



Better Execution Greater Success

Annual Report 2023

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VISION

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

MISSION

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



IBL VALUES

PASSION

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



PARTNERSHIP

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



EXCELLENCE

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



INTEGRITY

- Creates transparency
- Acts fairly and honestly





COMPANY INFORMATION

Board Of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Mr. Hammad Bin Kafeel

Company Secretary

Mr. Hussain Murtaza

Auditors

A.F Ferguson & Co., Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman

Legal Advisor

Mohsin Tayabaly & Co.

Bankers

Habib Bank Limited
National Bank Of Pakistan
Summit Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited
Al-Baraka Bank (Pakistan) Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited

Registered Office

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

Share Registrar

Central Depository Company
of Pakistan Limited
CDC House, 99-b, Block-b, Smchs
Shahrah-e-faisal, Karachi – 74400

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th annual general meeting of the shareholders of IBL HealthCare Limited will be held on Friday, October 27, 2023, at 03:30 p.m. through video link facility, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of extraordinary general meeting held on June 08, 2023.
2. To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2023, together with the directors' and independent auditors' reports thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following weblink and QR enabled code:

<https://www.iblhc.com/assets/documents/investorrelations/55/>



3. To appoint auditors for the financial year ending June 30, 2024, and to fix their remuneration. The present auditors, A.F Ferguson & Co., Chartered Accountants, have retired and being eligible, have offered themselves for re-appointment. The Board of Directors has recommended their re-appointment.

SPECIAL BUSINESS

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

RESOLVED that a sum of Rs.142,791,276/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 14,279,127.60 ordinary shares of Rs.10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on October 20, 2023, in the proportion of twenty shares for every hundred ordinary shares held and that such new shares shall rank Pari-Passu with the existing ordinary shares.

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

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

5. To ratify and approve transactions conducted with related parties for the year ended June 30, 2023, by passing the following special resolution with or without modification:

RESOLVED THAT the transactions conducted with related parties as disclosed in the note 32 of the financial statements for the year ended June 30, 2023, and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed.

6. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2024, by passing the following special resolution with or without modification:

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

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

OTHER BUSINESS

7. To transact any other business of the Company with the permission of the Chair.

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

By the order of the board



Hussain Murtaza
Company Secretary

October 06, 2023,

NOTES:

A. Book closure:

- i. The share transfer books will remain closed from October 21, 2023, to October 27, 2023 (both days inclusive) for entitlement of 20% bonus shares. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Shahrah-e-Faisal, Karachi-74400 by close of the business on October 20, 2023, will be treated in time for the purpose of attending the annual general meeting and entitlement of bonus shares.

B. Participation in General Meeting through Video Link Facility:

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

Shareholders interested in attending the AGM through video link facility are hereby advised to get themselves registered with the Company by providing the following information through email hussain.murtaza@iblhc.com earliest but not later than 48 hours before the time of the AGM i.e., before 3:30 p.m. on October 25, 2023.

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

Online meeting link and login credentials will be shared with only those members who provide their intent to attend the meeting containing all the required particulars as mentioned above on or before October 25, 2023, by 3:30 p.m.

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

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

C. Request for Video conference facility:

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

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

Signature of Member (s)

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

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

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

E. Postal Ballot/E-Voting

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

F. Deposit of Physical Shares in CDC Account

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

G. Change of address

Members are requested to notify changes in their address, if any, immediately to the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahrae-Faisal, Karachi-74400.

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

1. Item number 4 of the notice – approval of bonus shares

The Directors of the Company are of the view that the Company's financial position justifies issuance of bonus shares in the ratio of twenty shares for every hundred shares held. The Directors are interested in the business to the extent of the entitlement of bonus shares as shareholders.

2. Item number 5 of the notice – Ratification and approval of the related party transactions

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies. These transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 32 to the financial statements for the year ended June 30, 2023. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000
International Brands (Private) Limited	Corporate service charges	21,000
	Dividend paid	208
	SAP maintenance fee	1,139
The Searle Company Limited	Dividend paid	46,810
	Purchase of goods	473,611
	Reimbursement of expenses	46,915
	Utilities	4,015
	Rent expense	3,974
	Sale of goods	2,428
IBL Operations (Private) Limited	Sale of goods	1,859,215
	Shared costs	11,200
United Brands Limited	Sales of goods	52,443
Searle Pakistan Limited	Sale of goods	200
	Purchase of goods	28,418
Searle Biosciences (Private) Limited	Purchase of goods	1,403
IBL Logistics (Private) Limited	Cartage and freight charges	23,313
United Retail (Private) Limited	Rental Income	1,161
	Other Income	1,603
	Sale of goods	41
Universal Retails (Private) Limited	Rental income	1,265
Employees' Provident Fund	Contribution Paid	3,564
Key management personnel	Salaries and other benefits	73,938
	Directors' fee and conveyance	2,765
	Sale of goods	66

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

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

The nature of relationship with these related parties has also been indicated in the note 32 to the financial statements for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

3. Item number 6 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2024

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024, on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the holding / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the period up to the conclusion of next AGM, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

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



Nutrition Paeds







Nutrition



Health And Wellness



Ophthalmic



Medical Disposables



Pharmaceutical

Infant
Formula

Medical
Nutrition

Baby
Cereals

Lifestyle
Nutrition

Speciality

Consumer Health

Hygiene and Safety

Vision Care

Pharma

Renal
Care

Critical Care
& Anesthesia

Medical
Gloves

Blood
Transfusion

IV
Administration

Gastroenterology

General
Medicine

Anesthesia

Uro-
Gynecology

Urology



Nutrition





Pharmaceutical



Ophthalmic





Health And Wellness





Medical Disposables





Nutrition Adult







CHAIRMAN'S REVIEW REPORT

The Board of Directors (the "Board") of IBL HealthCare Limited (the "Company") is committed to operating with highest standards of Corporate Governance and best practices as set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. As required under the Code of Corporate Governance, an annual evaluation of the Board of the Company was carried out for the financial year ended June 30, 2023. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

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

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

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

Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, plans, budgets and financial statements. The Board met frequently to adequately discharge its responsibilities.

Monitoring: The Board continuously monitored the business of the Company such as objectives, goals, and financial performance through regular presentations by the management, and internal and external auditors. The Board provides appropriate directions on a timely basis.

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

Governance: The Board has put in place an effective, transparent and robust system of governance, This is achieved by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the Company.



Chairman

Date: September 27, 2023



THE BIGGEST BREAKTHROUGH

IN THE HISTORY OF CHILDREN'S NUTRITION
NOW AVAILABLE IN PAKISTAN

NEW AND IMPROVED



BRAIN DEVELOPMENT
MFGM and DHA



22 NUTRIENTS
to support growth



360° DHA+

MFGM PRO

HMO 2'-FL

IMMUNE HEALTH
Triple Prebiotics & Vitamins



*Among those who have preferences

DIRECTOR'S REPORT

The Board of Directors of IBL HealthCare Limited (IBLHL) are pleased to present the audited financial statements for the year ended June 30, 2023.

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

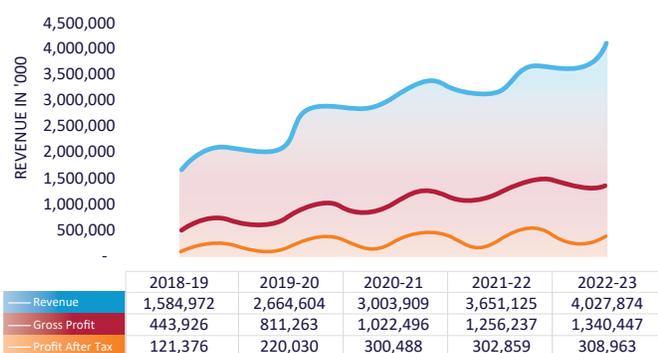
SUMMARY OF FINANCIAL PERFORMANCE

	2023 (Rupees in Thousand)	2022
Revenue	4,027,874	3,651,125
Gross profit	1,340,447	1,256,237
Gross profit as % of revenue	33.28%	34.41%
Profit before taxation	458,833	483,270
Profit after taxation	308,963	302,859

PRINCIPAL ACTIVITIES

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

Operating Results



OVERVIEW OF FINANCIAL PERFORMANCE

The revenue for the financial year ended June 30, 2023, was Rs.4.03 billion as against Rs.3.65 billion last year thereby registering a growth of 10%. This growth was mainly driven by medical devices & nutrition businesses. The Company managed to maintain gross profit as a percentage of sales at 33.28% as compared to 34.41% last year, despite numerous economic challenges faced by the Company including drastic devaluation of currency and increase in supplier prices. However, due to the overall socio-economic condition of the country, coupled with increase in tax rates through imposition of super tax and increase in finance cost, the Company's profit after tax was restricted to Rs. 308.9 million.

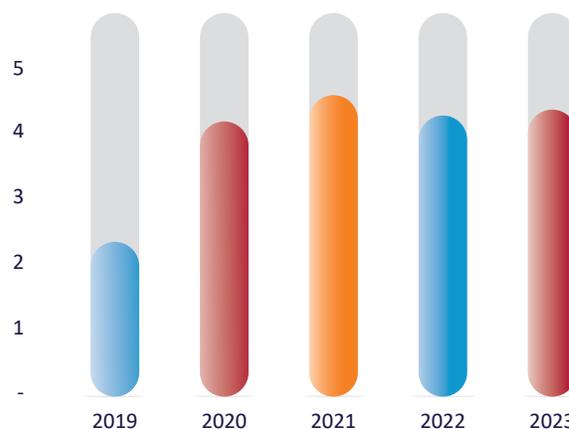
HOLDING COMPANY

The Searle Company Limited (TSCL) is Holding Company of IBL HealthCare Limited. As at June 30, 2023, TSCL held 51,491,697 shares of Rs.10 each.

BASIC EARNINGS PER SHARE

Basic earnings per share were Rs. 4.33 (2022: Rs. 4.24)

Earning per Share (PKR)



DIVIDEND

The Board of Directors have recommended 20% bonus shares i-e, 20 shares for every 100 shares held, for the year ended June 30, 2023 (2022: 10% cash dividend & 10% bonus shares).

