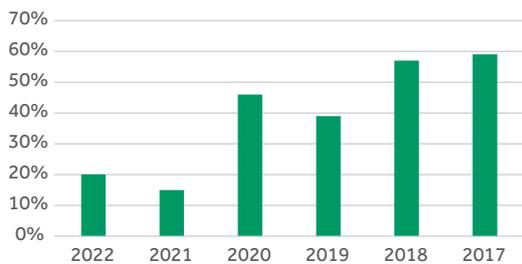
RETURN ON CAPITAL EMPLOYED



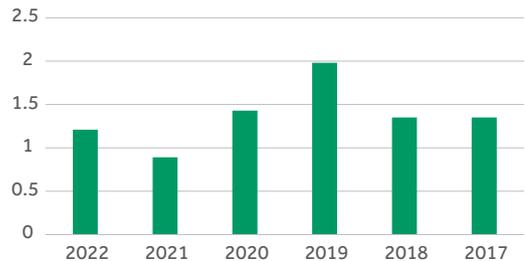
CURRENT RATIO



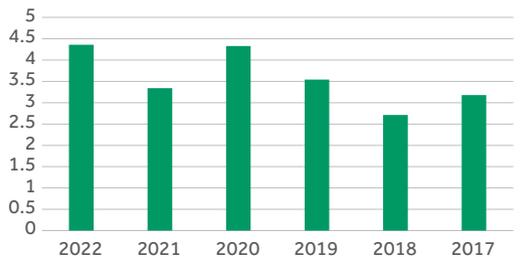
DEBT TO EQUITY RATIO



SALES TO TOTAL ASSETS



SALES TO FIXED ASSETS



HORIZONTAL ANALYSIS

	2022	2021	2020	2019	2018	2017
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Issued, subscribed and Paid up:	69%	200%	0%	0%	0%	0%
Share Deposit Money	-100%	100%	0%	0%	0%	0%
Share Premium	100%	0%	0%	0%	0%	0%
Unappropriated profits	84%	-28%	37%	7%	48%	54%
Revaluation Surplus on Land	0%	100%	0%	0%	0%	0%
NON CURRENT LIABILITIES						
Long Term Financing - Secured	32%	15%	127%	219%	-48%	-32%
Deferred Liabilities	25%	45%	11%	0%	0%	0%
Deferred Grant	247%	1525%	0%	0%	0%	0%
Lease Liabilities	-19%	-44%	38%	-27%	50%	0%
CURRENT LIABILITIES						
Creditors, Accrued and other liabilities	79%	-19%	2253%	-46%	32%	74%
Director's Loan	0%	-29%	0%	-87%	1046%	-86%
Payable to General Public Against Excess Proceeds	-100%	100%	-	-	-	-
Short Term Borrowings-Secured	100%	60%	-1%	-50%	20%	119%
Current Portion of Long Term Financing-Secured	53%	57%	56%	100%	10%	19%
Dividend Payable	100%	0%	0%	0%	0%	0%
Accrued Mark Up	2724%	-50%	27%	0%	0%	0%
Provision for taxation	207%	122%	76%	0%	0%	0%
Contingencies and Commitments	-	-	-	-	-	-
Total Equity And Liabilities	24%	163%	87%	-11%	26%	22%
ASSETS						
NON CURRENT ASSETS						
Property, plant and equipment	29%	113%	11%	-1%	48%	-2%
Capital Work in Progress	100%	0%	0%	0%	0%	0%
Intangibles	0%	-100%	100%	-29%	-10%	-20%
Long term security deposits	103%	0%	45%	25%	22%	0%
Investment in associated company	0%	100%	48%	0%	0%	0%
CURRENT ASSETS						
Stock in Trade	117%	-13%	774%	-50%	38%	-8%
Trade Debts- Unsecured	215%	48%	87%	-45%	43%	0%
Advances deposits and prepayments	125%	80%	118%	-62%	8%	341%
Short Term Investment	100%	0%	0%	0%	0%	0%
Cash and bank balance	-99%	3337%	2%	-14%	-45%	283%
Total Assets	24%	163%	87%	-11%	26%	22%

HORIZONTAL ANALYSIS

	2022	2021	2020	2019	2018	2017
Turnover -Net	69%	64%	35%	30%	26%	57%
Cost of sales	68%	62%	36%	31%	26%	56%
Gross profit	73%	79%	32%	26%	26%	63%
Administrative expenses	141%	17%	-9%	59%	9%	52%
Selling expenses	4%	12%	-2%	46%	27%	93%
	76%	15%	-6%	53%	17%	68%
Operating Profit	72%	125%	86%	1%	36%	58%
Financial Charges	74%	-7%	138%	26%	30%	9%
	72%	152%	78%	-2%	37%	67%
Other income	3985%	-35%	57%	0%	68%	55%
	107%	146%	77%	-2%	38%	67%
Other Expenses	114%	133%	79%	-2%	38%	100%
Profit before Taxation	107%	147%	77%	-2%	38%	55%
Taxation	168%	150%	-32%	100%	0%	0%
Profit after Taxation	81%	145%	416%	-76%	38%	55%

VERTICAL ANALYSIS

	2022	2021	2020	2019	2018	2017
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Issued, subscribed and Paid up:	28.27%	20.77%	18.21%	34.14%	30.29%	38.24%
Share Deposit Money	0.00%	35.79%	0.00%	0.00%	0.00%	0.00%
Share Premium	17.22%	0.00%	0.00%	0.00%	0.00%	0.00%
Unappropriated profits	8.67%	5.86%	21.38%	29.18%	24.22%	20.66%
Revaluation Surplus on Land	3.83%	4.76%	0.00%	0.00%	0.00%	0.00%
	57.98%	67.18%	39.59%	63.32%	54.51%	58.89%
NON CURRENT LIABILITIES						
Long Term Financing - Secured	3.10%	2.91%	6.66%	5.51%	1.53%	3.71%
Deferred Liabilities	1.41%	1.41%	2.55%	4.32%	0.00%	0.00%
Deferred Grant	0.40%	0.14%	0.02%	0.00%	0.00%	0.00%
Lease Liabilities	0.08%	0.12%	0.56%	0.76%	0.92%	0.78%
	4.98%	4.58%	9.79%	10.58%	2.45%	4.49%
CURRENT LIABILITIES						
Creditors, Accrued and other liabilities	23.36%	11.17%	36.19%	2.88%	4.76%	4.56%
Director's Loan	0.15%	0.19%	0.70%	1.30%	8.87%	0.98%
Payable to General Public Against Excess Proceeds	0.00%	8.02%	0.00%	0.00%	0.00%	0.00%
Short Term Borrowings-Secured	6.30%	5.01%	8.22%	15.56%	27.72%	29.14%
Current Portion of Long Term Financing-Secured	2.23%	1.89%	3.17%	3.82%	1.70%	1.95%
Dividend Payable	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Accrued Mark Up	0.16%	0.01%	0.04%	0.05%	0.00%	0.00%
Provision for taxation	4.82%	1.95%	2.32%	2.47%	0.00%	0.00%
	37.03%	28.24%	50.62%	26.10%	43.04%	36.62%
Contingencies and Commitments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Equity And Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
ASSETS						
NON CURRENT ASSETS						
Property, plant and equipment	27.77%	26.69%	32.96%	55.79%	49.83%	42.61%
Capital Work in Progress	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Intangibles	0.00%	0.00%	0.00%	0.20%	0.26%	0.36%
Long term security deposits	0.22%	0.13%	0.35%	0.45%	0.32%	0.33%
Investment in associated company	3.15%	3.92%	10.30%	13.03%	0.00%	0.00%
	31.31%	30.74%	43.60%	69.48%	50.41%	43.30%
CURRENT ASSETS						
Stock in Trade	20.93%	11.97%	36.08%	7.74%	13.83%	12.69%
Trade Debts- Unsecured	17.34%	6.84%	12.12%	12.16%	19.55%	17.27%
Advances deposits and prepayments	5.69%	3.14%	4.58%	3.94%	9.31%	10.91%
Short Term Investment	24.38%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash and bank balance	0.34%	47.30%	3.62%	6.68%	6.91%	15.83%
	68.69%	69.26%	56.40%	30.52%	49.59%	56.70%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

VERTICAL ANALYSIS

	2022	2021	2020	2019	2018	2017
Turnover -Net	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	-86.17%	-86.53%	-87.61%	-87.31%	-86.88%	-86.90%
Gross profit	13.83%	13.47%	12.39%	12.69%	13.12%	13.10%
Administrative expenses	2.72%	1.91%	2.68%	3.99%	3.26%	3.76%
Selling expenses	1.05%	1.71%	2.51%	3.47%	3.10%	3.07%
	-3.78%	-3.62%	-5.18%	-7.45%	-6.35%	-6.84%
Operating Profit	10.05%	9.85%	7.20%	5.23%	6.76%	6.26%
Financial Charges	-0.73%	-0.70%	-1.25%	-0.71%	-0.73%	-0.71%
	9.32%	9.15%	5.96%	4.52%	6.03%	5.55%
Other income	2.01%	0.08%	0.21%	0.18%	0.24%	0.18%
	11.33%	9.23%	6.17%	4.71%	6.27%	5.73%
Other Expenses	-0.77%	-0.61%	-0.43%	-0.32%	-0.43%	-0.40%
Profit before Taxation	10.56%	8.62%	5.74%	4.38%	5.83%	5.33%
Taxation	-4.06%	-2.55%	-1.68%	-3.32%	0.00%	0.00%
Profit after Taxation	6.50%	6.07%	4.07%	1.07%	5.83%	5.33%

STATEMENT OF COMPLIANCE

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

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

1. The total number of directors are seven as per the following
 - a. Male Five (5)
 - b. Female Two (2)
2. The composition of the board is as follows:

Category	Names
Independent Directors*	I. Abdul Jaleel Shaikh II. Farzin Khan
Executive Directors	I. Rizwan Ahmad II. Zameer Ul Hassan Shah
Non-Executive Directors	I. Nadeem Amjad II. Muhammad Naeem
Female Director (Non-Executive)	I. Saira Aslam

* In order to comply with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, two independent directors were elected on the Board of Directors upon maturity of existing term, whereas the code requires to appoint at-least two or one-third of the board members (whichever is higher). The fraction of 0.33 was not rounded up as the two appointed independent directors fairly protected the interests of the shareholders.

3. The directors have confirmed that none of them is serving on more than seven (7) 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 are in process. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

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 Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with the respect to frequency, recording and circulating minutes of the meetings of the Board;
8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations;
9. The independent directors of the company have already completed Director's Training Program. The company has planned to arrange director's training subsequent to the financial year.
10. The Board has approved appointment of Chief financial officer and Company Secretary including their remuneration, terms and conditions of their employment and complied with the relevant requirements of the Regulations;
11. The Financial statements of the Company were duly endorsed by the chief executive officer and chief financial officer before approval of the Board;
12. The Board has formed committees comprising of the members given below;

a. Audit Committee

Naem	Designation
Abdul Jaleel Shaikh	Chairman/Independent Director
Nadeem Amjad	Non-Executive Director
Muhammad Naeem	Non-Executive Director
Muhammad Riaz	Secretary to Audit Committee

STATEMENT OF COMPLIANCE

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

b. Human Resource & Remuneration committee

b. Human Resource & Remuneration Committee

Farzin Khan	Chairman/Independent Director
Rizwan Ahmad	Executive Director
Zameer Ul Hassan Shah	Executive Director
Muhammad Riaz	Secretary to HR & Remuneration Committee

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 (quarterly/half yearly/ yearly) of the Committee were as per following;
 - a) Audit Committee (Quarterly)
 - b) HR and Remuneration Committee (Yearly)
15. The Board has set up an effective internal audit function supervised by a Head of Internal Audit which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide

other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and behalf of the Board



Mr. Nadeem Amjad
Chairman



Mr. Rizwan Ahmad
CEO

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Citi Pharma 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 Citi Pharma Limited for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

As 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 ensued 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 30 June 2022.