EVALUATION OF COMPANY'S PERFORMANCE

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

PRINCIPAL RISKS AND THEIR MANAGEMENT

The Company's risk management system aims to ensure that any potential risks which may have an adverse impact on the Company are identified on a timely basis to minimize its potential impact. The exercise is carried out by the Company's senior management under overall guidelines of the Group. This activity encompasses identifying strategic, operational, financial and compliance risks being faced by the Company.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

COMPOSITION OF THE BOARD

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

Total number of directors

a) Male	06
b) Female	01

Composition

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

MEETINGS OF THE BOARD OF DIRECTORS

A summary of meetings held and attended by directors during the year ended June 30, 2023, is as follows:

Name of Director Meetings attended

Ms. Aameena Saiyid	6
Mr. Munis Abdullah	5
Mr. S. Nadeem Ahmed	6
Mr. Mufti Zia ul Islam	5
Mr. Zubair Palwala	6
Mr. Mobeen Alam	6
Mr. Shuja Malik	4

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

MEMBERS

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MEMBERS

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

DIRECTORS' TRAINING PROGRAM

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

PERFORMANCE EVALUATION OF THE BOARD

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

DIRECTORS' REMUNERATION

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

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

	Chief Executive Officer	Independent & Non Executive Director
	Rupees in '000	
Managerial remuneration	10,873	-
Bonus and incentives and leave encashment	3,706	-
Company's contribution to the Provident fund	866	-
Housing and utilities	4,763	-
Fees	125	1,035
	<u>20,333</u>	<u>1,035</u>
Number of persons	1	6

CORPORATE AND SOCIAL RESPONSIBILITY

IBL HealthCare, being a socially responsible organization, firmly believes in providing support to CSR initiatives. It's an ongoing process and a number of CSR activities were initiated in the field of health care. During the year, the Company carried out donations to non-profit organizations.

AUDITORS

The present auditors, A.F Ferguson & Co, Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee after due consideration, recommended to the board for appointment of A.F Ferguson & Co as auditors of the Company for the year ending June 30, 2024.

The Board of Directors endorsed the recommendation of the Audit Committee for appointment of A.F Ferguson & Co for the financial year ending June 30, 2024.

SUBSEQUENT EVENTS

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance.
- Key operating and financial data for the last six years is summarized on page 38.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the financial statements.

- Significant deviations from last year in the operating results of the Company have been highlighted and explained.

FUTURE OUTLOOK

We believe that there is a huge potential in the health care industry of Pakistan. The health care industry can contribute significantly to the country's ex-checker, generating employment, and improving the quality of lives of people living in the country. The Board of Directors of the Company is optimistic for enhancing the growth and profitability by tapping new opportunities i.e. diversification of our product portfolio, localization of product sourcing, launching and extending the product line of our own brands along with existing and new partners. Despite the economic challenges faced, the management of the Company is optimistic to enhance value and contribution in the Company's growth and market share.

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

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

SHAREHOLDING INFORMATION

The Company's shares are traded in Pakistan Stock Exchange. The pattern of shareholding as at June 30, 2023 and other related information is set out on page 40 to 46.

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

CHAIRMAN'S REVIEW

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



Syed Nadeem Ahmed
Director



Mufti Zia ul Islam
Chief Executive Officer

Karachi
September 27, 2023

شیر ہولڈنگ کی معلومات

کمپنی کے شیرز کی پاکستان اسٹاک ایکسچینج میں تجارت ہوتی ہے۔ ۳۰ جون ۲۰۲۳ کے مطابق شیر ہولڈنگ کا طریقہ کار متعلقہ معلومات صفحہ نمبر ۴۰ سے ۴۶ پر درج ہیں۔

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

چیرمین کا جائزہ

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



مفتی ضیاء الاسلام
چیف ایگزیکٹو آفیسر



سید ندیم احمد
ڈائریکٹر

کراچی

۲۷ ستمبر ۲۰۲۳ء

بعد ازاں ہونے والے واقعات

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کے ڈائریکٹرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے تحت اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ آپ کی کمپنی بہتر کارپوریٹ گورننس اور ضابطے پر عملدرآمد کو یقینی بنانے کیلئے تمام تر ضروری اقدامات بروئے کار لاتی ہے۔ ڈائریکٹرز بمسرت اس امر کی توثیق کرتے ہیں کہ:
- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی حسابات اس کے تمام کاروباری امور اس کے آپریشن کے نتائج، بہاؤ اور اس کی ایکویٹی میں تبدیلی کو شفاف انداز میں پیش کرتے ہیں۔
- کمپنی کے حسابات کی باقاعدہ کتب تیار کی جاتی ہے۔
- موزوں ترین اکاؤنٹنگ پالیسیاں مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پر لاگو کی جاتی ہیں اور یہ مناسب اور محتاط فیصلوں پر منحصر ہوتی ہیں۔
- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں مروجہ ہیں، مالیاتی حسابات کی تیاری میں لاگو کیے جاتے ہیں اور ان سے کسی بھی روگردانی کو مناسب انداز میں بیان اور واضح کر دیا جاتا ہے۔
- اندرونی کنٹرول کا نظام مستحکم طور پر تیار کیا گیا ہے اور موثر طور پر نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- اس امر میں کوئی شبہ نہیں ہے کہ کمپنی میں ترقی کرنے کی بہترین صلاحیت موجود ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی انحراف نہیں کیا گیا۔
- گزشتہ ۶ سالوں کے لیے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کی تفصیل صفحہ نمبر ۳۸ پر درج ہے۔
- واجب الادا ٹیکس، قانونی اخراجات اور ڈیویڈنڈ، اگر کوئی ہیں، تو ان کا واضح طور پر تذکرہ مالیاتی حسابات میں کر دیا گیا ہے۔
- کمپنی کے آپریٹنگ نتائج میں پچھلے سال سے اہم اختلافات کو نمایاں کیا گیا ہے اور وجوہات کی وضاحت کی گئی ہے۔

مستقبل پر ایک نظر

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

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

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

بورڈ کی کردگی کا جائزہ

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

ڈائریکٹرز کا مشاہرہ

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

	Chief Executive Officer	Independent & Non Executive Director
	Rupees in '000	
Managerial remuneration	10,873	-
Bonus and incentives	3,706	-
Leave fare assistance and leave encashment	866	-
Company's contribution to the Provident fund	787	-
Housing and utilities	4,763	866
Fees	125	1,035
	20,333	1,035
Number of persons	1	6

کارپوریٹ اور سماجی ذمہ داری

آئی بی ایل ہیلتھ کیئر سماجی طور پر ایک ذمہ دار ادارہ ہے جو سی ایس آر اقدامات کی بھرپور معاونت کی فراہمی پر کامل یقین رکھتا ہے۔ یہ ایک جاری رہنے والا عمل ہے اور اس سلسلے میں ہیلتھ کیئر کے شعبے میں کئی سی ایس آر سرگرمیوں کا آغاز کیا گیا ہے۔ سال کے دوران کمپنی نے غیر منافع تنظیموں کی مدد کی۔

آڈیٹرز

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

بورڈ آف ڈائریکٹرز کے اجلاس

۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے دوران ڈائریکٹرز کی جانب سے منعقد کئے جانے اور شرکت کے حامل اجلاسوں کی ایک مختصر وضاحت درج ذیل کے مطابق ہے:

ڈائریکٹرز کے نام	اجلاس میں حاضری
مسماة امینہ سید	6
جناب منس عبداللہ	5
جناب ایس احمد	6
جناب مفتی ضیاء الاسلام	5
جناب زبیر پال والا	6
جناب مبین عالم	6
جناب شجاع ملک	4

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

ممبران

جناب شجاع ملک - چیئرمین

مسماة امینہ سید

جناب زبیر پال والا

ہیومن ریسورس اینڈ ریمونشن

ممبران

جناب شجاع ملک - چیئرمین

جناب سید ندیم احمد

مسماة امینہ سید

ڈائریکٹرز کا تربیتی پروگرام

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

کمپنی کی کارکردگی کی جانچ

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

اندورنی مالیاتی کنٹرول کی مناسب حد

بورڈ آف ڈائریکٹرز نے کمپنی کے تمام ترامور کے سلسلے میں موثر اندورنی مالیاتی کنٹرول تشکیل دیئے ہیں۔ کمپنی کے انٹرنل آڈٹ کے امور ایک پروفیشنل فرم کے تحت آؤٹ سروس کئے گئے ہیں جو باقاعدگی کے ساتھ مالیاتی کنٹرولز کے نافذ کی نگرانی کرتی ہے اور اپنے جائزے کے لیے آڈٹ کمپنی کو رپورٹ پیش کرتی ہے۔

بنیادی خطرات اور ان کا بندوبست

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

اخلاقی اقدار اور کاروباری طریقہ کار کا بیان

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

بورڈ کی تشکیل

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

مجموعی ڈائریکٹرز کی تعداد		
06	مرد	اے
01	خاتون	بی
ترتیب		
01	انڈیپنڈنٹ ڈائریکٹر	1
04	نان ایگزیکٹو ڈائریکٹر	2
01	ایگزیکٹو ڈائریکٹر	3
01	خاتون ڈائریکٹر	4

مالیاتی کارکردگی کا جائزہ

۳۰ جون ۲۰۲۳ کو ختم ہونے والے مالی سال کیلئے آمدنی ۴.۰۳ بلین روپے رہی جبکہ اس کے برخلاف گزشتہ سال ۳.۶۵ بلین روپے کی آمدنی حاصل کی گئی تھی اور اس کے ذریعے ۱۰ فیصد کی گروتھ رجسٹر کی گئی۔ اس شرح نمو کو بنیادی طور پر ڈسپوز ایبل بزنس اور نیوٹریشن پورٹ فولیو سے منسوب کیا گیا ہے۔ کمپنی نے مجموعی منافع کو ۳۳.۲۸ فیصد پریسٹنز کی فیصد کے طور پر برقرار رکھا جو اس کے مقابلے میں گزشتہ سال روپے کی قدر میں نمایاں کمی کے باوجود ۳۴.۴۱ فیصد رہا تھا۔ تاہم ملک کی مجموعی سماجی و اقتصادی صورتحال، روپے کی قدر میں کمی اور مالی سال پر نافذ العمل سپر ٹیکس لاگو کرنے سے کمپنی کو منافع بعد از ٹیکس ۳۰۸.۹ ملین روپے تک محدود رہا۔

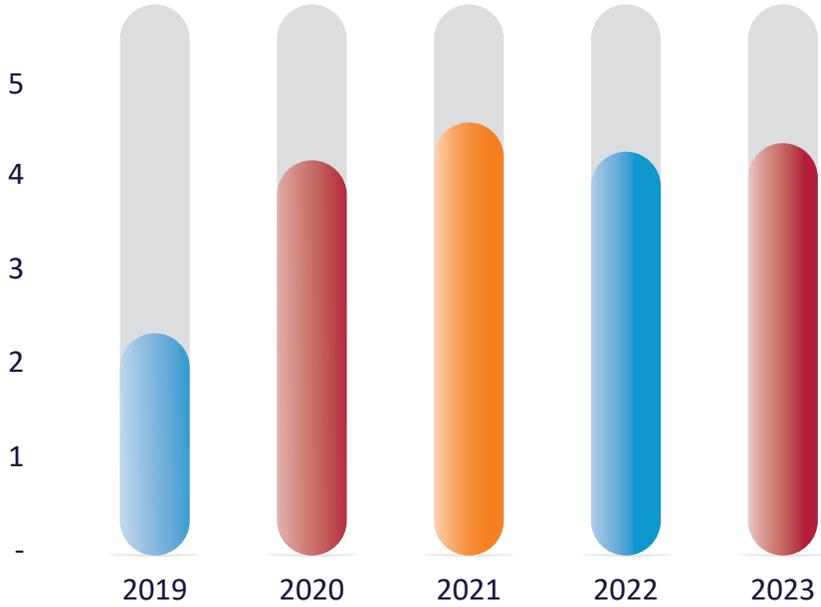
ہولڈنگ کمپنی

دی سرل کمپنی لمیٹڈ (ٹی ایس سی ایل)، آئی بی ایل ہیلتھ کیئر لمیٹڈ کی ہولڈنگ کمپنی ہے۔ ۳۰ جون ۲۰۲۳ کے مطابق دی سرل کمپنی لمیٹڈ ہر ایک ۱۰ روپے کے ۵۱,۴۹۱,۶۹۷ شیئرز برقرار رہی۔

بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر ۳۳.۳۳ روپے رہی (۲۰۲۲: ۲۴.۲۳ روپے)۔

Earning per Share (PKR)



منافع منقسمہ

بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لیے ۲۰ فیصد (۱۰ روپے) نقد منافع منقسمہ اور ۲۰ فیصد بونس شیئرز یعنی ہر ۱۰۰ پر ۲۰ شیئرز کی سفارش کی ہے۔ (۲۰۲۲: ۱۰ فیصد نقد منافع منقسمہ اور ۲۰ فیصد بونس شیئرز)

ڈائریکٹرز کی رپورٹ

آئی بی ایل ہیلتھ کیئر لمیٹڈ (آئی بی ایل ایچ ایل) کے بورڈ آف ڈائریکٹرز ۳۰ جون ۲۰۲۳ کو ختم ہونے والی مالی سال کے لیے بمسرت آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔
ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۲۲۷ باب ۳۴ (ریپونگ اینڈ ڈسکلوزرز) برائے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے تحت تیار کی گئی ہے۔

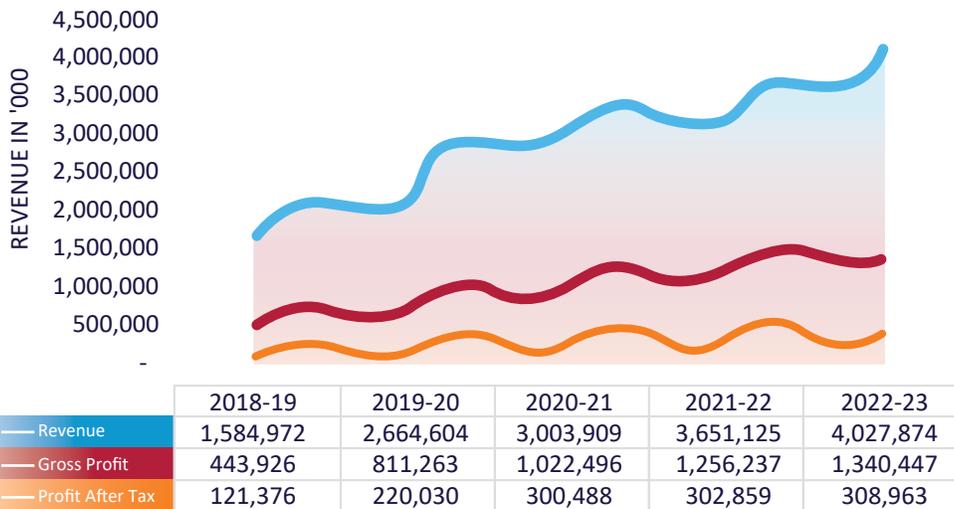
مالیاتی کارکردگی کا خلاصہ

2023	2022	
(روپے ہزاروں میں)		
4,027,874	3,651,125	آمدنی
1,340,447	1,256,237	مجموعی منافع جات
33.28%	34.41%	مجموعی منافع جات شرح بہ نسبت آمدنی
458,833	483,270	منافع قبل از ٹیکس
308,963	302,859	منافع بعد از ٹیکس

بنیادی سرگرمیاں

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

Operating Results





Ophthalmic



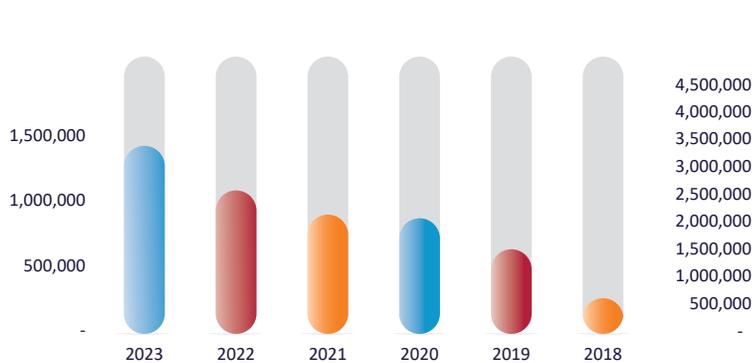


OPERATING AND FINANCIAL HIGHLIGHTS

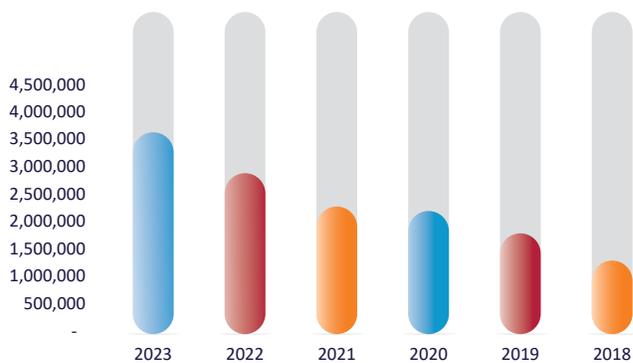
	Unit	2023	2022	2021	2020	2019	2018
FINANCIAL POSITION							
Balance Sheet							
Property and equipment	Rs. in '000	5,001	3,819	11,316	9,628	8,052	6,198
Investment property	Rs. in '000	576,360	576,360	572,860	368,235	266,526	341,253
Other non-current assets	Rs. in '000	10,227	15,911	21,805	11,641	13,520	31,805
Asset classified as held for sale	Rs. in '000	-	-	-	-	75,500	-
Current assets	Rs. in '000	2,962,139	2,333,420	1,840,710	1,862,520	1,525,168	1,020,662
Total assets	Rs. in '000	3,553,727	2,929,510	2,446,691	2,252,024	1,888,766	1,399,918
Share capital	Rs. in '000	713,956	649,051	540,877	540,877	540,877	540,877
Unappropriated profit plus share premium	Rs. in '000	1,393,168	1,214,015	1,073,418	881,105	715,163	647,874
Total equity	Rs. in '000	2,107,124	1,863,066	1,614,295	1,421,982	1,256,040	1,188,751
Non-current liabilities	Rs. in '000	3,128	7,080	20,016	-	-	-
Current liabilities	Rs. in '000	1,443,475	1,059,364	812,380	830,042	632,726	211,167
Total liabilities	Rs. in '000	1,446,603	1,066,444	832,396	830,042	632,726	211,167
Total equity and liabilities	Rs. in '000	3,553,727	2,929,510	2,446,691	2,252,024	1,888,766	1,399,918
Total net assets	Rs. in '000	2,107,124	1,863,066	1,614,295	1,421,982	1,256,040	1,188,751
OPERATING AND FINANCIAL TREND							
Profit and loss							
Revenue	Rs. in '000	4,027,874	3,651,125	3,003,909	2,664,604	1,584,972	1,358,297
Cost of sales	Rs. in '000	2,687,427	2,394,888	1,981,413	1,853,341	1,141,046	929,777
Gross profit	Rs. in '000	1,340,447	1,256,237	1,022,496	811,263	443,926	428,520
Operating profit	Rs. in '000	524,572	510,586	439,086	352,804	211,943	231,500
Finance cost	Rs. in '000	65,739	27,316	29,939	30,995	5,056	1,389
Profit before taxation	Rs. in '000	458,833	483,270	409,147	321,809	199,008	212,305
Profit after taxation	Rs. in '000	308,963	302,859	300,488	220,030	121,376	149,340
Cash flows							
Operating activities	Rs. in '000	27,167	56,851	69,974	40,438	(176,179)	63,181
Investing activities	Rs. in '000	(2,956)	1,811	39,219	(10,272)	55,788	(4,293)
Financing activities	Rs. in '000	(75,936)	(75,315)	(77,023)	(52,093)	(51,930)	(47,270)
Rate of return							
Pre tax return on equity	%	21.78	25.94	25.35	22.63	15.84	17.86
Post tax return on equity	%	14.66	16.26	18.61	15.47	9.66	12.56

	Unit	2023	2022	2021	2020	2019	2018
Profitability							
Gross profit margin	%	33.28	34.41	30.45	30.45	28.01	31.55
Pre tax profit to sales	%	11.39	13.24	13.62	12.08	12.56	15.63
Post tax profit to sales	%	7.67	8.29	10.00	8.26	7.66	10.99
Liquidity							
Current ratio		2.05	2.20	2.27	2.24	2.41	4.83
Quick ratio		1.01	1.15	1.17	1.02	0.88	2.30
Financial gathering							
Debt equity ratio		0.69	0.57	0.52	0.58	0.50	0.18
Capital efficiency							
Debtors turnover	days	112	99	99	93	105	98
Inventory turnover	days	147	128	126	114	117	87
Total assets turnover	times	1.24	1.36	1.28	1.29	0.96	1.00
Investment							
Earnings per share	Rs.	4.33	4.24	4.63	4.07	2.24	2.76