The engagement partner on the review resulting in this independent auditors' review report is Hafiz Muhammad Ahmad Saleem.



Chartered Accountants

Place: Lahore

Date: September 23, 2022

UDIN: CR2022101485BgpWtejD

FINANCIAL **STATEMENTS**

For the year ended June 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Citi Pharma Limited
Report on the Audit of the Financial Statements

Opinion

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

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

and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current

S. No	Key Audit Matters	How the matter was addressed in Our Audit
1	<p>Revenue:</p> <p>Refer notes 23 to the financial statements and the accounting policy in note 3.8 to the financial statements regarding the sale of goods.</p> <p>The Company is engaged in the manufacturing and sale of pharmaceuticals, medical chemicals and botanical products.</p> <p>The Company recognized net revenue of Rs. 9,779 million from sale of goods to customers during the year ended 30 June 2022.</p> <p>We identified recognition of revenue against the sale of goods as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk of the existence and the accuracy of the revenue further it could be subject to misstatement to meet expectations or targets.</p>	<p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> We obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue; Assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; We compared the selected sample of revenue transactions recorded during the year with the sales orders, sales invoices, delivery documents and other relevant underlying documents;

INDEPENDENT AUDITOR'S REPORT

S. No	Key Audit Matters	How the matter was addressed in Our Audit
		<ul style="list-style-type: none"> • We compared the sample of revenue transactions recorded around the year end with the sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • We compared the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation.

period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 of the Company for the year ended June 30, 2022, but does not include the financial statements, our auditor's report thereon, and the review report issued on statement of compliance with Code of Corporate Governance.

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:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of 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) No zakat is deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Hafiz Muhammad Ahmad Saleem.



Chartered Accountants

Place: Lahore

Date: September 23, 2022

UDIN: AR202210148jy0QSsiKF

STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital:			
300,000,000 (2021: 300,000,000) Ordinary shares of Rs. 10/- each		3,000,000,000	3,000,000,000
ISSUED, SUBSCRIBED AND PAID UP:			
228,461,200 (2021: 135,000,000) Ordinary shares of Rs. 10/- each	4	2,284,612,000	1,350,000,000
Share Deposit Money		-	2,326,144,000
Share Premium	5	1,391,532,000	-
Unappropriated Profits		700,431,021	380,606,584
Revaluation Surplus on Land	6	309,294,525	309,294,525
		4,685,869,546	4,366,045,109
NON-CURRENT LIABILITIES			
Long Term Financing - Secured	7	250,173,743	189,157,811
Deferred Liabilities	8	114,246,582	91,419,343
Deferred Grant	9	32,166,032	9,273,279
Lease Liabilities	10	6,267,409	7,755,356
		402,853,766	297,605,788
CURRENT LIABILITIES			
Creditors, Accrued and other liabilities	11	1,887,973,258	1,057,052,520
Director's Loan	12	12,200,000	12,200,000
Payable to General Public Against Excess Proceeds	13	-	521,384,357
Short Term Borrowings-Secured	14	509,371,276	-
Current Portion of Long Term Financing-Secured	15	179,971,199	117,554,263
Dividend Payable		670,003	-
Accrued Mark Up		12,754,350	451,598
Provision for taxation		389,714,162	126,869,102
		2,992,654,248	1,835,511,840
Contingencies and commitments	16	-	-
		8,081,377,560	6,499,162,737
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	2,244,062,582	1,734,765,860
Intangible assets - capital work in progress		14,329,827	-
Net investment in finance lease		17,519,200	8,613,950
Long term deposits	18	254,540,900	254,540,900
		2,530,452,509	1,997,920,710
CURRENT ASSETS			
Stock in Trade	19	1,691,637,034	778,194,441
Trade Debts- Unsecured	20	1,401,564,821	444,545,802
Advances Deposits, prepayments & Other Receivables	21	459,815,080	204,077,281
Short Term Investments	22	1,970,426,861	-
Cash and Bank Balances	23	27,481,255	3,074,424,503
		5,550,925,051	4,501,242,027
		8,081,377,560	6,499,162,737

Auditor's report is annexed.

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
TURNOVER -NET	23	9,779,879,938	5,795,403,997
Cost of sales	24	(8,427,775,323)	(5,014,929,671)
GROSS PROFIT		1,352,104,615	780,474,325
Administrative expenses	25	266,439,811	110,509,868
Selling & distribution expenses	26	103,159,474	98,994,125
		(369,599,285)	(209,503,994)
OPERATING PROFIT		982,505,330	570,970,332
Finance cost	27	(71,036,551)	(40,776,026)
		911,468,780	530,194,305
Other income	28	196,990,502	4,822,801
		1,108,459,282	535,017,107
Other Expenses	29	(75,485,078)	(35,270,710)
PROFIT BEFORE TAXATION		1,032,974,204	499,746,397
Taxation	30	(397,089,826)	(147,978,103)
NET PROFIT FOR THE YEAR		635,884,378	351,768,295
EARNINGS PER SHARE - BASIC AND DILUTED			(Restated)
Basic	31	2.80	3.64
Dilutive	31	2.80	2.07

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	June 30, 2022 Rupees	June 30, 2021 Rupees
PROFIT FOR THE YEAR	635,884,378	351,768,295
Other Comprehensive Income / (Loss)	-	-
Items that will not be reclassified subsequently to profit or loss:		
- Revaluation Surplus on Land	-	709,294,525
- Experience adjustment on remeasurement of staff retirement	(6,749,165)	746,599
- Related tax impact	2,227,224	(216,514)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	631,362,437	1,061,592,905

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

	SHARE CAPITAL	SHARE DEPOSIT MONEY	SHARE PREMIUM	REVENUE RESERVES	REVALUATION SURPLUS ON LAND	TOTAL
(Rupees)						
Balance as at July 01, 2020	450,000,000	-	-	528,308,204	-	978,308,204
Share Deposit Money Received	-	2,326,144,000	-	-	-	2,326,144,000
Total Comprehensive income for the year	-	-	-	352,298,380	-	352,298,380
Revaluation Surplus on Land	-	-	-	-	709,294,525	709,294,525
Issuance of Bonus Shares at the rate of two Share held for every one share held	900,000,000	-	-	(500,000,000)	(400,000,000)	-
Balance as at June 30, 2021	1,350,000,000	2,326,144,000	-	380,606,584	309,294,525	4,366,045,109
Total Comprehensive income for the year	-	-	-	631,362,437	-	631,362,437
72,692,000 shares issued to general public at a strike price of Rs. 32 each	726,920,000	(2,326,144,000)	1,599,224,000	-	-	-
Final Dividend Paid for the year ended June 2021 @ 15%	-	-	-	(31,538,000)	-	(31,538,000)
Issuance of Bonus Shares at the rate of 10% for every one share held	207,692,000	-	(207,692,000)	-	-	-
Balance as at June 30, 2022	2,284,612,000	-	1,391,532,000	700,431,021	309,294,525	4,685,869,546

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
CASH FLOWS FROM OPEARTING ACTIVITIES			
Profit/ (Loss) Before Taxation		1,032,974,204	499,746,397
Depreciation	16.1	76,828,640	65,688,582
Gratuity Expense	8.1	11,526,139	8,256,476
Exchange Loss		6,846,634	636,464
Amortisation of Deferred Grant	9	(14,169,624)	(2,225,941)
Unrealized Loss		4,482,204	-
Accrued Interest		(27,668,930)	-
Financial Charges		71,036,551	40,776,026
Worker's Profit Participation Fund	29	55,422,964	26,750,855
Worker's Welfare Fund	28	20,062,114	8,519,855
		204,366,691	148,402,317
Profit/ (Loss) before working capital changes		1,237,340,895	648,148,715
EFFECT OF WORKING CAPITAL CHANGES			
Advances, Deposits And Prepayments		(76,355,066)	(22,375,653)
Trade Debts		(957,019,019)	(145,080,779)
Stock In Trade		(913,442,593)	113,528,526
Trade And Other Payables		782,186,515	(188,598,590)
		(1,164,630,164)	(242,526,496)
Financial Charges Paid		(58,733,799)	(39,222,663)
Income Tax Paid		(309,612,654)	(126,462,102)
Gratuity Paid	8.1	(586,946)	(407,602)
Worker's Profit Participation Fund	11	(26,750,855)	(11,100,883)
Worker's Welfare Fund	10	-	(4,027,239)
		(395,684,254)	
Net cash flow from operating activities	A	(322,973,523)	224,401,730
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property And Equipment	16.1	(586,125,362)	(276,701,531)
Capital Work in Progress		(14,329,827)	-
Long Term Security Deposits		(8,905,250)	-
Short Term Investments		(312,122,622)	-
Net cash flow from investing activities	B	(921,483,061)	(276,701,531)

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term loans obtained		300,000,000	146,945,644
Long-term loans repaid		(143,527,311)	(67,595,714)
Liability Against Assets Subject To Finance Lease		(4,772,964)	(7,394,948)
Director's Loan	12	-	(5,000,000)
Share Deposit Money		-	2,326,144,000
Payable to General Public Against Excess Proceeds	13	(521,384,357)	521,384,357
Dividend Paid		(311,538,000)	-
Short Term Borrowings	14	509,371,276	122,796,649
Net Cash flow From financing Activities	C	(171,851,355)	3,037,279,988
Net Increase/ (Decrease) In Cash And Cash Equivalents	A+B+C	(1,416,307,939)	2,984,980,186
Cash and cash equivalents at beginning of the year		3,074,424,503	89,444,317
Cash And Cash Equivalents At End Of The Year		1,658,116,564	3,074,424,503
Cash and cash equivalents comprise of:			
Cash in hand		372,543	214,457
Cash at bank		27,108,712	3,074,210,046
Short Term Investments		1,630,635,309	-
		1,658,116,564	3,074,424,503

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company was incorporated as a private limited company in Pakistan under the Repealed Companies Ordinance, 1984 on October 08, 2012. The principal activity of the company is manufacturing and sale of pharmaceuticals, medical chemicals and botanical products. During the year, the company was converted into public unlisted company with effect from October 13, 2020 and also the Company offered 72.69 million ordinary shares of Rs. 10 each to general public at the strike price of Rs. 32 per share including premium of Rs. 22 per share which resulted in IPO proceeds of Rs. 2.326 billion. However, Company was listed on Pakistan Stock Exchange on July 09, 2021. The registered office of the company is situated at 3 KM, Head Balloki Road, Phool Nagar, Kasur. The Head office of the company situated at 588 Q Block, Johar Town, Lahore.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention modified by revaluation of freehold land referred to in note 3.1, certain financial instruments which are carried at their fair values and the Company's liability under defined benefit plan (gratuity) is determined on the present value of defined benefit obligations as determined by an independent actuary.