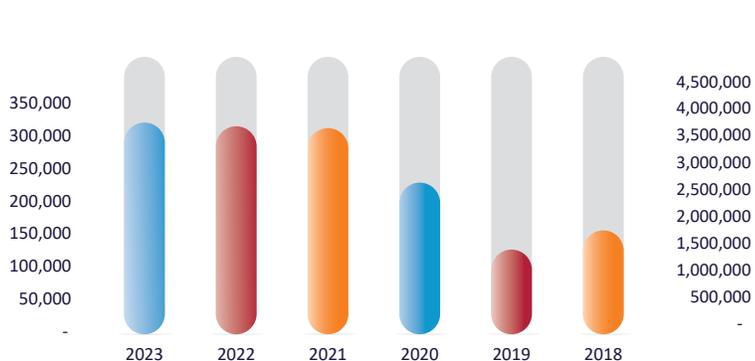
Total Liabilities



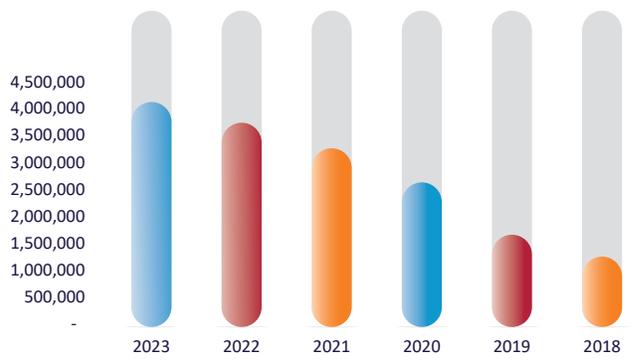
Total Assets



Profit after tax



Revenue



PATTERN OF SHAREHOLDING

As of June 30, 2023

No Of Shareholders		Shareholdings'Slab	Total Shares Held
1,955	1	to 100	56,331
1,084	101	to 500	284,832
806	501	to 1,000	600,841
847	1,001	to 5,000	1,869,404
160	5,001	to 10,000	1,162,630
58	10,001	to 15,000	701,163
24	15,001	to 20,000	428,302
14	20,001	to 25,000	314,786
12	25,001	to 30,000	326,292
8	30,001	to 35,000	260,060
9	35,001	to 40,000	332,151
3	40,001	to 45,000	124,137
4	45,001	to 50,000	192,064
7	50,001	to 55,000	368,294
9	55,001	to 60,000	513,018
2	60,001	to 65,000	128,580
2	65,001	to 70,000	134,821
2	70,001	to 75,000	141,772
2	75,001	to 80,000	154,085
1	80,001	to 85,000	83,788
1	85,001	to 90,000	85,827
1	90,001	to 95,000	95,000
1	95,001	to 100,000	99,127
1	100,001	to 105,000	100,579
3	105,001	to 110,000	325,212
1	115,001	to 120,000	115,049
1	140,001	to 145,000	142,366
1	195,001	to 200,000	200,000
1	200,001	to 205,000	202,055
1	220,001	to 225,000	222,512
1	225,001	to 230,000	229,013
1	250,001	to 255,000	251,990
1	255,001	to 260,000	259,620
1	260,001	to 265,000	261,496
1	285,001	to 290,000	288,783
1	295,001	to 300,000	295,695
1	335,001	to 340,000	337,524
1	345,001	to 350,000	346,599
2	370,001	to 375,000	745,726
1	380,001	to 385,000	383,546
1	410,001	to 415,000	411,116
1	425,001	to 430,000	428,366
1	485,001	to 490,000	488,070
1	555,001	to 560,000	558,831
1	600,001	to 605,000	600,210
1	785,001	to 790,000	786,000
1	1,560,001	to 1,565,000	1,562,605
1	1,900,001	to 1,905,000	1,903,816
1	51,490,001	to 51,495,000	51,491,554
5,041			71,395,638

PATTERN OF SHAREHOLDING

As of June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MR. S. NADEEM AHMED	3	856	0.00
MR. MUNIS ABDULLA	2	100,580	0.14
MR. ZUBAIR PALWALA	2	1,565	0.00
Samreen Munis	2	417	0.00
MS. AMEENA SAIYID	1	1	0.00
MUFTI ZIA UL ISLAM	1	1,269	0.00
MOBIN ALAM	1	550	0.00
SHUJA MALIK	1	1,320	0.00
Associated Companies, undertakings and related parties			
FIRST UDL MODARABA	3	20,377	0.03
THE SEARLE COMPANY LIMITED	2	51,491,697	72.12
INTERNATIONAL BRANDS LTD.	1	229,013	0.32
NIT and ICP	0	0	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	7	12,723	0.02
Insurance Companies	1	558,831	0.78
Modarabas and Mutual Funds	13	1,409,417	1.97
General Public			
a. Local	4866	10,680,301	14.96
b. Foreign	53	695,878	0.97
Foreign Companies	21	32,911	0.05
Others	61	6,157,932	8.63
Totals	5,041	71,395,638	100.00

Share holders holding 10% or more	Shares Held	Percentage
THE SEARLE COMPANY LIMITED	51,491,697	72.12

PATTERN OF SHAREHOLDING

As of June 30, 2023

S.No.	Folio #	Name of shareholder	Number of shares	%	
Directors, Chief Executive Officer and their spouse(s) and minor children					
1	8	MR. S. NADEEM AHMED	1	0.00	
2	2088	SYED NADEEM AHMED	215	0.00	
3	2435	SYED NADEEM AHMED	640	0.00	
4	4	MR. MUNIS ABDULLA	1	0.00	
5	03277-39675	MUNIS ABDULLA	100,579	0.14	
6	7	MR. ZUBAIR PALWALA	1	0.00	
7	03277-93293	ZUBAIR RAZZAK PALWALA	1,564	0.00	
8	02113-2753	Samreen Munis	28	0.00	
9	03277-80898	SAMREEN MUNIS	389	0.00	
10	2976	MS. AMEENA SAIYID	1	0.00	
11	03277-56270	MUFTI ZIA UL ISLAM	1,269	0.00	
12	07419-23824	MOBIN ALAM	550	0.00	
13	03277-78515	SHUJA MALIK	1,320	0.00	
			13	106,558	0.15
Associated companies, undertakings and related parties					
1	1876	FIRST UDL MODARABA	9	0.00	
2	02113-708	First UDL Modaraba	20,352	0.03	
3	03277-1651	FIRST UDL MODARABA	16	0.00	
4	00539-16820	THE SEARLE COMPANY LIMITED	143	0.00	
5	03277-94394	THE SEARLE COMPANY LIMITED	51,491,554	72.12	
6	03277-2937	INTERNATIONAL BRANDS LTD.	229,013	0.32	
			6	51,741,087	72.47
NIT and ICP					
1		Nil	-	-	
			0	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions					
1	1414	ATLAS INVESTMENT BANK LTD.	42	0.00	
2	1419	ASSET INVESTMENT BANK LIMITED	3	0.00	
3	1871	CRESCENT INVESTMENT BANK LTD	660	0.00	
4	2471	INDUS BANK LIMITED	8,683	0.01	
5	2475	BANK ALFALAH LIMITED	2,662	0.00	
6	03525-100145	ESCORTS INVESTMENT BANK LIMITED	139	0.00	
7	03889-28	NATIONAL BANK OF PAKISTAN	534	0.00	
			7	12,723	0.02

PATTERN OF SHAREHOLDING

As of June 30, 2023

S.No.	Folio #	Name of shareholder	Number of shares	%
Insurance Companies				
1	02683-23	STATE LIFE INSURANCE CORP OF PAKISTAN	558,831	0.78
			1	0.78
Modarabas and Mutual Funds				
1	03277-3367	FIRST IBL MODARABA	288	0.00
2	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	337,524	0.47
3	07377-26	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	383,546	0.54
4	09456-24	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	488,070	0.68
5	09506-26	CDC - TRUSTEE NBP BALANCED FUND	40,056	0.06
6	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	35,700	0.05
7	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	4,950	0.01
8	14472-25	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	13,684	0.02
9	14605-27	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	42,944	0.06
10	14845-29	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	282	0.00
11	14860-27	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	7,042	0.01
12	15362-27	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	295	0.00
13	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	55,036	0.08
			13	1.97
General Public Foreign				
1	2917	MR. ROBERT K. SIRGIOVANNI	55,602	0.08
2	01826-132795	AAMIR AHSAN	550	0.00
3	02832-2764	H.E. SH. EBRAHIM KHALIFA ALI AL KHALIFA	26,400	0.04
4	03277-106881	KHAWAR AMAN	4,500	0.01
5	03277-106911	WAQAR ARSHAD ZAHID	50,540	0.07
6	03277-106943	MUDASSAR MAHMOOD AHMAD	432	0.00
7	03277-107304	SHOAIB QAZI	550	0.00
8	03277-108170	ZAHID KHALID	1,100	0.00
9	03277-108461	MUHAMMAD TAHIR ABBAS	10	0.00
10	03277-108672	MUHAMMAD ANWAR	1,452	0.00
11	03277-110031	MUHAMMAD NADEEM	66	0.00
12	03277-110118	WAQAR MAHMOOD	396	0.00
13	03277-110123	ATIF SHAMRAIZ	1,050	0.00
14	03277-110215	SAQIB ASHRAF	1,000	0.00
15	03277-110811	MOHAMMAD MAZHAR UD DIN	1,050	0.00
16	03277-110833	Mujtaba Jaffary	2,970	0.00
17	03277-110866	AMBREEN RIZWAN SHERIFF	2,320	0.00
18	03277-112286	VIVEK KUMAR	550	0.00

PATTERN OF SHAREHOLDING

As of June 30, 2023

S.No.	Folio #	Name of shareholder	Number of shares	%	
19	03277-112689	NADIR MUSTAFA SHAUKAT	5,000	0.01	
20	03277-112950	ADIL MEHMOOD	110	0.00	
21	03277-113587	ATIQ UR REHMAN KAYANI	1,100	0.00	
22	03277-113721	SHAHROUKH ALI	110	0.00	
23	03277-114491	MUHAMMAD NASIR	2,320	0.00	
24	03277-115422	MUHAMMAD SHAHID FAROOQ	550	0.00	
25	03277-115816	WAJAHAT MAHMOOD	100	0.00	
26	03277-115822	SAJJAD AHMAD	22	0.00	
27	03277-116019	HAMDOON SUBHANI	550	0.00	
28	03277-116070	MUDDASAR NAEEM	135	0.00	
29	03277-116970	IMRAN SABIR	550	0.00	
30	03277-117577	ASHAR AZIZ	2,200	0.00	
31	03277-118047	khalid hussain Khan	1,169	0.00	
32	03277-118070	AAMIR SHAHZAD	2,000	0.00	
33	03277-119104	ABID ALI KHOKHAR	1,000	0.00	
34	03277-119507	Zahoor Ahmad	1,100	0.00	
35	03277-119709	MUHAMMAD AQIB LATEEF	550	0.00	
36	03277-119785	UMAR DARAZ	550	0.00	
37	03277-119908	SYED ALAMDAR HUSSAIN JAFFERY	550	0.00	
38	03277-120413	Nasrullah Arshad	110	0.00	
39	03277-121618	NAEEM AHMAD	10,000	0.01	
40	03277-121783	MUHAMMAD QAYUM	2,100	0.00	
41	03277-121855	MUHAMMAD IMRAN	1,600	0.00	
42	03277-122778	MUHAMMAD ATIF	5,000	0.01	
43	03277-123167	KAMRAN NAZEER	6,000	0.01	
44	03277-123357	Syed Muhammad Shabbir Madad Naqvi	138	0.00	
45	03277-123378	ADIL MUNIR	500	0.00	
46	03277-124000	JAWAD AKHTAR	500	0.00	
47	03277-124625	MUHAMMAD MAAZ UMAR	3,000	0.00	
48	03277-125696	SIBGHATULLAH KHAN	500	0.00	
49	05769-14757	MOHAMMAD RAFAY MALIK	3,960	0.01	
50	05769-14765	MOHAMMAD WASAY MALIK	3,300	0.00	
51	07450-22202	FARAZ AHMED	1	0.00	
52	10629-351331	OMAR ABDUL MONEM YOUSUF AL ZAWAWI	346,599	0.49	
53	10629-351349	OMAR ABDUL MONEM YOUSUF AL ZAWAWI	142,366	0.20	
			53	695,878	0.97