2.2 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:

International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is Company's functional currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note
- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of operating fixed assets	17.1
- assumptions and estimates used in revaluation of land	6
- assumptions and estimates used in determining the useful lives and residual values of intangible assets	3.2
- assumptions and estimates used in calculating the provision for impairment for trade debts	20
- assumptions used in determination of current and deferred taxation	3.17
- assumptions and estimates used for valuation of present value of defined benefit obligation	3.19
- assumptions and estimates used in determining current taxation	30

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

2.5 New and revised standards and interpretations

2.5.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	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 Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IFRS 4 Insurance Contracts (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
IAS 41 Agriculture (Amendments)	January 1, 2022
IFRS 3 Business Combinations (Amendments)	January 1, 2022
IFRS 9 Financial Instruments (Amendments)	January 1, 2022
IFRS 16 Leases (Amendments)	January 1, 2022

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipments

a Owned assets

Property, plant and equipment except freehold land is stated at cost less accumulated depreciation and identified impairment losses. Freehold land is stated at Revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets into working condition.

Depreciation is charged to income on reducing balance method at the rates specified in Note 16. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on the assets disposed off during the month. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year income.

Residual values and useful lives are reviewed at each balance sheet date and adjusted if expectations differ significantly from previous estimates. The management estimates that the financial impact of changes in the residual values and the useful lives during the year ended June 30, 2022 is immaterial.

Residual values are determined by the management as the amount expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of the life based on the prevailing market prices of the similar assets already at the end of its useful lives.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

b Right of use assets

The right-of-use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

c Capital work in progress

Capital work-in-progress is stated at cost less impairment, if any. It consists of expenditure incurred and advances made in respect of items of property, plant and equipment in the course of their acquisition, construction and installation. Transfers are made to the relevant category of assets when assets are available for intended use.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. The depreciable amount of intangible asset is amortized over the estimated useful life using the reducing balance method at the rate stated in the relevant note to the financial statements.

3.3 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds the recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If there is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior year.

Such reversal is recognized in the statement of profit or loss and other comprehensive income.

3.4 Stocks, stores and spares

Inventories are valued at lower of cost and net realizable value as per requirements of IAS 2. Cost of major stock items is determined as follows;

- Stores, spares and loose tools	At moving average cost
- Raw material	At annual average cost
- Finished goods	Comprised of direct material, labour, and appropriate manufacturing overheads.
- Waste	At net realizable value.
- Material in transit	Are stated at invoice value plus other charges incurred thereon.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Net realizable value signifies the estimates selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

3.5 Trade and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise running finances, cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.7 Trade debts, deposits and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.8 Revenue recognition

The Company recognizes revenue when it transfers control over goods to its customers, being when the products are delivered to the customer and there is no unfulfilled obligation that could effect the customer's acceptance of the product. Revenue is recognized at an amount that reflects the consideration, to which the Company expects to be entitled in exchange for transferring of goods to its customers net of discount and sales related indirect taxes. The sales related indirect taxes are regarded as collected on behalf of statutory authorities. The Company generates revenue by supplying products to the customers, including export product.

i) Revenue from sales is recognized on delivery of products to the customers with the exception that export sales if any are recognized at the time of issuance of bill of lading.

ii) Dividend income is recognized when the right to receive dividend is established.

iii) Income on bank deposits and short term investments are recognized using the effective yield method.

3.9 Revenue from contract with customers

Sale of Goods

Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

3.10 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.11 Provisions

Provision is recognized when the Company has a legal and constructive obligation as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of obligation. Provision is reviewed at each date of statement of financial position and adjusted to reflect current best estimate.

3.12 Trade and other payables

Trade and other payables are recognized initially at fair value net of directly attributable cost, if any.

3.13 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

3.14 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.14.1 Financial Assets

Classification

Effective July 1, 2018, the Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) fair value through profit or loss;
- c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

a) **Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

b) **Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the statement of profit or loss.

c) **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- i. The rights to receive cash flows from the asset have expired
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Effective July 1, 2018, the Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Short term investments
- Cash and bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

3.14.2 Financial Liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortised cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.14.3 Off-setting of financial assets and financial liabilities.

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has legally enforceable 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.

3.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability; or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b. Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- c. Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.16 Contingent liabilities

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

3.17 Taxation

Current Tax

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

Deferred Tax

Deferred tax is recognized using the liability method, on all temporary differences at the balance sheet date calculated at the prevailing rates, between the tax bases of assets and liabilities and their carrying costs for the purposes of financial reporting. Deferred tax liabilities are recognized for all taxable temporary differences to the extent that such differences will reverse in the due future and taxable income will be available for deducting temporary differences.

The carrying amount of deferred tax asset is reviewed on the balance sheet date and is reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow in all or part of it for the deferred tax asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled based on the tax rates that have been enacted currently or subsequently at the balance sheet date.

Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it becomes probable future taxable profits will allow deferred tax asset to be recovered.

3.18 Research and development cost

Research expense is recognized in profit or loss account in the year of expense and development cost is capitalized in the year when meets the development criteria.

3.19 Staff retirement benefits

The Company operates approved un-funded gratuity scheme for its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to statement of profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.20 Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the 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.

3.21 Off setting:

Financial assets and liabilities are offset and the amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the company intends either to settle on a net basis, or to realize the assets and to settle the liability simultaneously.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.22 Earning per share:

The company presents basic and diluted earning per share (EPS) for its ordinary shares. Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects for all dilutive potential ordinary shares.

3.23 Foreign currency transactions

Foreign currency transactions are recorded at the official exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using official exchange rates applicable at the statement of financial position date. All gains and losses on settlement and transaction at year-end are recognized in the income statement.

3.24 Government grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

3.25 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in the statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

3.26 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.27 Ijarah

In ijarah transactions, significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah' requires the recognition of 'Ujrah payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss on a straight line basis over the ijarah term.

3.28 Investment in associates

The Company's interest in equity-accounted investees represents interest in associates. Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. These are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

3.29 Operating segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
4 SHARES CAPITAL			
Authorized share capital		3,000,000,000	3,000,000,000
300,000,000 (2021: 300,000,000) Ordinary shares of Rs. 10			
Issued, subscribed and paid up capital			
Opening Balance			
45,000,000 Ordinary shares of Rs. 10 each, fully paid in cash		450,000,000	450,000,000
90,000,000 Ordinary Share of Rs. 10 each issued as fully paid Bonus shares		900,000,000	-
Movement During the Year			
72,692,000 ordinary shares issued through IPO at a premium of Rs. 22		726,920,000	-
20,769,200 (2021: 90,000,000) Ordinary Share of Rs. 10 each issued as fully paid Bonus shares		207,692,000	900,000,000
Closing Balance			
117,692,000 (June 2021: 4,500,000) Ordinary shares of fully paid in cash		1,176,920,000	450,000,000
110,769,200 (2021: 90,000,000) Ordinary Share of Rs. 10 each issued as fully paid Bonus shares		1,107,692,000	900,000,000
228,461,200 (2021: 135,000,000) Ordinary shares of Rs. 10/- each		2,284,612,000	1,350,000,000

4.1 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

5 SHARE PREMIUM

Share Premium Reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
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6 REVALUATION SURPLUS ON LAND

- 6.1 The latest revaluation of freehold land has been carried out as at December 01, 2020 by Independent Valuers on the basis of their professional assessment of present market value, based on enquiries made about the cost of land of similar nature, size and location. The Forced Sale Value of Land is Rs.891,803,000.

7 LONG TERM FINANCING - SECURED

Long term loan from pak brunei investment company	7.1	77,083,346	139,583,342
Term finance against purchase of machinery from bank al-habib limited	7.2	21,750,000	32,393,013
Term loan for salary & wages under sbp refinance scheme from bank al-habib limited	7.3	15,039,310	59,108,483
Finance of machinery in sbp (terf) from bank al-habib limited	7.4	51,817,114	84,642,658
Term finance under rfcc from bank of punjab	7.5	296,745,885	-
		462,435,655	315,727,496
Deferred Grant		(51,568,138)	(17,863,734)
Current Portion shown under current liabilities		(160,693,774)	(108,705,951)
		250,173,743	189,157,811

- 7.1 This loan is obtained from Pak Brunei Investment company which carries mark up of three months KIBOR + 250 bps and is repayable in 48 installments. The loan was secured against fixed assets and now it is collateralized against Joint Pari Passu Charge.
- 7.2 Term Finance Facility is obtained from the Bank Al Habib Limited with mark up of three months KIBOR + 225 bps and is repayable in 48 installments, which is secured against the specific assets.
- 7.3 The Company has obtained long term loans from Bank Al Habib Limited amounting Rs. 61.27 million for financing its salaries and wages under SBP Refinance Scheme for payment of wages and salaries, earmarked from running finance limit, which is secured against Term Deposits. The rate of markup on these loans are at 3% per annum. These loans are for two and half years and are repayable in eight equal quarterly instalments.
- 7.4 The Company has also obtained long term loans of Rs. 84.64 million for financing import of plant and machinery from Bank Al-Habib Limited, which is secured against the specific assets. The rate of markup on these loans are at 5% per annum which include 4% BAH share and 1% SBP share. These loans are for four years and are repayable in fifteen equal quarterly instalments under SBP TERF scheme including three month grace period from the date of disbursement and mark up to be recoverable on quarterly basis.
- 7.5 In addition to the above, the company has also obtained TF under RFCC for SBP financing civil work of building & procurement of medical equipment and machinery for setting up a new hospital comprising of 200 beds from Bank of Punjab at the rate of SBP Refinance rate + 3% p.a while SBP Rate of Refinance will be 0% or as per time to time. Principal is repayable in equal 18 quarterly installments with grace period of six months while mark up is payable in 20 installment on quarterly basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
8 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	8.1	31,942,412	14,254,054
Deferred Taxation	8.2	82,304,170	77,165,289
		114,246,582	91,419,343
8.1 Staff retirement benefits - gratuity			
8.1.1 Net liability recognized in the statement of financial position			
Present value of defined benefit obligations		31,942,412	14,254,054
8.1.2 Movement in the net liability recognized in the statement of financial position			
Net liability as at 1st July		14,254,054	7,151,779
Expense recognized in the income statement		11,526,139	8,256,476
Benefits paid during the year		(586,946)	(407,602)
Remeasurement changes chargeable to other comprehensive income		6,749,165	(746,599)
Net liability as at 30th June		31,942,412	14,254,054
8.1.3 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation as at 1st July		14,254,054	7,151,779
Current service cost		10,130,081	8,256,476
Interest cost on defined benefit obligation		1,396,058	(407,602)
Benefit paid		(586,946)	-
Remeasurement of obligation		6,749,165	(746,599)
Present value of defined benefit obligation as at 30th June		31,942,412	14,254,054
8.1.4 Amount Chargeable to Statement of Profit or Loss			
Service Cost		10,130,081	7,561,678
Interest Cost		1,396,058	694,798
		11,526,139	8,256,476
8.1.5 Amount recognized in other comprehensive income are:			
Actuarial loss / (gain) due to experience adjustments		6,749,165	(746,599)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

8.1.6 Key actuarial assumptions used:

The company operates a defined benefit plan which comprises an unfunded gratuity scheme for its permanent employees. The scheme defined the amounts of the benefit that an employee will receive on or after retirement subject to minimum qualifying period of service under the scheme. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out on June 30, 2021 using Projected Unit Credit method by an approved actuary.