PATTERN OF SHAREHOLDING

As of June 30, 2023

S.No.	Folio #	Name of shareholder	Number of shares	%
Foreign Companies				
1	1271	MIDLAND BANK TRUST CORP.(JERSEY) LTD	201	0.00
2	1620	INVESTORS BANK & TRUST COMPANY	567	0.00
3	1622	DAY LIMITED	293	0.00
4	1623	SMITH NEW COURT FAR EAST LIMITED	50	0.00
5	1653	INVESTORS BANK & TRUST COMPANY	2,106	0.00
6	1654	MORGAN STANLEY TRUST COMPANY	4,098	0.01
7	1656	AETNA INVESTMENT MGMT B.VI NOMINEES LTD	2,310	0.00
8	1657	STATE STREET BANK AND TRUST CO. U.S.A.	1,850	0.00
9	1664	THE NORTHERN TRUST COMPANY	575	0.00
10	1677	CHASE MANHATTAN BANK (IRELAND) PLC	159	0.00
11	1680	THE AETNA CASUALTY AND SURETY COMPANY	478	0.00
12	1775	SOMERS NOMINEES (FAR EAST) LTD	719	0.00
13	1776	SMITH NEW COURT FAR EAST LTD	47	0.00
14	1779	THE NORTHERN TRUST COMPANY	476	0.00
15	1781	CHEM BANK NOMINEES LTD	50	0.00
16	1782	H.S.B.C. INTERNATIONAL TRUSTEE LIMITED	202	0.00
17	1884	CHEM BANK NOMINEES LTD.	312	0.00
18	1961	MERRILL LYNCH, PIERCE, FENNER & SMITH INC.	1,294	0.00
19	1981	THE BANK OF NEWYORK	10,430	0.01
20	2140	INVESCO (BVI) NOMINEES LIMITED	94	0.00
21	02832-1865	Noor Financial Invest Co.	6,600	0.01
			21	32,911
				0.05
Other				
1	1736	SHAFI (PRIVATE) LTD.	356	0.00
2	1870	FIRST CAPITAL MUTUAL FUND LTD.	8,800	0.01
3	1875	PROFESSIONAL SECURITIES MANAGEMENT (PVT) LTD.	684	0.00
4	2009	SAFEWAY MUTUAL FUND LIMITED	95	0.00
5	2024	SADIQ TRADERS (PVT) LTD.	1,197	0.00
6	2474	S.H. BUKHARI SECURITIES	503	0.00
7	2476	SHAZ INVESTMENT CORPORATION	239	0.00
8	2477	AAG SECURITIES (PVT) LTD.	233	0.00
9	2480	LASANI SECURITIES (PVT) LTD.	42	0.00
10	2481	BAGASRA SECURITIES (PVT) LTD	2	0.00
11	2483	ISMAIL ABDUL SHAKOOR SEC.	50	0.00
12	2541	THE COMPANY SECRETARY	6,702	0.01
13	2574	MR. MOBEEN ALAM (B-1)	3,848	0.01
14	2619	MR. MUHAMMAD TARIQ (B-2)	3,396	0.00
15	2626	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-2)	600,210	0.84
16	2653	MR. NADEEM AHSAN	6	0.00
17	2685	M/S. FEDERAL BOARD OF REVENUE	12,052	0.02
18	2708	MR. MUHAMMAD TARIQ (B-3)	3,164	0.00
19	2756	TEMPORARY FOLIO - WITHHOLD BONUS SHARES OF COURT CASES (B-3)	428,366	0.60
20	2757	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-3)	76,667	0.11
21	2772	UNIDENTIFIED RIGHT SHARES OF R-1	239	0.00

PATTERN OF SHAREHOLDING

As of June 30, 2023

S.No.	Folio #	Name of shareholder	Number of shares	%
22	2777	MR. MUHAMMAD TARIQ (B-4)	3,441	0.00
23	2817	TEMPORARY FOLIO - WITHHOLD BONUS SHARES OF COURT CASES (B-4)	259,620	0.36
24	2818	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-4)	28,052	0.04
25	2851	MR. MUHAMMAD TARIQ (B-5)	3,393	0.00
26	2863	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES (B-5)	373,480	0.52
27	2864	FBR - NOMINEE SHAREHOLDING AGAINST TAX ON BONUS SHARES (B-5)	45,256	0.06
28	2903	MR. MUHAMMAD TARIQ (B-6)	2,633	0.00
29	2915	TEMPORARY FOLIO-WITHHOLD BONUS SHARES OF COURT CASES (B-6)	261,496	0.37
30	02113-3439	SEARLE PAKISTAN LIMITED PROVIDENT FUND	1,903,816	2.67
31	03277-7633	TRUSTEES MOHAMAD AMIN WAKF ESTATE	10,043	0.01
32	03277-62621	UNITED DISTRIBUTORS PAKISTAN LIMITED	1,562,605	2.19
33	03277-78335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	85,827	0.12
34	03277-82127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	3,006	0.00
35	03525-63416	H M INVESTMENTS (PVT) LIMITED	192	0.00
36	03525-63817	NH SECURITIES (PVT) LIMITED.	255	0.00
37	03525-87235	MAPLE LEAF CAPITAL LIMITED	1	0.00
38	03657-25	CONTINENTAL CAPITAL MANAGEMENT (PVT) LTD	2,970	0.00
39	04002-22	MEMON SECURITIES (PVT.) LIMITED	151	0.00
40	04317-25	DALAL SECURITIES (PVT) LTD.	9,900	0.01
41	04457-45	FDM CAPITAL SECURITIES (PVT) LIMITED	11,023	0.02
42	04705-87224	FEDERAL BOARD OF REVENUE	115,049	0.16
43	05587-6474	PROGRESSIVE INVESTMENT MANAGEMENT (PVT)L	321	0.00
44	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	1,500	0.00
45	07005-29	MAM SECURITIES (PVT) LIMITED	11	0.00
46	07419-11803	TOPLINE ASSOCIATE (PRIVATE.) LIMITED	50,000	0.07
47	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	1,001	0.00
48	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	169	0.00
49	12690-707	ENGRO CORPORATION LIMITED PROVIDENT FUND	108,660	0.15
50	12690-731	HILAL GROUP EMPLOYEES PROVIDENT FUND	8,580	0.01
51	12690-1895	ICI PAKISTAN MANAGEMENT STAF PROVIDENT FUND	16,940	0.02
52	14118-27	ASDA SECURITIES (PVT.) LTD.	7,500	0.01
53	14241-22	FIKREES (PRIVATE) LIMITED	9,570	0.01
54	14415-21	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	37,204	0.05
55	14431-29	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	54,898	0.08
56	16576-20	INTERMARKET SECURITIES LIMITED - MF	20,500	0.03
57	16857-26	MRA SECURITIES LIMITED - MF	8,400	0.01
58	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	1,500	0.00
59	18432-3177	MARGALLA FINANCIAL (PRIVATE) LIMITED	1,056	0.00
60	18432-21369	MUHAMMAD AMER RIAZ SECURITIES (PVT.) LIMITED	62	0.00
61	18432-46846	GPH SECURITIES (PRIVATE) LIMITED	1,000	0.00
		61	6,157,932	8.63
Total		5041	71,395,638	100

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STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019
For the year ended June 30, 2023

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

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

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

2. The composition of the board is as follows:

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

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

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

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

Audit Committee

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

HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per the following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2023
 - b) HR & R Committee: One meeting during the financial year ended June 30, 2023
15. The Board has outsourced the internal audit function to Grant Thornton Anjum Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all of their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that the and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the regulations have been complied with: and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 (non-mandatory requirements) are below:-

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



AMEENA SAIYID
Chairperson



SYED NADEEM AHMED
Director

SEARLE
VITAMINE
Water



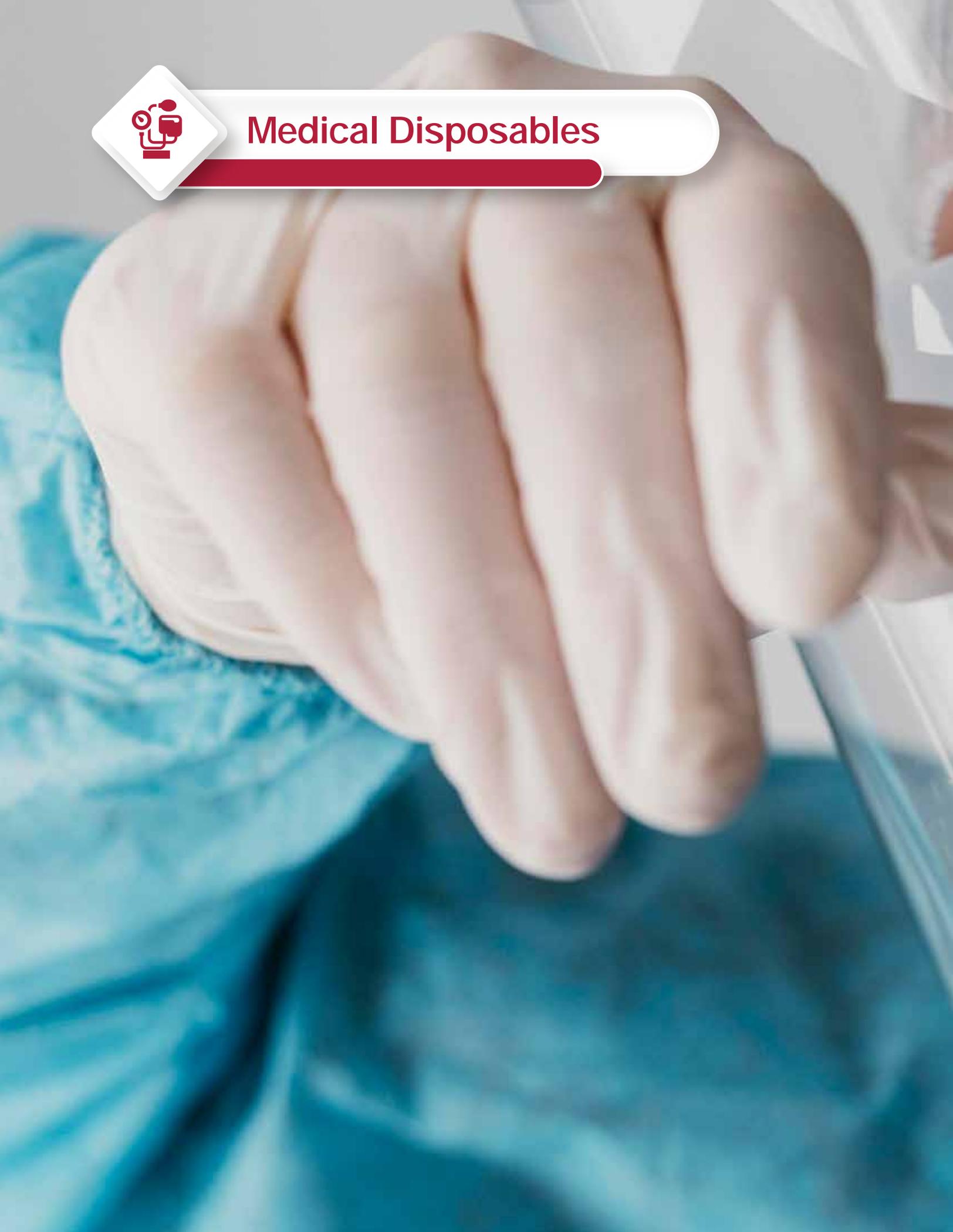
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IBL HEALTHCARE LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of IBL Healthcare Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