	2022	2021
Average Expected Remaining Working Lifetime of Members	10 years	10 years
Average Duration of Liability	9 years	9 years

8.1.7 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principle assumption is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+ - by 100 bps	29,049,401	35,496,251
Salary increase	+ - by 100 bps	35,610,130	28,899,774

		June 30, 2022
8.1.8	Estimated Expenses to be Charged to P&L in FY 2023	
	Current service cost	11,497,642
	Interest cost on defined benefit obligation	3,953,457
	Amount chargeable to P&L	15,451,099
8.1.9	Expected Benefit Payments for the Next 10 Years and Beyond	
	FY 2023	5,315,092
	FY 2024	6,272,079
	FY 2025	7,017,261
	FY 2026	7,615,079
	FY 2027	8,095,663
	FY 2028	8,489,452
	FY 2029	8,799,919
	FY 2030	9,062,702
	FY 2031	9,279,915
	FY 2032	9,432,179
	FY 2033 onwards	3,531,168,475
	The average duration of the defined benefit obligation is	10 Years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
8.2	Deferred Taxation		
	Opening deferred tax liability	77,165,289	55,839,775
	<i>Deferred tax charged / (reversal) to profit or loss</i>		
	Accelerated tax depreciation	14,070,027	21,304,223
	Intangible Asset	-	706,765
	Staff retirement benefits - gratuity	(4,180,096)	(2,276,173)
	Lease Liability	(1,044,698)	1,374,186
	Investment in Shares	(1,479,127)	-
		7,366,106	21,109,001
	<i>Deferred tax reversal to other comprehensive income</i>		
	Employees' retirement benefits	(2,227,224)	216,514
		82,304,170	77,165,289
8.2.1	Deferred taxation liability		
	- Accelerated tax depreciation	92,708,242	78,638,215
	- Lease Liability	1,616,052	2,660,750
	- Staff retirement benefits - gratuity	(10,540,996)	(4,133,676)
	- Investment in Shares	(1,479,127)	-
		82,304,170	77,165,289

8.2.2 In accordance with the Finance Act, 2022, super tax at the rate of 10% for tax year 2022 and from the next and onwards tax years the rate 4% has been levied on certain categories of tax payers in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 33% in accordance with applicable accounting and reporting standards.

9 DEFERRED GRANT

As at 01 July	9,273,279	570,828
Received during the year	51,568,138	17,863,734
Amortization	(14,169,624)	(3,302,867)
	46,671,792	15,131,696
Current portion	(14,505,760)	(5,858,417)
As at 30 June	32,166,032	9,273,279

10 LEASE LIABILITIES

The amount of future minimum lease payments along with their present value and the period during which they fall due are as under:

Not later than one year	6,040,936	3,802,816
Later than one year but not later than five years	7,254,819	8,825,767

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
		13,295,755	12,628,583
Less: Finance charge		(2,256,682)	(1,883,332)
		11,039,073	10,745,251
Payable within one year		4,771,664	2,989,895
Payable after one year		6,267,409	7,755,356
		11,039,073	10,745,251

The Company entered into lease agreements with financial institutions to acquire vehicles. The liabilities under the lease agreements are payable in equal monthly installments and are subject to finance charges at the rates ranging from 6 months KIBOR + 2.5% per annum (June 30, 2021 : 6 months KIBOR + 2.5% to 3.95% per annum). The lease liabilities are secured against security deposits, post dated cheques and also secured against financed vehicles.

- 10.1 The Company entered into lease agreements with financial institutions to acquire vehicles. The liabilities under the lease agreements are payable in equal monthly installments and are subject to finance charges at the rates ranging from 6 months KIBOR + 2.5% per annum (June 30, 2021 : 6 months KIBOR + 2.5% to 3.95% per annum). The lease liabilities are secured against security deposits, post dated cheques and also secured against financed vehicles.

11 CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors	11.1	1,617,655,170	993,580,635
Accrued expenses		49,705,992	22,818,724
Worker's Profit Participation Fund	11.2	55,422,964	26,750,855
Worker's Welfare Fund	11.3	28,581,969	8,519,855
Other Liabilities		136,607,163	5,382,451
		1,887,973,258	1,057,052,520

- 11.1 This includes secured foreign creditors against import of raw material.

11.2 Worker's Profit Participation Fund

Balance as at July 01		26,750,855	11,100,883
Expense recognised during the year	29	55,422,964	26,750,855
		82,173,819	37,851,738
Less: Payments during the year		(26,750,855)	(11,100,883)
Balance as at June 30		55,422,964	26,750,855

11.3 Worker's Welfare Fund

Balance as at July 01		8,519,855	4,027,239
Expense recognised during the year	29	20,062,114	8,519,855
		28,581,969	12,547,094
Less: Payments during the year		-	(4,027,239)
Balance as at June 30		28,581,969	8,519,855

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
12 DIRECTOR'S LOAN	12.1	12,200,000	12,200,000
		12,200,000	12,200,000
12.1	Interest free Loan obtained Director of the company amounting Rs.12,200,000/- (2021: Rs. 12,200,000) to meet working capital requirements of the company without any security and shall be payable on demand of the Director. The maximum aggregate amount outstanding during the year was 12.2 million.		
13 PAYABLE TO GENERAL PUBLIC AGAINST EXCESS PROCEEDS	13.1	-	521,384,357
13.1	This represents excess proceeds received against Initial Public offering which is was paid.		
14 SHORT TERM BORROWINGS-SECURED			
Running Finances	14.1	509,371,276	-
		509,371,276	-
14.1	Running Finance facilities has been obtained form different banks to meet the working capital requirements with aggregate sanction limit of Rs. 713 million (2021: 225 million) and carries markup ranging from 1 month and 3 months KIBOR + 0.5% to 1 month and 3 months KIBOR + 1.5% and is secured against first pari passu charge and Term Deposit Receipts.		
15 CURRENT PORTION OF LONG TERM FINANCING-SECURED			
Long Term Finances		175,199,535	114,564,368
Lease liabilities		4,771,664	2,989,895
		179,971,199	117,554,263
16 CONTINGENCIES AND COMMITMENTS			
16.1	Commitments of the Company under ljarah Lease is as follow:		
	The amount of future Payments under lease and the period under which these become due are as follows:		
Not later than one year		2,120,000	4,613,631
Later than one year but not later than five years		2,093,266	7,778,920
Later than five years		-	-
		4,213,266	12,392,281
17 PROPERTY PLANT & EQUIPMENT			
Operating assets		2,244,062,582	1,734,765,860

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Operating Fixed Assets

DESCRIPTION	COST / REVALUED AMOUNT			RATE %	DEPRECIATION			WDV As At June 30, 2022
	As At June 30, 2021	Addition/ (deletion)	As At June 30, 2022		As At June 30, 2021	For the year	As At June 30, 2022	
-----Rupees-----								
Owned Asset:								
Freehold Land	1,049,180,000	372,308,325	1,421,488,325	0%	-	-	-	1,421,488,325
Building on Freehold Land	214,958,313	94,373,453	309,331,766	10%	86,551,989	14,413,523	100,965,512	208,366,254
Plant & Machinery	751,439,497	107,345,432	858,784,929	10%	238,450,635	53,087,977	291,538,612	567,246,318
Vehicles	18,537,822	49,500	18,587,322	20%	11,590,600	1,394,394	12,984,994	5,602,328
Office Equipment	18,557,613	1,904,698	20,462,311	15%	7,186,104	1,848,579	9,034,683	11,427,628
Books	181,500	-	181,500	10%	31,521	14,998	46,519	134,981
Furniture & Fixtures	4,450,065	8,019,893	12,469,958	15%	613,423	1,176,988	1,790,411	10,679,547
Computer	2,585,835	2,124,061	4,709,896	30%	620,764	908,130	1,528,894	3,181,002
	2,059,890,645	586,125,362	2,646,016,007		345,045,035	72,844,590	417,889,625	2,228,126,382
Right of Used Assets:								
Vehicle	35,556,200	-	35,556,200	20%	15,635,950	3,984,050	19,620,000	15,936,200
	35,556,200	-	35,556,200		15,635,950	3,984,050	19,620,000	15,936,200
As at June 30, 2022	2,095,446,845	586,125,362	2,681,572,207		360,680,985	76,828,640	437,509,625	2,244,062,582

Allocation of Depreciation	Cost of Sales	Administrative Expense	Selling Expense	Total
Depreciation for the year 2022	66,376,391	6,741,908	3,710,341	76,828,640

Had there been no revaluation carrying amount of Land would be Rupees 339,885,475.

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

Location / Address	Usage of immovable property	Appro. Covered Area (In sq. ft.)
3 KM, Head Balloki Road, Phool Nagar, Kasur	Production Unit	527,384
71-E, Hali Road, Lahore	For Company's Corporate Office	N/A
588-Q Block, Johar Town, Lahore	Head Office	15,050
Pine Avenue Opp. DHA, Lahore	For Hospital	N/A
Near New Airport Islamabad	Botanical Garden	N/A

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Operating
Fixed Assets

DESCRIPTION	COST / REVALUED AMOUNT				RATE %	DEPRECIATION			WDV As At June 30, 2021
	As At June 30, 2020	Addition/ (deletion)	Revaluation Surplus	As At June 30, 2022		As At June 30, 2020	For the year	As At June 30, 2021	
-----Rupees-----									
Owned Asset:									
Freehold Land	339,885,475	-	709,294,525	1,049,180,000	0%	-	-	-	1,049,180,000
Building on Freehold Land	214,958,313	-	-	214,958,313	10%	72,284,619	14,267,369.38	86,551,989	128,406,324
Plant & Machinery	480,930,646	270,508,851	-	751,439,497	10%	196,480,142	41,970,492.98	238,450,635	512,988,862
Vehicles	18,384,822	153,000	-	18,537,822	20%	9,872,919	1,717,680.54	11,590,600	6,947,222
Office Equipment	17,088,943	1,468,670	-	18,557,613	15%	5,308,956	1,877,148.28	7,186,104	11,371,509
Books	151,500	30,000	-	181,500	10%	16,523	14,997.69	31,521	149,979
Furniture & Fixtures	1,953,630	2,496,435	-	4,450,065	15%	156,642	456,780.86	613,423	3,836,642
Computer	541,260	2,044,575	-	2,585,835	30%	216,714	404,050.07	620,764	1,965,071
	1,073,894,589	276,701,531	709,294,525	2,059,890,645		284,336,515	60,708,520	345,045,035	1,714,845,610
Right of Used Assets:									
Vehicle	35,556,200	-	-		20%	10,655,887	4,980,063	15,635,950	19,920,250
	35,556,200	-	-			10,655,887	4,980,063	15,635,950	19,920,250
As at June 30, 2021	1,109,450,789	276,701,531	709,294,525	2,095,446,845		294,992,403	65,688,582	360,680,985	1,734,765,860

Allocation of Depreciation	Cost of Sales	Administrative Expense	Selling Expense	Total
Depreciation for the year 2021	54,823,515	6,680,309	4,184,759	65,688,582

Had there been no revaluation carrying amount of Land would be Rupees 339,885,475.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
18 INVESTMENT IN ASSOCIATED COMPANY			
Balance at the beginning of the year		254,540,900	254,540,900
Share of profit of associates accounted for using Equity Method- net of tax		-	-
		254,540,900	254,540,900
18.1	This represents Investment in Yaqeen Developers Limited an associated company. Investments in associated companies have been made in accordance with the requirements of Companies Act, 2017.		
19 STOCK IN TRADE			
Raw material		1,124,968,493	491,895,889
Stock in transit		216,046,134	200,336,280
Work in process		6,344,234	3,624,242
Finished goods		344,278,173	82,338,030
		1,691,637,034	778,194,441
20 TRADE DEBTS- UNSECURED			
Considered Good		1,401,564,821	444,545,802
		1,401,564,821	444,545,802
21 ADVANCES DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
Advance income tax	21.1	320,774,042	138,030,490
Advance against import		4,645,523	27,160,000
Advance against Purchase of Land		100,000,000	-
Short Term Deposits		1,667,902	-
Advances to Suppliers		20,234,906	-
Advance to employees- unsecured		10,741,364	3,824,191
Other Advances and Prepayments- unsecured		1,751,342	35,062,600
		459,815,080	204,077,281
21.1	Advance income tax		
Opening balance		138,030,490	68,790,454
Tax deducted during the year		309,612,654	126,462,102
Tax adjusted for the year		(126,869,102)	(57,222,066)
		320,774,042	138,030,490

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
22 SHORT TERM INVESTMENTS			
At amortized Cost			
-Term deposits receipts (TDRs)	22.1	1,630,635,309	-
-Accrued profit thereon		27,668,930	-
At fair value through profit or loss			
Investment in Shares- Quoted (Listed Companies)	22.2	117,722,622	-
Investment in Shares- Unquoted (LSE Financial Services Limited)	22.3	194,400,000	-
		1,970,426,861	-

22.1 These carry mark up ranging from 12.75% to 14% with maturity from July 20, 2022 to August 17, 2022.

22.2 Quoted - Investments

The Company holds investments in ordinary shares of listed companies. The face value of the shares is Rs. 10 per share unless otherwise stated. Details are as follows:

2022 Number of shares	Name of investee company	2022 Rupees	2021 Rupees
69,278	BANK AL HABIB LIMITED	4,022,281	-
12,115,125	THE BANK OF PUNJAB	65,663,978	-
100,000	ENGRO FERTILIZERS LIMITED	8,864,000	-
100,000	ENGRO POLYMER & CHEMICALS LIMITED	7,963,000	-
100,000	GHANI GLOBAL HOLDINGS LIMITED	1,651,000	-
204,097	MCB BANK LIMITED	25,099,849	-
6,500	OCTOPUS DIGITAL LIMITED	463,515	-
100,000	STANDARD CHARTERED BANK (PAK.) LTD.	1,911,000	-
100,000	SAIF POWER LIMITED	2,084,000	-
		117,722,622	-

22.3 This represents 10 million investment in shares of LSE Financial Services Limited an unquoted company. As at June 30, 2022 the break up value as per audit financial statements of LSE Financial Services Limited is 19.44.

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
23 CASH AND BANK BALANCE			
Cash in hand		372,543	214,457
Cash at banks:			
Current Accounts		5,914,310	2,878,752,355
Saving Accounts	23.1	21,194,402	195,457,691
		27,481,255	3,074,424,503

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
23.1	The Rate of Return on Saving Accounts is Ranging From 5.50%% to 9.50% (2021: 3.25 to 7.25%).		
24	TURNOVER		
Sales-Net		10,497,575,288	5,798,418,559
Sales Discount	24.1	-	(3,014,562)
Sales Tax		(717,695,350)	-
		9,779,879,938	5,795,403,997
24.1	Revenue has been recognized at a point in time for local sales made during the year.		
25	COST OF SALES		
Raw material consumed	25.1	8,031,893,398	4,557,549,848
Salaries, Wages & Other benefits	25.2	176,799,468	136,194,899
Gas Bill		19,677,296	8,323,530
Electricity		103,113,222	93,890,849
Wood/corn cube		185,854,824	152,575,781
Packing Material Consumed		46,011,931	27,345,456
Fuel and Power		12,614,776	8,543,713
Research and Development Fund		10,978,044	-
Repair & maintenance		29,331,322	22,902,765
Depreciation		66,376,391	54,823,515
Other Production Expenses		9,784,786	2,800,338
		8,692,435,458	5,064,950,693
Work in Process:			
Opening Work in Process		3,624,242	11,765,000
Closing Work in Process		(6,344,234)	(3,624,242)
		(2,719,992)	8,140,758
Cost of goods manufactured		8,689,715,466	5,073,091,451
Finished goods:			
Opening finished goods		82,338,030	24,176,250
Closing finished goods		(344,278,173)	(82,338,030)
		(261,940,143)	(58,161,780)
		8,427,775,323	5,014,929,671
25.1	Raw material consumed		
Opening Stock		491,895,889	703,853,052
Raw Material Purchases		8,664,966,002	4,345,592,685
Closing stock		(1,124,968,493)	(491,895,889)
		8,031,893,398	4,557,549,848

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
25.2	This includes Rs. 7.28 million (2021: Rs. 5.07 million), approximately, in respect of employee benefits - gratuity scheme.		
26	ADMINISTRATION EXPENSES		
Salaries, Wages & benefits	26.1	75,595,416	60,540,426
Electricity bill		4,814,512	2,295,521
Communication		643,349	111,644
Printing & Stationary expense		2,795,375	2,334,910
Social Security & EOBI		3,628,972	1,958,434
Gardening expense		3,582,767	3,008,681
Depreciation		6,741,908	6,680,309
Water & sanitation		19,670	21,580
Uniforms expense		2,593,628	604,421
Legal and Professional Charges	26.2	2,355,000	4,549,000
General Repair & Maintenance		8,893,576	8,574,255
Vehicle Running & Maintenance		909,195	-
Travelling and Conveyance		958,165	-
Listing Expenses		127,667,864	-
Fee and Subscription		608,721	1,329,267
Insurance Expenses		547,522	1,108,877
Charity and Donation	26.3	2,679,683	-
Entertainment Expense		12,374,543	10,141,684
Postage and courier		493,862	447,402
Miscellaneous Expenses		8,536,084	6,803,458
		266,439,811	110,509,868

26.1 This includes Rs. 3.11 million (2021: Rs. 2.25 million), approximately, in respect of employee benefits - gratuity scheme.

26.2	Legal & Professional Charges Include		
	Audit Fee	1,000,000	1,000,000
	Other Services/Certifications	100,000	100,000
		1,100,000	1,100,000

26.3 None of the director or their spouses have any interest in the donee. No donation exceeding Rs. 500,000 has been paid to a single institute during the year.

27 SELLING AND DISTRIBUTION EXPENSES

Salaries & benefits	27.1	27,548,321	25,168,084
Delivery/courier expense		48,864,894	31,355,968
Communication Expenses		1,678,455	1,550,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
Marketing & selling expenses		18,028,373	32,033,603
Other miscellaneous expense		3,329,089	4,701,711
Depreciation		3,710,341	4,184,759
		103,159,474	98,994,125

27.1 This includes Rs. 1.13 million (2021: Rs. 0.94 million), approximately, in respect of employee benefits - gratuity scheme.

28 FINANCIAL CHARGES

Bank Charges		827,887	148,741
Exchange loss/(gain) - net		6,846,634	636,464
Mark up on Short Term Financing		16,690,524	11,549,667
Ijara Rentals (Operating Lease)		5,599,948	4,247,569
Markup on Finance Lease		1,261,563	1,598,346
Markup on Long Term Financing		39,809,994	22,595,239
		71,036,551	40,776,026

29 OTHER INCOME

Income from financial assets			
Bank Profits on Saving Accounts	28.1	7,676,748	1,519,935
Profits on Term Deposit Receipts (TDRs)		166,352,361	-
Dividend Income		13,273,973	-
Unrealized Gain/(Loss) on Investment in Shares- Net		(4,482,204)	-
Share of profit of associates accounted for using Equity Method- net of tax		-	-
Income from non-financial assets			
Amortisation of Grant Income		14,169,624	3,302,867
		196,990,502	4,822,801

29.1 This represents profit earned on saving accounts.

30 OTHER EXPENSES

Worker's Profit Participation Fund		55,422,964	26,750,855
Worker's Welfare Fund		20,062,114	8,519,855
		75,485,078	35,270,710

31 TAXATION

Current tax		389,714,162	126,869,102
Deferred tax adjustment		7,375,664	21,109,001
		397,089,826	147,978,103

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees	
31.1	Relationship Between Tax Expense and Accounting Profit			
	Profit before tax	1,032,974,204	499,746,398	
	Tax at the applicable rate of 29% (29%)	299,562,519	144,926,455	
	FTR Income	(3,849,452)	-	
	Super Tax	99,512,786	-	
	Others	(5,511,691)	(18,057,354)	
		389,714,162	126,869,101	
			Restated	
32	EARNING PER SHARE- BASIC			
	Net profit after taxation	Rupees	635,884,378	351,768,295
	Weighted Average No. of Shares Outstanding at the year end	Number	226,867,951	96,578,789
	Earning Per Share-Basic	Rupees	2.80	3.64
	EARNING PER SHARE- DILUTIVE			
	Net profit after taxation	Rupees	635,884,378	351,768,295
	Weighted Average No. of Shares Outstanding at the year end	Number	226,867,951	96,578,789
	Earning Per Share-dilutive	Number	-	72,962,000
			226,867,951	169,540,789
		Rupees	2.80	2.07

33 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors reviews and agrees upon the policies for managing each of these risks.

33.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

33.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	June 30, 2022 Rupees	June 30, 2021 Rupees
Long term Security Deposits	17,519,200	8,613,950
Trade Debts- Unsecured	1,401,564,821	444,545,802
Short Term Investments	1,970,426,861	-
Bank Balances	27,108,712	3,074,210,046

33.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Customers	1,401,564,821	444,545,802
Banking companies	27,108,712	3,074,210,046

33.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

33.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties are bank balances. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Agency	Rating		
		Short Term	Short Term	Long Term
Bank Al-Habib Limited	PACRA	A-1+	A-1+	AA+
The Bank of Khyber	PACRA	A-1	A-1	A
Askari Bank Limited	PACRA	A-1+	A-1+	AA+
Meezan Bank Limited	VIS	A-1+	A-1+	AA+
Allied Bank Limited	PACRA	A-1+	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	A-1+	AA+
	VIS	A-1+	A-1+	A-1+
Faysal Bank Limited	PACRA	A-1+	A-1+	AA
	VIS	A-1+	A-1+	AA
Habib Bank Limited	VIS	A-1+	A-1+	AAA
Pak Brunei Investment Company Limited	VIS	A-1+	A-1+	AA+

33.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	June 30, 2022 Rupees	June 30, 2021 Rupees
Past due 1 - 30 Days	1,003,660,568	370,173,289
Past due 31 - 60 Days	362,663,694	74,372,513
Past due 61 - 90 Days	35,240,559	-

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

33.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavorable to the Company. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

33.2.1(a) Exposure to liquidity risk

Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying Amount Rupees	Contractual Cash Flows Rupees	Less than 1 year Rupees	More than 1 year Rupees
Non-derivative financial liabilities				
At June 30, 2022				
Long Term Loans	462,435,655	498,721,316	182,864,906	315,856,410
Staff retirement benefits - gratuity	31,942,412	31,942,412	-	31,942,412
Lease Liabilities	11,039,073	13,295,755	6,040,936	7,254,819
Creditors, Accrued and other liabilities	1,887,973,258	1,887,973,258	-	1,887,973,258
Director's Loan	12,200,000	12,200,000	-	12,200,000
Short Term Borrowings-Secured	509,371,276	509,371,276	-	509,371,276
Accrued mark up	12,754,350	12,754,350	-	12,754,350
Dividend payable	670,003	670,003	-	670,003
At June 30, 2021				
Long Term Loans	315,727,496	437,167,204	108,705,951	97,979,533
Staff retirement benefits - gratuity	14,254,054	14,254,054	-	14,254,054
Lease Liabilities	10,745,251	12,628,583	2,989,895	9,638,688
Trade and other payables	894,266,474	894,266,474	-	894,266,474
Advances from Related Parties	12,200,000	12,200,000	-	12,200,000
Accrued mark up	451,598	451,598	-	451,598

33.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

33.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The liability is mainly denominated in US Dollars.