A handwritten signature in black ink, appearing to be 'A. F. Ferguson', written over a faint horizontal line.

Chartered Accountants
Karachi

Dated: October 05, 2023
UDIN: CR202310059DYAEBtHwl



A. F. FERGUSON & CO.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of IBL HealthCare Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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



Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Revenue from contracts with customers</p> <p>(Refer note 2.23 and note 21 to the financial statements)</p> <p>Revenue is recognised when control of the underlying products is transferred to the customers. The Company is engaged in marketing, selling and distribution of healthcare products.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and for the year revenue has increased significantly as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">performed verification of sales with underlying documentation including gate pass, delivery order and invoice;tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognised in the correct period;performed audit procedures to analyse variation in the price and quantity sold during the year;checked that revenue is recognised in accordance with the requirements of the accounting and reporting standards; andassessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a. proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b. the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



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- c. investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d. zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.

A handwritten signature in black ink, appearing to read 'Farrukh Rehman', with a horizontal line extending to the right.

A. F Ferguson & Co.
Chartered Accountants

Karachi

Dated: October 05, 2023
UDIN: AR202310059GDgnvaULA



FINANCIAL STATEMENTS





STATEMENT OF FINANCIAL POSITION

As At June 30, 2023

		2023	2022
	Note -----	Rupees in '000 -----	
ASSETS			
Non-current assets			
Furniture and equipment	3	5,001	3,819
Right-of-use asset	4	5,387	8,601
Investment properties	5	576,360	576,360
Intangible assets	6	4,840	7,310
		591,588	596,090
Current assets			
Inventories	7	1,191,225	973,471
Trade and other receivables	8	1,362,108	1,118,723
Loans, advances, deposits and prepayments	9	276,484	137,054
Refunds due from Government - sales tax		23,661	-
Taxation - payments less provision		12,838	50
Cash and bank balances	10	95,823	104,122
		2,962,139	2,333,420
TOTAL ASSETS		3,553,727	2,929,510
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid up capital	11	713,956	649,051
Capital reserve			
Share premium	12	119,600	119,600
Revenue reserve			
Unappropriated profit		1,273,568	1,094,415
		2,107,124	1,863,066
Liabilities			
Non-current liabilities			
Long-term finance - secured	13	-	-
Deferred income - Government grant	14	-	-
Lease liability	15	3,128	7,080
		3,128	7,080
Current liabilities			
Trade and other payables	16	1,098,589	713,483
Advance from customers	17	29,070	67,270
Short term borrowings	18	290,565	247,139
Current portion of long-term finance	13	-	9,729
Current portion of lease liability	15	3,952	3,217
Unclaimed dividend		7,107	7,108
Unpaid dividend	19	14,192	11,418
		1,443,475	1,059,364
Contingencies and commitments	20		
TOTAL EQUITY AND LIABILITIES		3,553,727	2,929,510

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended June 30, 2023

	Note	2023 ----- Rupees in '000 -----	2022 -----
Revenue from contracts with customers	21	4,027,874	3,651,125
Cost of sales	22	(2,687,427)	(2,394,888)
Gross profit		1,340,447	1,256,237
Other income / (loss)	23	(85,104)	(60,105)
Marketing and distribution expenses	24	(631,250)	(582,149)
Administrative and general expenses	25	(99,521)	(103,397)
Finance costs	26	(65,739)	(27,316)
Profit before income tax		458,833	483,270
Income tax expense	27	(149,870)	(180,411)
Profit after taxation		308,963	302,859
Other comprehensive income		-	-
Total comprehensive income		308,963	302,859
			(Restated)
Basic and diluted earnings per share	28	Rs. 4.33	Rs. 4.24

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2023

	Issued, subscribed and paid up capital	Capital reserve		Revenue reserve	Total reserves	Total
		Share premium	Issue of bonus shares	Unappropriated profit		
----- (Rupees '000) -----						
Balance as at July 01, 2021	540,876	119,600	-	953,818	1,073,418	1,614,294
Transactions with owners in their capacity as owners						
Final dividend for the year ended June 30, 2021 @ Re 1 per share	-	-	-	(54,087)	(54,087)	(54,087)
Transfer to reserve for issuance of bonus shares	-	-	108,175	(108,175)	-	-
Issuance of bonus shares during the year in the ratio of 20 shares for every 100 shares held	108,175	-	(108,175)	-	(108,175)	-
Total comprehensive income for the year ended June 30, 2022	-	-	-	302,859	302,859	302,859
Balance as at June 30, 2022	649,051	119,600	-	1,094,415	1,214,015	1,863,066
Transactions with owners in their capacity as owners						
Final dividend for the year ended June 30, 2022 @ Re 1 per share	-	-	-	(64,905)	(64,905)	(64,905)
Transfer to reserve for issuance of bonus shares	-	-	64,905	(64,905)	-	-
Issuance of bonus shares during the year in the ratio of 10 shares for every 100 shares held	64,905	-	(64,905)	-	(64,905)	-
Total comprehensive income for the year ended June 30, 2023	-	-	-	308,963	308,963	308,963
Balance as at June 30, 2023	713,956	119,600	-	1,273,568	1,393,168	2,107,124

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2023

	Note	2023 ----- Rupees in '000 -----	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	248,418	233,340
Income tax paid		(162,658)	(155,385)
Finance cost paid		(58,593)	(21,104)
Net cash generated from operating activities		27,167	56,851
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment		(2,831)	(1,296)
Payments for acquisition of investment property		-	(3,500)
Payments for acquisition of intangible assets		(308)	-
Proceeds from disposal of furniture and equipment		183	6,607
Net cash (used in) / generated from investing activities		(2,956)	1,811
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan repaid		(9,830)	(20,096)
Payments against lease liability		(3,974)	(3,586)
Dividends paid		(62,132)	(51,633)
Net cash used in financing activities		(75,936)	(75,315)
Net decrease in cash and cash equivalents		(51,725)	(16,653)
Cash and cash equivalents at the beginning of the year		(143,017)	(126,364)
Cash and cash equivalents at the end of the year	30	(194,742)	(143,017)

The annexed notes 1 to 37 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

1. LEGAL STATUS AND OPERATIONS

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

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

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

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

2.1.2 Critical accounting estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

(i) Income tax

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

(ii) Contingencies

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

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

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

2.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial reporting.

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

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.3 Overall valuation policy

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

2.4 Furniture and equipment

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

2.5 Investment property

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

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

2.6 Intangible Assets

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

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

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

2.7 Inventories

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

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

2.8 Loans, advances, deposits and prepayments

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

Interest free loans to employees are stated at amortised cost.

2.9 Trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

2.10 Government grants

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

2.11 Cash and bank balances

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

2.12 Financial instruments

Initial Recognition

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortised cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial asset

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

Off-setting of financial assets and liabilities

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

2.13 Lease liability and right-of-use asset

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

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

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

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

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

2.14 Foreign currencies

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

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

2.15 Income Tax

Current

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

Deferred

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

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

2.16 Employee benefits

Defined contribution plan

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

2.17 Trade and other payables

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

2.18 Contract asset and contract liability

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

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

2.19 Provisions

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

2.20 Share Capital

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

2.21 Earnings per share

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

2.22 Contingent Liabilities

Contingent liability is disclosed when:

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

2.23 Revenue recognition

Revenue from contracts with customers is recognised when the performance obligation is satisfied that is when the control over the goods is transferred to the customer and consideration becomes unconditional. Revenue is recognised as follows:

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

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

2.24 Other income

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

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

2.25 Functional and presentational currency

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

2.26 Dividend

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

2.27 Method of preparation of Statement of Cash Flows

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

3. FURNITURE AND EQUIPMENT	2023	2022
	----- Rupees in '000 -----	
Operating assets - note 3.1	5,001	3,819

3.1 Operating assets

Particulars	Office equipment	Furniture and fittings	Total
	----- Rupees in '000 -----		
Net carrying value basis			
Year ended June 30, 2023			
Opening net book value	3,819	-	3,819
Additions - at cost	2,746	85	2,831
Disposals - note 3.2			
- Cost	(275)	-	(275)
- Accumulated depreciation	101	-	101
	(174)	-	(174)
Depreciation charge - note 3.3	(1,474)	(1)	(1,475)
Closing net book value	4,917	84	5,001
Gross carrying value basis			
As at June 30, 2023			
- Cost	12,255	85	12,340
- Accumulated depreciation	(7,338)	(1)	(7,339)
Net book value	4,917	84	5,001
Net carrying value basis			
Year ended June 30, 2022			
Opening net book value	7,643	3,673	11,316
Additions - at cost	1,296	-	1,296
Disposals			
- Cost	(6,293)	(5,003)	(11,296)
- Accumulated depreciation	4,351	2,254	6,605
	(1,942)	(2,749)	(4,691)
Depreciation charge - note 3.3	(2,676)	(810)	(3,486)
Write-offs			
- Cost	(2,003)	(304)	(2,307)
- Accumulated depreciation	1,501	190	1,691
	(502)	(114)	(616)
Closing net book value	3,819	-	3,819
Gross carrying value basis			
As at June 30, 2022			
- Cost	9,784	-	9,784
- Accumulated depreciation	(5,965)	-	(5,965)
Net book value	3,819	-	3,819
Depreciation rates	10% - 33%	10% - 20%	

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

- 3.2 No item of furniture and equipment having net book value in excess of Rs. 500,000 each was disposed off during the year.