At June 30, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by as follows:

	Effect on profit before taxation	
	2022 Rupees	2021 Rupees
Increase in Dollar Rate	(73,373,012)	(43,177,859)
Decrease in Dollar Rate	73,373,012	43,177,859

33.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

33.3.2(a) Mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	Financial liability	
	2022 Rupees	2021 Rupees
Fixed rate instruments	363,602,309	143,751,141
Variable rate instruments	619,243,695	182,721,606

	Financial Assets	
	2022 Rupees	2021 Rupees
Fixed rate instruments	1,630,635,309	-
Variable rate instruments	21,194,402	195,457,691

33.3.2(b) Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Effect on profit before taxation	
	2022 Rupees	2021 Rupees
Increase of 100 basis points	(5,980,493)	127,361
Decrease of 100 basis points	5,980,493	(127,361)

33.3.2(c) Interest rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

33.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

A 5% increase / decrease in share prices of listed companies at the reporting date would have increased / decreased the Company's unrealized gain on investments at fair value through profit and loss as follows:

	Effect on profit before taxation	
	2022 Rupees	2021 Rupees
Increase in Prices	5,886,131	-
Decrease in Prices	(5,886,131)	-

34 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

35 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 market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2022 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

	Level 1	Level 2	Level 3	Total
June 2022				
Assets				
At fair value through profit or loss - Short Term Investment				
Investment in Shares- Quoted (Listed Companies)	117,722,622	-	-	117,722,622
Investment in Shares- Unquoted (LSE Financial Services Limited)	94,400,000	-	-	94,400,000
June 2021				
Assets				
At fair value through profit or loss - Short Term Investment	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

35.1 Fair Value of Land

Valuation of the freehold land owned by the Company was valued by independent valuers to determine the fair value of the land as at December 01, 2020. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of freehold land'.

Fair value of land has been determined using level 2 fair values under following valuation technique.

Level 2 fair value of land has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot and a slight change in the estimated price per square foot of the land would result in a significant increase in the fair value of the freehold land.

There has been no change to the valuation technique during the year.

	June 30, 2022 Rupees	June 30, 2021 Rupees
36 FINANCIAL INSTRUMENTS BY CATEGORIES		
Financial asset as at amortized cost		
Long term Security Deposits	17,519,200	8,613,950
Trade Debts	1,401,564,821	444,545,802
Trade Deposits and Other Receivables	1,756,425	-
Short Term Investment in TDR's	1,658,304,239	-
Cash and Bank Balances	27,481,255	3,074,424,503
Financial assets - at FVTPL		
Short Term Investments in Shares- Quoted	117,722,622	-
Short Term Investments in Shares- Unquoted	194,400,000	-
Financial liabilities at amortized cost		
Long Term Financing - Secured	462,435,655	315,727,496
Lease Liabilities	6,267,409	7,755,356
Creditors, Accrued and other liabilities	1,756,792,686	1,016,399,359
Director's Loan	12,200,000	12,200,000
Short Term Borrowings	509,371,276	-

36.1 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

37 TRANSACTION WITH RELATED PARTIES

Related parties and associated undertaking comprise related group companies, associated companies, directors and key management personnel. The Company in the normal course of business carried out transactions with related parties. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	2022 Rs. (million)	2021 Rs. (million)
- Investment in Associated Undertaking	-	-
- Short Term Loan from directors	-	(5.00)

There were no transactions with key management personnel other than undertaken as per terms of their employment as disclosed in Note 38.

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

Company Name	Relationship
Yaqeen Developers Limited	Associate - Common Directorship

38 REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	2022			
	Chief Executive	Directors	Executives	Total
Managerial remuneration	10,800,000	15,900,000	28,884,000	55,584,000
Bonuses	-	-	-	-
Meeting Fees	-	890,000	-	890,000
	10,800,000	15,900,000	28,884,000	56,474,000
No. of persons	1	4	11	16

	2021			
	Chief Executive	Director	Executives	Total
Managerial remuneration	3,100,000	3,250,000	11,494,980	17,844,980
Bonuses	300,000	300,000	870,700	1,470,700
	3,400,000	3,550,000	12,365,680	19,315,680
No. of persons	1	1	8	10

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

- 38.1 No meeting fees was paid to chief executive and directors during the year .
- 38.2 The Chief executive, directors and executive have not been provided any other perquisites and benefits.
- 38.3 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

39 OPERATING SEGMENT

For management purposes, the activities of the Company are organised into one operating segment. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements are related to the Company's only reportable segment.

- 39.1 All of the Company sales are local.
- 39.2 All assets of the Company as at 30 June 2022 are located in Pakistan.

40 NUMBER OF EMPLOYEES

Total Average number of employees during the year and as at the year end are as follows:-

	2022	2021
Number of employees as at the closing date	587	573
Average number of employees during the year	558	508

41 PLANT CAPACITY AND ACTUAL PRODUCTION

The capacity and production of the Company's plant is indeterminable as it is a multi-product plant involving varying processes of manufacture.

42 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The principal purpose of the issue was to increase the capacity in both segment of Active Pharmaceutical Ingredients (API) and Formulation and to set up a state of the art, 200 bed hospital facility in Lahore.

43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2022 of Rs. Nil (2021: Rs. 1.5) per share and bonus shares of Nil (2021: 10%) at their meeting held on September 23, 2022.

44 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been authorized for issue on September 23, 2022 by the board of directors of the company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Description	Funds Required (Rupees)	Allocation (%)	Actual Expenditure (Rupees)	Excess/ (Less) Incurred (Rupees)
API Segment				
Civil Works	150,000,000	7%	43,543,256	(106,456,744)
Procurement of Plant and Machinery	405,194,500	20%	24,802,892	(380,391,608)
	555,194,500	27.28%	68,346,148	(486,848,352)
Formulation Segment				
Civil Works	250,000,000	12%	58,849,696	(191,150,304)
Procurement of Plant and Machinery	307,630,000	15%	88,852,868	(218,777,132)
	557,630,000	27.40%	147,702,564	(409,927,436)
Formulation Segment				
Civil Work of Hospital Building (incl. Electrical and Mechanical work)	668,000,000	33%	-	(668,000,000)
Procurement of Plant and Machinery	254,551,500	13%	-	(254,551,500)
	922,551,500	45.33%	-	(922,551,500)
Utilization of Excess Proceeds				
Repayment of Borrowings	54,197,497	19%	54,197,497	-
Working Capital	108,902,639	37%	108,902,639	-
IPO Expenses	127,667,864	44%	127,667,864	-
	290,768,000	100%	290,768,000	-

45 REPRESENTATION / RECLASSIFICATION

Certain prior year figures have been represented / re-classified to reflect a more appropriate presentation of events and transactions for the purpose of consistency.

46 GENERAL

Figures have been rounded off to the nearest Pak Rupees, unless otherwise stated.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

PATTERN OF SHAREHOLDING

As At June 30, 2022

No. of Shareholders	Shareholding		Total Shares held
	From	To	
562	1	100	29,827
955	101	500	385,374
2,120	501	1,000	1,448,589
4,167	1,001	5,000	9,359,383
806	5,001	10,000	5,859,166
317	10,001	15,000	3,870,120
155	15,001	20,000	2,741,709
113	20,001	25,000	2,605,717
88	25,001	30,000	2,450,454
57	30,001	35,000	1,864,466
37	35,001	40,000	1,410,328
15	40,001	45,000	647,381
34	45,001	50,000	1,655,702
27	50,001	55,000	1,437,840
20	55,001	60,000	1,159,817
12	60,001	65,000	764,083
13	65,001	70,000	871,052
6	70,001	75,000	439,546
5	75,001	80,000	389,500
6	80,001	85,000	496,550
3	85,001	90,000	258,567
3	90,001	95,000	282,700
12	95,001	100,000	1,186,550
4	100,001	105,000	414,500
8	105,001	110,000	871,887
3	110,001	115,000	335,700
4	115,001	120,000	470,211
3	120,001	125,000	371,215
3	125,001	130,000	383,550
3	130,001	135,000	395,100
4	145,001	150,000	594,530
3	150,001	155,000	457,500
1	155,001	160,000	157,000
3	160,001	165,000	492,900
1	165,001	170,000	169,222
1	170,001	175,000	173,099
1	180,001	185,000	181,000
1	190,001	195,000	192,500
1	195,001	200,000	200,000
2	200,001	205,000	406,000
1	205,001	210,000	207,541
1	210,001	215,000	210,900
3	215,001	220,000	656,000
1	225,001	230,000	227,250

PATTERN OF SHAREHOLDING

As At June 30, 2022

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1	245,001	250,000	250,000
1	255,001	260,000	260,000
2	260,001	265,000	528,142
2	295,001	300,000	596,216
2	305,001	310,000	615,500
1	310,001	315,000	310,878
1	315,001	320,000	316,500
1	380,001	385,000	385,000
1	455,001	460,000	456,000
1	460,001	465,000	462,000
1	470,001	475,000	470,953
1	480,001	485,000	483,750
1	505,001	510,000	508,000
2	520,001	525,000	1,046,374
1	535,001	540,000	538,500
2	540,001	545,000	1,083,000
1	545,001	550,000	550,000
1	555,001	560,000	555,500
1	575,001	580,000	577,500
1	590,001	595,000	593,500
1	695,001	700,000	700,000
1	845,001	850,000	849,500
1	890,001	895,000	892,039
1	895,001	900,000	900,000
1	995,001	1,000,000	1,000,000
1	1,050,001	1,055,000	1,053,000
1	1,055,001	1,060,000	1,055,500
1	1,195,001	1,200,000	1,200,000
1	1,315,001	1,320,000	1,320,000
1	1,435,001	1,440,000	1,439,500
1	1,665,001	1,670,000	1,665,150
1	1,755,001	1,760,000	1,760,000
1	1,855,001	1,860,000	1,857,186
1	4,495,001	4,500,000	4,500,000
3	14,845,001	14,850,000	44,550,000
1	44,545,001	44,550,000	44,550,000
1	59,395,001	59,400,000	59,399,986
9629			228,461,200

DETAILS OF PATTERN OF SHAREHOLDINGS

As At June 30, 2022

S. No.	Categories Shareholders	Shares Held	% Age
1	Directors, CEO, Their Spouses And Minor Childern	118,800,542	52.00
	MR. NADEEM AMJAD - DIRECTOR	59,399,986	26.00
	MR. RIZWAN AHMAD - DIRECTOR / CEO	44,550,000	19.50
	DR. ZAMEER UL HASSAN - DIRECTOR OPERATIONS	3	0.00
	MR. MUHAMMAD NAEEM - DIRECTOR	14,850,000	6.50
	MS. SAIRA ASLAM - DIRECTOR	3	0.00
	MR. ABDUL JALEEL SHAIKH - DIRECTOR	550	0.00
	MR. FARZIN KHAN - DIRECTOR	-	-
2	Modaraba and Mutual Funds	18,036,736	7.89
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	4,500,000	1.97
	CDC - TRUSTEE NBP STOCK FUND	1,857,186	0.81
	CDC - TRUSTEE ABL STOCK FUND	1,665,150	0.73
	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1,320,000	0.58
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1,200,000	0.53
	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1,055,500	0.46
	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1,053,000	0.46
	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	849,500	0.37
	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	700,000	0.31
	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	540,500	0.24
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	524,021	0.23
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	522,353	0.23
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	470,953	0.21
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	456,000	0.20
	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	296,216	0.13
	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	216,000	0.09
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	169,222	0.07
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	123,015	0.05
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	112,000	0.05
	CDC - TRUSTEE JS ISLAMIC FUND	94,100	0.04
	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	60,000	0.03
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	56,417	0.02
	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	53,304	0.02
	CDC - TRUSTEE NBP BALANCED FUND	52,097	0.02
	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	30,000	0.01
	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	26,052	0.01
	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	18,000	0.01
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	11,000	0.00
	B.R.R. GUARDIAN MODARABA	5,150	0.00
3	Insurance Companies and Takaful	2,062,300	0.90
	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	1,439,500	0.63
	ALFALAH INSURANCE COMPANY LIMITED	316,500	0.14
	UNITED INSURANCE COMPANY OF PAKISTAN LIMITED	147,400	0.06
	ADAMJEE LIFE ASSURANCE COMPANY LIMITED	125,000	0.05
	DAWOOD FAMILY TAKAFUL LIMITED	33,900	0.01

DETAILS OF PATTERN OF SHAREHOLDINGS

S. No.	Categories Shareholders	Shares Held	% Age
4	Banks Development Financial Institutions, Non Banking Financial Institutions	762,800	0.33
	SAMBA BANK LIMITED	593,500	0.26
	THE BANK OF KHYBER	100,000	0.04
	AZIMUT PAKISTAN EQUITY FUND (OEIC) PLC	50,000	0.02
	FIRST CREDIT & INVESTMENT BANK LIMITED	14,300	0.01
	DIYANAH ISLAMIC FINANCIAL SERVICES (PVT.) LIMITED	5,000	0.00
5	Joint Stock Companies	5,647,560	2.47
	PEBBLES (PVT) LIMITED	1,760,000	0.77
	EFG HERMES OMAN LLC	1,000,000	0.44
	TRADING ENTERPRISES (PVT) LTD	577,500	0.25
	WESTBURY (PRIVATE) LTD	555,500	0.24
	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	542,500	0.24
	AMAAN CAPITAL (PVT.) LIMITED	263,142	0.12
	ZAHID LATIF KHAN SECURITIES (PVT) LTD.	227,250	0.10
	MRA SECURITIES LIMITED - MF	201,000	0.09
	KAISAR SHAHZADA (PVT)LTD.	42,500	0.02
	ALTAF ADAM SECURITIES (PVT) LTD.	32,500	0.01
	ABA ALI HABIB SECURITIES (PVT) LIMITED	32,500	0.01
	B & B SECURITIES (PRIVATE) LIMITED	30,000	0.01
	DARSON SECURITIES LIMITED	27,500	0.01
	ZENSOFT PRIVATE LIMITED	27,500	0.01
	YOUSUF YAQOUB KOLIA AND COMPANY (PVT) LTD	24,337	0.01
	PASHA SECURITIES (PVT) LTD.	22,000	0.01
	DEL PROJECTS (PRIVATE) LIMITED	20,000	0.01
	SIDDIQ LEATHER WORKS (PVT) LIMITED	20,000	0.01
	INTERMARKET SECURITIES LIMITED - MF	20,000	0.01
	JS GLOBAL CAPITAL LIMITED - MF	18,000	0.01
	SHADAB INNOVATIONS (PRIVATE) LIMITED	17,000	0.01
	MIAN NAZIR SONS INDUSTRIES (PVT) LIMITED	16,500	0.01
	EDULJEE DINSHAW HOLDING COMPANY (PVT) LTD	15,500	0.01
	ASDA SECURITIES (PVT.) LTD.	15,500	0.01
	MUHAMMAD SHAFI TANNERIES (PRIVATE) LIMITED	15,000	0.01
	MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIMITED	14,000	0.01
	AVI DINSHAW (PRIVATE) LIMITED	11,914	0.01
	MULTILINE SECURITIES LIMITED	11,000	0.00
	NINI SECURITIES (PRIVATE) LIMITED	10,028	0.00
	N. U. A. SECURITIES (PRIVATE) LIMITED - MF	10,000	0.00
	FRAMROZE E. DINSHAW (PRIVATE) LIMITED	8,585	0.00
	ORIENT IMPEX (PRIVATE) LIMITED	8,250	0.00
	EDDIE COMPANY (PRIVATE) LIMITED	6,087	0.00
	GALAXY CAPITAL SECURITIES (PVT) LIMITED	5,000	0.00
	SPINZER EQUITIES (PRIVATE) LIMITED	5,000	0.00
	KHURSHEED SALT WORKS (PRIVATE) LIMITED	4,950	0.00
	SEMAAB TRADERS (PRIVATE) LIMITED	4,300	0.00
	YAPARVAR (PRIVATE) LIMITED	3,850	0.00

DETAILS OF PATTERN OF SHAREHOLDINGS

S. No.	Categories Shareholders	Shares Held	% Age
	SHAFFI SECURITIES (PVT) LIMITED	3,300	0.00
	BIPL SECURITIES LIMITED - MF	3,000	0.00
	AHSAM SECURITIES (PRIVATE) LIMITED	2,500	0.00
	A B M SECURITIES (PVT.) LIMITED	2,200	0.00
	TECHNOLOGY LINKS (PVT.) LIMITED	2,200	0.00
	KHYBER INTERNATIONAL PAK (PVT) LTD	2,000	0.00
	KARACHI LIGHTERAGE COMPANY (PRIVATE) LIMITED	1,947	0.00
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	1,520	0.00
	GROWTH SECURITIES (PVT) LTD.	1,500	0.00
	AKHAI SECURITIES (PRIVATE) LIMITED	1,000	0.00
	HH MISBAH SECURITIES (PRIVATE) LIMITED	200	0.00
6	Others	3,294,570	1.44
	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	508,000	0.22
	HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES PROVIDENT FUND	462,000	0.20
	CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	385,000	0.17
	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	207,541	0.09
	HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES GRATUITY FUND	205,000	0.09
	GHANI GLASS LIMITED EMPLOYEES PROVIDENT FUND	200,000	0.09
	ADAMJEE LIFE ASSURANCE COMPANY LTD. EMPLOYEES GRATUITY FUND	157,000	0.07
	KOT ADDU POWER COMPANY LIMITED EMPLOYEES PROVIDENT FUND	134,000	0.06
	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	105,037	0.05
	TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	85,545	0.04
	NOVARTIS PHARMA PAKISTAN LIMITED SENIOR PROVIDENT FUND	63,500	0.03
	GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	57,000	0.02
	THAL LIMITED EMPLOYEES PROVIDENT FUND	55,338	0.02
	ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES GRATUITY FUND	49,000	0.02
	ESSITY PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	47,000	0.02
	TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	40,000	0.02
	TRUSTEES OF THE GENERAL TYRE & RUBBER CO. - LOCAL STAFF P.F.	34,500	0.02
	TRUSTEES OF FRIENDS EDUCATIONAL AND MEDICAL TRUST	32,000	0.01
	TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	28,500	0.01
	HOMMIE AND JAMSHED NUSSERWANJEE CHARITABLE TRUST	28,000	0.01
	TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	28,000	0.01
	ABACUS CONSULTING TECHNOLOGY PVT LTD STAFF PROV FUND TRUST	28,000	0.01
	ALI GOHAR & COMPANY (PRIVATE) LIMITED STAFF PROVIDENT FUND	28,000	0.01
	TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	27,500	0.01
	BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	27,018	0.01
	CHEVRON PAKISTAN LUBRICANTS (PVT.) LTD. EPF	26,000	0.01
	TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PROVIDENT FUND	23,837	0.01
	ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	22,000	0.01
	TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	21,000	0.01
	BPS GROUP COMPANIES EMPLOYEES PROVIDENT FUND	20,000	0.01
	ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	19,002	0.01
	THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	15,754	0.01
	AGRIAUTO INDUSTRIES LIMITED EMPLOYEES PROVIDENT FUND	15,300	0.01

DETAILS OF PATTERN OF SHAREHOLDINGS

S. No.	Categories Shareholders	Shares Held	% Age
	SUI SOUTHERN GAS EXECUTIVE STAFF PROVIDENT FUND	15,000	0.01
	TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.G.FUND	13,500	0.01
	BVA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	13,000	0.01
	NISHAT CHUNIAN LIMITED EMPLOYEES PROVIDENT FUND	12,500	0.01
	HAMID ADAMJEE TRUST	10,000	0.00
	TRUSTEE-THE PAKISTAN MEMON EDUCATIONAL & WELAFRE SOCIETY	10,000	0.00
	PROVIDENT FUND TRUST-HUSEIN SUGAR MILLS LIMITED	10,000	0.00
	TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	7,500	0.00
	TRUSTEE OF HOMMIE AND JAMSHED NUSSEWANJEE CHARITABLE TRUST	7,150	0.00
	THAL LIMITED EMPLOYEES RETIREMENT BENEFIT FUND	5,798	0.00
	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEEES P.FUND	2,750	0.00
	TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.P.FUND	2,000	0.00
	General Public	79,856,692	34.95
	Total	228,461,200	100.00
Shareholders Holding Ten Percent Or More In The Company			
	MR. NADEEM AMJAD - DIRECTOR	59,399,986	26.00
	MR. RIZWAN AHMAD - DIRECTOR / CEO	44,550,000	19.50

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that the Annual General Meeting of Citi Pharma Limited will be held on October 28, 2022, Friday, at 11:00 AM at 588- Q Block, M.A Johar Town, Lahore to transact the following businesses:

Ordinary Business

1. To confirm the minutes of last Annual General Meeting (AGM) held on October 28, 2021.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022 together with Directors' and Auditors' Report thereon.
3. To appoint statutory auditors of the Company for the year ending on June 30, 2023 and fix their remuneration. The Board of Directors upon recommendations of Audit Committee has recommended M /s Aslam Malik & Co. Chartered Accountants, being eligible for re-appointment and have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out-of-pocket expenses at actual.