	2023	2022
	----- Rupees in '000 -----	
3.3 Depreciation for the year has been allocated as follows:		
Marketing and distribution expenses - note 24	596	528
Administrative and general expenses - note 25	879	2,958
	<u>1,475</u>	<u>3,486</u>

4. RIGHT-OF-USE ASSET

Opening balance	8,601	11,812
Depreciation for the year - note 25	(3,214)	(3,211)
Closing balance - note 4.1	<u>5,387</u>	<u>8,601</u>
Useful life in years	<u>5</u>	<u>5</u>

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

	2023	2022
	----- Rupees in '000 -----	
5. INVESTMENT PROPERTIES		
Operating assets - at cost - note 5.1	<u>576,360</u>	<u>576,360</u>

5.1 Operating assets

Balance at beginning of the year	576,360	572,860
Capitalised subsequent expenditure	-	3,500
Balance at end of the year	<u>576,360</u>	<u>576,360</u>

- 5.2 The valuations of investment properties have been carried out by M/s. PEE DEE & Associates, an independent valuer engaged by the Company as at June 30, 2023. Market value of these investment properties as assessed by the valuer as at June 30, 2023 is Rs. 1,730.40 million (2022: Rs. 1,592.40 million) (Level 2 inputs).

The forced sale value of the above properties as at June 30, 2023 is Rs. 1,384.32 million (2022: Rs. 1,273.92 million).

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

Location	Total Area Square yards
i) Plot no 24/3, Block 7 & 8, Delhi Mercantile Muslim Co-operative Housing Society, Karachi	754
ii) Plot no 24/4A, Block 7 & 8, Delhi Mercantile Muslim Co-operative Housing Society, Karachi	1,004
iii) Plot No.24/4 Block 7 & 8, Delhi Mercantile Muslim Co-operative Housing Society, Karachi (First plot)	502
iv) Plot No.24/4 Block 7 & 8, Delhi Mercantile Muslim Co-operative Housing Society, Karachi (Second plot)	502

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

- 5.4 Properties mentioned in 5.3 (i) and part of (ii) has been rented to United Retail (Private) Limited, an associated company in consideration for monthly rentals. The rental income in respect of these properties amounted to Rs. 1.16 million (2022: Rs. 8.12 million) has been recognized in profit or loss and included in note 23.
- 5.5 Properties mentioned in 5.3 (iv), (iii) and remaining part of (ii) has been rented to Universal Retail (Private) Limited, an associated company in consideration for monthly rentals. The rental income in respect of these properties amounted to Rs. 1.27 million (2022: Nil) has been recognized in profit or loss and included in note 23.
- 5.6 Pursuant to the 'Supply, Marketing and Distribution Agreement', as amended, entered with The Searle Company Limited (TSCL), Holding Company, to acquire certain products from TSCL, the Company has mortgaged, immovable properties mentioned in 5.3 (i), (ii) and (iii) above having carrying value of Rs. 378.27 million (2022: 378.27 million) and market value of Rs. 1,455.40 million (2022: 1,342.40 million), with a financial institution on behalf of TSCL.

6. INTANGIBLE ASSETS	2023	2022
	----- Rupees in '000 -----	
Operating intangible assets - note 6.1	4,840	7,310

6.1 Operating intangible assets

	Computer Software	Software License	Distribution Rights	Total
	----- Rupees in '000 -----			
Year ended 30 June 2023				
Opening net book value	3,978	182	3,150	7,310
Additions during the year	308	-	-	308
Amortisation - note 6.2	(897)	(81)	(1,800)	(2,778)
Closing net book value	3,389	101	1,350	4,840
At 30 June 2023				
Cost	7,187	554	9,000	16,741
Accumulated amortisation	(3,798)	(453)	(7,650)	(11,901)
Net book value	3,389	101	1,350	4,840
Year ended 30 June 2022				
Opening net book value	4,780	263	4,950	9,993
Additions during the year	-	-	-	-
Amortisation - note 6.2	(802)	(81)	(1,800)	(2,683)
Closing net book value	3,978	182	3,150	7,310
At 30 June 2022				
Cost	6,879	554	9,000	16,433
Accumulated amortisation	(2,901)	(372)	(5,850)	(9,123)
Net book value	3,978	182	3,150	7,310
Amortisation rates	10% - 20%	20%	20%	

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

6.2	Amortization for the year has been allocated as follows:	2023	2022
		----- Rupees in '000 -----	
	Marketing and distribution expenses - note 24	1,937	1,842
	Administrative and general expenses - note 25	841	841
		2,778	2,683

7. INVENTORIES

Inventory in hand - note 7.1	914,978	679,327
Inventory in transit	278,331	294,144
	1,193,309	973,471
Provision for slow moving inventory - note 7.2	(2,084)	-
	1,191,225	973,471

7.1 Inventories include Rs. 10.58 million (2022: Rs. 20.43 million) held with third party

7.2 Provision for slow moving inventory

	2023	2022
	----- Rupees in '000 -----	
Opening balance	-	-
Charge for the year	5,765	4,145
	5,765	4,145
Written-off during the year	(3,681)	(4,145)
Closing balance	2,084	-

8. TRADE AND OTHER RECEIVABLES

Trade receivables - note 8.1	1,313,113	1,098,063
Other receivables - note 8.2	48,995	20,660
	1,362,108	1,118,723

8.1 Trade receivables - unsecured

Considered good

Due from related parties - notes 8.1.1, 8.1.2 and 8.1.3	895,264	710,304
Others	417,849	387,759
	1,313,113	1,098,063

Considered doubtful	16,967	16,967
	1,330,080	1,115,030
Less: Provision for doubtful receivables - note 8.1.4	(16,967)	(16,967)
	1,313,113	1,098,063

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

	2023	2022
	----- Rupees in '000 -----	
IBL Operations (Private) Limited (an associated company)	850,003	667,749
The Searle Company Limited (the Holding Company)	2,812	1,421
United Brands Limited (an associated company)	42,201	41,134
Searle Pakistan Limited (an associated company)	200	-
United Retail (Private) Limited (an associated company)	48	-
	895,264	710,304

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

8.1.2 The maximum aggregate amount due from related parties at the end of any month during the year is Rs. 984.60 million (2022: Rs. 763.16 million).

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

	2023	2022
	----- Rupees in '000 -----	
Not yet due	743,790	681,656
Past due but not yet impaired		
- 0 to 30 days	139,454	5,258
- 31 to 60 days	1,509	1,849
- 61 to 90 days	6,182	2,250
- above 90 days	4,329	19,291
	895,264	710,304

8.1.4 Provision for doubtful receivables

	2023	2022
Opening balance	16,967	8,317
Provision made during the year	-	8,650
Closing balance	16,967	16,967

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

	2023		2022	
	Amount due	Provision held	Amount due	Provision held
	----- Rupees in '000 -----			
Not yet due	974,122	-	824,379	-
- 0 to 30 days	181,664	1,602	56,103	1,602
- 31 to 60 days	27,075	747	28,757	747
- 61 to 90 days	26,569	256	38,953	256
- above 90 days	120,650	14,362	166,838	14,362
	1,330,080	16,967	1,115,030	16,967

8.2 Other receivables

	2023	2022
	----- Rupees in '000 -----	
Due from related party - notes 8.2.1, 8.2.2 and 8.2.3	7,304	3,840
Claims receivable from suppliers - note 8.2.4	41,691	16,424
Others	-	396
	48,995	20,660

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

	2023	2022
	----- Rupees in '000 -----	
The Searle Company Limited (the Holding Company)	4,901	1,283
United Retail (Private) Limited (an associated company)	1,139	434
Universal Retails (Private) Limited (an associated company)	1,264	-
Searle Pakistan Limited (an associated company)	-	2,123
	7,304	3,840

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

8.2.2 The maximum aggregate amount due at the end of any month during the year is Rs. 8.24 million (2022: Rs. 11.42 million).

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

Past due but not yet impaired	2023	2022
	----- Rupees in '000 -----	
- 0 to 30 days	2,973	-
- 31 to 60 days	1,139	-
- 61 to 90 days	-	784
- 91 to 365 days	2,842	3,056
- older than 365 days	350	-
	<u>7,304</u>	<u>3,840</u>

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

9. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS	Note	2023	2022
		----- Rupees in '000 -----	
Short term deposits	9.1	31,927	32,865
Prepayments		1,195	517
Advances	9.2	243,362	103,672
		<u>276,484</u>	<u>137,054</u>

9.1 The amount represents following:

- Trade deposits	9.3	30,689	31,617
- Other deposits	9.3	1,238	1,248
		<u>31,927</u>	<u>32,865</u>

9.2 The amount represents following:

Secured

- To employees - note 9.2.1		4,401	1,209
-----------------------------	--	-------	-------

Unsecured

- To suppliers - note 9.2.2		181,365	33,520
- Against imports - note 9.2.3		53,886	65,233
- Others		3,710	3,710
		<u>243,362</u>	<u>103,672</u>

9.2.1 Reconciliation of carrying amount of advances to employees:

Balance at beginning of the year		1,209	1,503
Disbursements		15,691	8,931
Repayments		(12,499)	(9,225)
Balance at end of the year		<u>4,401</u>	<u>1,209</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

9.2.2 These include advance to The Searle Company Limited, the Holding Company, amounting to Rs. 63.36 million (2022: Rs. 6.20 million).

9.2.3 These include Rs. 35.42 million (2022: Rs. 53.90 million) being 100% cash margin on import of specified items kept with commercial banks in accordance with the requirements of Circular No. 02 of 2017 of Banking Policy & Regulations Department, State Bank of Pakistan.