Special Business

4. To elect Seven (7) Directors of the Company for the term of three years commencing from October 28, 2022 in accordance with the provisions of section 159 of the Companies, Act, 2017.

Board of Directors has fixed the number of directors to be elected as Seven (7).

The retiring directors are:

1)	Mr. Nadeem Amjad	2)	Mr. Rizwan Ahmad	3)	Mr. Muhammad Naeem
4)	Mr. Abdul Jaleel Shaikh	5)	Ms. Saira Aslam	6)	Ms. Farzin Khan
7)	Mr. Zameer Ul Hassan Shah				

The above retiring directors are eligible for re-election.

5. To transact any other business with the permission of the Chair.

By the Order of the Board

Muhammad Riaz
Company Secretary

October 7, 2022
Lahore

Notes

1. **Participation in the AGM Proceeds via video conferencing facility:**
Due to current COVID-19 situation and for the well-being of the stakeholders the AGM proceedings can also be attended via video conferencing facility.

Shareholders interested to participate in the meeting are requested to email following information with subject "registration for CITI PHARMA LIMITED AGM" along with valid copy of both sides of computerized National Identity Card (CNIC) at corporate@citipharma.com.pk. Video link and login credentials will be share with only those members whose email containing all the required particulars, are received at least 48 hours before the time of AGM.

NOTICE OF ANNUAL GENERAL MEETING

Registration to Attend Annual General Meeting through Videos Conferencing Facility

Full Name	CNIC Number	F o l i o / C D C Account No.	Email Address	Cell Number	No. of Shares

Shareholders can also send their comments and feedback at the email address corporate@citipharma.com.pk.

2. Book Closure

1. The share transfer Books of the Company shall remain closed from October 21, 2022 to October 28, 2022 (both days inclusive) to establish the right to attend annual general meeting.
2. A Member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf.
3. An instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarized certified copy of the power or authority must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Form of Proxy is enclosed.
4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities Exchange Commission of Pakistan.

a. For Attending AGM

- I. In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall produce proof of his/her identity by showing original computerized National Identity Card (CINC) at the time of attending meeting.
- II. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

b. For Appointing Proxy

- I. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the CDC regulations shall submit the proxy form as per the above requirement.
- II. Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the proxy form. The proxy shall produce his original CNIC at the time of the meeting.

Electronic Voting:

- I. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Companies Act, 2017 and application clauses of the Companies Postal Ballot Regulations, 2018

STATEMENT UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF ELECTION OF DIRECTORS

This statement sets out the material facts concerning the Special Business to be transacted at Annual General Meeting of the Company to be held on October 28, 2022.

Contesting Election of Directors: Any person (including a retiring Director) who seeks to contest election of directors shall file with the Company at its office at 2nd Floor, 588- Q Block, M.A Johar Town, Lahore, not later than fourteen (14) days before the date of election of directors in terms of section 159(2)(3) of the Companies Act, 2017 together with:

- a. Notice of his/her intention to contest election, along with duly completed signed Form 28 (Consent to act as Director of the Company) if elected (under section 167(1) of the Companies Act, 2017), and certify that he/she is not ineligible to become director under any applicable laws, Rules & Regulations.
- b. Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the eligibility criteria as set out in the Companies Act, 2017 to act as the director of a listed company.
- c. Attested copy of valid CNIC and NTN.
- d. Declaration by Independent Director(s) under clause 6(2) of the Listed Companies (Code of Corporate Governance) Regulations 2017.

اطلاع سالانہ اجلاس عام

بذریعہ نذرکاران کو مطلع کیا جاتا ہے کہ کمپنی کا سالانہ اجلاس عام 28 اکتوبر 2022 بروز جمعہ صبح 11:00 بجے بمقام Q-588 بلاک، M.A. جوہر ٹاؤن، لاہور درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:
عام امور:

- 1- 28 اکتوبر 2021 کو منعقدہ گزشتہ سالانہ اجلاس عام (AGM) کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے نظر ثانی شدہ مالیاتی گوشواروں سمیت ڈائریکٹرز اور آڈیٹرز کی رپورٹ پر، غور و خوض اور منظور کرنا۔
- 3- 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کا معاوضہ تعین کرنا۔ آڈٹ کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز نے میسرز اسلام ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ کو اہل ہونے کی بنیاد پر دوبارہ تقرری کی سفارش کی ہے اور انہوں نے باہمی رضامندی سے فیس اور اصل جیب خرچ پر نوڈ کو دوبارہ تقرری کے لئے پیش کیا ہے۔
خصوصی امور
- 4- کیپٹینز ایکٹ، 2017 کے سیکشن 159 کی دفعات کے مطابق 28 اکتوبر 2022 سے شروع ہونے والی تین سال کی مدت کے لیے کمپنی کے سات (7) ڈائریکٹرز کا انتخاب کرنا۔
بورڈ آف ڈائریکٹرز نے منتخب ہونے والے ڈائریکٹرز کی تعداد سات (7) مقرر کی ہے۔
ریٹائر ہونے والے ڈائریکٹرز یہ ہیں:

1) جناب ندیم احمد	2) جناب رضوان احمد	3) جناب محمد نعیم
4) جناب عبدالجلیل شیخ	5) محترمہ سائرہ اسلم	6) محترمہ فرزین خان
7) جناب ضمیر الحسن شاہ		

- مذکورہ بالا ریٹائر ہونے والے ڈائریکٹرز دوبارہ انتخاب کے اہل ہیں۔
- 5- صاحب صدر کی اجازت سے کوئی دیگر امور سر انجام دینا۔

منجملہ بورڈ

محمد ریاض
کمپنی سیکرٹری
17 اکتوبر 2022
لاہور

نوٹ:

- 1- ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM کی کارروائیوں میں شرکت:
- COVID-19 کی موجودہ صورتحال اور اسٹیک ہولڈرز کی فلاح و بہبود کے لیے ویڈیو کانفرنسنگ کی سہولت کے ذریعے بھی AGM کی کارروائی میں شرکت کی جاسکتی ہے۔
- اجلاس میں شرکت کی دلچسپی رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات کو بعنوان "CITI PHARMA LIMITED AGM" کے لیے رجسٹریشن "کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کے دونوں اطراف کی مؤثر کاپی کے ہمراہ corporate@citipharma.com.pk پر ای میل کریں۔ ویڈیو لنک اور لاگ ان کی اسناد صرف ان ممبروں کے ساتھ شیئر کی جائیں گی جن کی تمام مطلوبہ تفصیلات پر مشتمل ای میل، AGM کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوئی ہے۔
ویڈیو کانفرنسنگ سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لیے رجسٹریشن

مکمل نام	CNIC نمبر	فونو/ CDC	ای میل ایڈریس	سیل نمبر	حصص کی تعداد

شیئرز ہولڈرز ای میل ایڈریس corporate@citipharma.com.pk پر اپنی آراء اور تاثرات بھی بھیج سکتے ہیں۔

2- کتابوں کی بندش

- 1- سالانہ عام اجلاس میں شرکت کے استحقاق کے تعین کے لیے کمپنی کے حصص کی منتقلی کتابیں 21 اکتوبر 2022 تا 28 اکتوبر 2022 (دونوں دن سمیت) بند رہیں گی۔
- 2- سالانہ عام اجلاس میں شرکت ہفٹ اور ووٹ دینے کا اہل رکن کسی دوسرے رکن کو اپنی طرف سے شرکت، آفٹر اور ووٹ دینے کے لیے اپنا پراسی مقرر کرنے کا اہل ہے۔

اطلاع سالانہ اجلاس عام

AGM میں شرکت کے لیے

a۔ اجلاس میں شرکت کے لئے

۱۔ بصورت افراد، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی سکیورٹیز اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اس اجلاس میں شرکت کے وقت اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CINIC) دکھا کر اپنی شناخت کا ثبوت پیش کرے گا۔

۲۔ بصورت کارپوریٹ ادارہ، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس پر نامزد شخص کے نمونے کے دستخط ہوں گے (اگر پہلے فراہم نہ کیا گیا ہو) پیش کیا جائے گا۔
b۔ پراکسی کی تقرری کے لیے

۱۔ بصورت افراد، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں مندرجہ بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں۔

۲۔ بینفٹشل ماکان اور پراکسی کے CNIC کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ پیش کی جائیں گی۔ پراکسی اجلاس کے وقت اپنا اصل CNIC پیش کرے گا۔

ایکسٹرانٹ ووٹنگ:

۱۔ اراکین کمپنیز ایکٹ، 2017 کے سیکشن 143-145 اور کمپنیز پوسٹل بیلت ریگولیشنز، 2018 کی لاگو شدہ قواعد کے تقاضوں کے حوالے سے رائے شماری کا مطالبہ کرنے کا اپنا حق استعمال کر سکتے ہیں۔

ڈائریکٹرز کے انتخاب کے حوالے سے کمپنیز ایکٹ، 2017 کے سیکشن (3) 166 کے تحت بیان

یہ بیان 28 اکتوبر 2022 کو منقذ ہونے والی کمپنی کی سالانہ اجلاس عام میں خصوصی امور سے متعلق ہادی حقائق کا تعین کرتا ہے۔

ڈائریکٹرز کے انتخاب میں حصہ لینا: کوئی بھی شخص (بشمول ریٹائر ہونے والا ڈائریکٹر) جو ڈائریکٹرز کے انتخاب میں حصہ لینا چاہتا ہے، کمپنی کے ہاں اس کے دفتر واقع دوسری منزل، 588-Q بلاک، M.A. جوہر ٹاؤن، لاہور، میں کمپنیز ایکٹ 2017 کے سیکشن (3) (2) 159 کے مطابق ڈائریکٹرز کے انتخاب کی تاریخ سے کم از کم چودہ (14) دن پہلے درج ذیل کے ساتھ فائل کرے گا:

a۔ انتخاب میں حصہ لینے کے ارادے کا نوٹس، معہ باقاعدہ مکمل دستخط شدہ فارم 28 (کمپنی کے ڈائریکٹر کے طور پر کام کرنے کی رضامندی) اگر منتخب ہوا (کمپنیز ایکٹ، 2017 کے سیکشن (1) 167 کے تحت)، اور توثیق کہ وہ کسی قابل اطلاق قوانین، قواعد و ضوابط کے تحت ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔

b۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2017 کے تقاضوں کی تعمیل اور کمپنیز ایکٹ، 2017 میں لسٹڈ کمپنی کے ڈائریکٹر کے طور پر کام کرنے کے اہلیتی معیار کے مطابق ہونے کے حوالے سے

اعلان۔

c۔ مؤثر CNIC اور NTN کی تصدیق شدہ کاپی۔

d۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی شق (2) 6 کے تحت غیر جانبدار ڈائریکٹر کا اعلان۔

PROXY FORM

I/We _____ of _____ being a member of Citi Pharma Limited hereby appoint Mr. _____ another member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, October 28, 2022, at 11:00 AM at 588-Q Block, M.A Johar Town, Lahore and any adjournment thereof.

Signed _____ day of _____ 2022.

SIGNATURE OF MEMBER

Note

1. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If a member is a corporation, its common seal should be affixed to the instrument.



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