9.3 These deposits do not carry mark-up.

10. CASH AND BANK BALANCES

	2023	2022
	----- Rupees in '000 -----	
Cash at bank		
Conventional		
- on current accounts	55,838	47,923
Islamic		
- on current accounts	39,909	13,871
Cash in hand	76	49
Cheques in hand	-	42,279
	95,823	104,122

11. SHARE CAPITAL

Authorised share capital

2023	2022		2023	2022
			----- Rupees in '000 -----	
105,000,000	75,000,000	Ordinary shares of Rs. 10 each -note 11.2	1,050,000	750,000

Issued, subscribed and paid up share capital

2023	2022		2023	2022
22,990,000	22,990,000	Shares allotted for consideration paid in cash	229,900	229,900
48,405,638	41,915,126	Shares allotted as bonus shares	484,056	419,151
71,395,638	64,905,126		713,956	649,051

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

2023	2022		2023	2022
			----- Rupees in '000 -----	
64,905,126	54,087,605	Ordinary shares outstanding	649,051	540,876
6,490,512	10,817,521	Shares allotted as bonus shares	64,905	108,175
71,395,638	64,905,126		713,956	649,051

11.2 The Company in its extraordinary general meeting held on June 08, 2023 increased its authorised share capital for ordinary shares from Rs. 750,000,000 divided into 75,000,000 ordinary shares to Rs. 1,050,000,000 divided into 105,000,000 ordinary shares of Rs. 10 each.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

- 11.3** On September 29, 2022, the Board of Directors recommended the issuance of bonus shares in the ratio of 10 shares for every 100 shares held which was duly approved in Annual General Meeting on October 28, 2022.
- 11.4** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.
- 12.** This reserve can be utilised by the Company only in accordance with section 81 of the Companies Act, 2017.

13. LONG-TERM FINANCE - SECURED

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

	2023	2022
	----- Rupees in '000 -----	
Balance at beginning of the year	9,729	27,871
Interest expense including impact of unwinding	101	1,954
Repayments	(9,830)	(20,096)
Less: Current portion shown under current liabilities	-	(9,729)
	-	-

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

14. DEFERRED INCOME - GOVERNMENT GRANT

	2023	2022
	----- Rupees in '000 -----	
Balance at beginning of the year	63	927
Government grant recognised in income	(63)	(864)
	-	63
Less: Current portion of deferred income - Government grant	-	(63)
	-	-

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

15. LEASE LIABILITY

	2023	2022
	----- Rupees in '000 -----	
Opening balance	10,297	12,880
Unwinding of finance cost	757	1,003
Lease rentals paid	(3,974)	(3,586)
	7,080	10,297
Less: Current portion of lease liabilities	(3,952)	(3,217)
Long term portion of lease liabilities	3,128	7,080

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

15.1 Lease Liability

	2023			2022		
	Principal Outstanding	Financial charge for future	Minimum lease payments	Principal Outstanding	Financial charge for future	Minimum lease payments
Not later than one year	3,952	455	4,407	3,217	758	3,975
Later than one year but not later than five years	3,128	103	3,231	7,080	558	7,638
	7,080	558	7,638	10,297	1,316	11,613

15.2 Finance charge at rate of 8.53% (2022: 8.53%) per annum has been used for discounting factor.

16. TRADE AND OTHER PAYABLES

	2023	2022
	----- Rupees in '000 -----	
Creditors	720,393	474,143
Accrued liabilities	32,648	50,678
Due to related parties - note 16.1	307,253	137,385
Accrued mark-up	15,386	9,098
Current portion of deferred income - Government grant	-	63
Payable to employees' provident fund - note 16.2	1,837	1,637
Workers' Welfare Fund	-	9,395
Withholding tax payable	6,152	22,132
Security deposits - note 16.3	500	500
Other payables	14,420	8,452
	1,098,589	713,483

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

International Brands (Private) Limited (the Ultimate Parent Company)	22,652	36
The Searle Company Limited (the Holding Company)	236,125	129,543
Searle Pakistan Limited (an Associated company)	28,412	-
United Brands Limited (an Associated Company)	11,527	7,806
IBL Logistics (Private) Limited (an Associated Company)	5,852	-
IBL Operations (Private) Limited (an Associated Company)	1,282	-
Searle BioSciences (Private) Limited (an Associated Company)	1,403	-
	307,253	137,385

16.2 The investments in collective investment schemes, listed equity and listed debt securities out of the provident fund have been made in accordance with the provision of section 218 of the Companies Act, 2017 and Employees Provident Fund (Investment in Listed Securities) Rules, 2016 and the conditions specified thereunder.

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

17. ADVANCE FROM CUSTOMERS

2023 2022
----- Rupees in '000 -----

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

Balance at beginning of the year	67,270	67,880
Advance received during the year	233,615	194,211
Revenue recognised during the year	(271,815)	(194,821)
Balance at end of the year	29,070	67,270

18. SHORT TERM BORROWINGS

Islamic finances - note 18.1	290,565	247,139
------------------------------	----------------	---------

18.1 The Company obtained running musharakah facilities from commercial banks amounting to Rs. 339 million (2022: Rs. 300 million) out of which the amount unavailed at the year end was Rs. 48.44 million (2022: Rs. 52.86 million). Rates of profit range from one month KIBOR plus 1% (2022: one month KIBOR plus 1%) to three months KIBOR plus 1.5% (2022: three month KIBOR plus 1.5%) per annum. These facilities have been secured by way of hypothecation of first pari passu charge over present and future current assets amounting to Rs. 400 million.

19. UNPAID DIVIDEND

Unpaid dividend in respect of dividend withheld due to non-compliance of certain legal / regulatory requirements by the shareholders.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

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

20.1.2 On November 10, 2020, the Company filed a suit before the High Court of Sindh challenging the refusal by the Customs Authorities of exemption on the dietary food for medical purposes being imported by the Company from Nestle Health Sciences GmbH, Deutschland (Germany). The Court has restrained the Custom Authorities from disallowing exemption to the Company till the hearing of injunction application. The exposure of the Company on account of Custom Duties is Rs. 150.16 million. The management believes that the likelihood of liability is low and based on the advice of legal consultant, no provision is required.

20.1.3 On November 23, 2020, the Company filed a suit before the High Court of Sindh challenging the refusal by the Customs Authorities of exemption on the dietary food for medical purposes being imported by the Company from Mead Johnson Nutrition (Thailand). The Court has restrained the Custom Authorities from disallowing exemption to the Company till the hearing of injunction application. The exposure of the Company on account of Custom Duties is Rs. 30.71 million. The management believes that the likelihood of liability is low and based on the advice of legal consultant, no provision is required.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

20.1.4 As per section 4C of Income Tax Ordinance, 2001 introduced through Finance Act, 2022 IBL HealthCare Limited was liable to pay tax at the rate of 4% on the taxable income. The Company challenged the imposition of super tax in Sindh High Court and the Sindh High Court declared the imposition of super tax as inapplicable in tax year 2022. However, following the order of the Supreme Court of Pakistan, the Sindh High Court ordered the encashment of cheque of 4% deposited with the nazir of the Sindh High Court. Presently the matter is pending adjudication before the Supreme Court. Based on the advice of the legal advisor of the Company, the Company expects favorable outcome of the case. The Company's super tax for the tax year 2022 amounts to Rs. 19.78 million.

20.2 Commitments

The facility for opening letter of credit and guarantee as at June 30, 2023 amounted to Rs. 550 million (2022: Rs. 640 million) and Rs. 20 million (2022: Rs. 20 million) of which the amount remaining unutilised at the end of year was Rs. 306.84 million (2022: Rs. 149.47 million) and Rs. 7.34 million (2022: Rs. 13.23 million) respectively.

21. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023	2022
	----- Rupees in '000 -----	
Gross revenue - note 21.1	5,054,567	4,498,211
Less: Sales tax	(423,625)	(288,716)
	<u>4,630,942</u>	<u>4,209,495</u>
Less:		
Trade discount and claims	(455,178)	(465,760)
Sales returns	(147,890)	(92,610)
	<u>(603,068)</u>	<u>(558,370)</u>
	<u>4,027,874</u>	<u>3,651,125</u>

21.1 Revenue includes sales to IBL Operations (Private) Limited (an associated company) and United Brands Limited (an associated company) amounting to Rs. 2,254.71 million (2022: Rs. 2,089.91 million) and Rs. 63.13 million (2022: Rs. 75.21 million) respectively.

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

21.3 Management considers that revenue from its ordinary activities are shariah compliant.

22. COST OF SALES

	2023	2022
	----- Rupees in '000 -----	
Opening inventory	973,471	708,379
Add: Purchases	2,928,477	2,684,400
	<u>3,901,948</u>	<u>3,392,779</u>
Less:		
Cost of samples	(17,531)	(20,275)
Inventory written-off	(5,765)	(4,145)
Closing inventory	(1,191,225)	(973,471)
	<u>(1,214,521)</u>	<u>(997,891)</u>
	<u>2,687,427</u>	<u>2,394,888</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

23. OTHER INCOME / (LOSS)

Loss from financial assets

Exchange loss - net	(109,570)	(72,834)
Income recognised on Government grant	63	864

2023

2022

----- Rupees in '000 -----

(109,570)

(72,834)

63

864

(109,507)

(71,970)

Income from non-financial assets

Rental income from investment property	2,426	8,156
Recovery against claims from suppliers	11,000	-
Others	1,573	2,407
Gain on disposal of furniture and equipment	9	1,918
Reversal for provision of Workers' Welfare Fund	9,395	-
Write-off of furniture and equipment	-	(616)

2,426

8,156

11,000

-

1,573

2,407

9

1,918

9,395

-

-

(616)

24,403

11,865

(85,104)

(60,105)

24. MARKETING AND DISTRIBUTION EXPENSES

Salaries, wages and benefits - note 24.1	282,284	254,164
Sales promotion and marketing expense	163,491	165,774
Cartage and freight	49,365	41,668
Travelling	35,120	37,032
Provision for inventory write-off	5,765	4,145
Depreciation	596	528
Amortisation	1,937	1,842
Rent, rates and taxes	29,521	23,916
Vehicle running expenses	41,661	28,544
Utilities and communication	3,636	3,916
Printing and stationery	1,551	1,231
Insurance	2,849	3,121
Repairs and maintenance	1,972	1,373
Fee and subscription	4,351	7,912
Security charges	-	253
Training	505	382
Others	6,646	6,348

2023

2022

----- Rupees in '000 -----

282,284

254,164

163,491

165,774

49,365

41,668

35,120

37,032

5,765

4,145

596

528

1,937

1,842

29,521

23,916

41,661

28,544

3,636

3,916

1,551

1,231

2,849

3,121

1,972

1,373

4,351

7,912

-

253

505

382

6,646

6,348

631,250

582,149

24.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 7.99 million (2022: Rs. 7.19 million).

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

25. ADMINISTRATIVE AND GENERAL EXPENSES

	2023	2022
	----- Rupees in '000 -----	
Salaries, wages and benefits - note 25.1	39,696	42,740
Charge of loss allowance on trade debts - note 8.1.4	-	8,650
Travelling	2,253	546
Depreciation	879	2,958
Depreciation on right-of-use asset	3,214	3,211
Amortisation	841	841
Vehicle running expenses	2,655	2,530
Utilities and communication	1,349	803
Auditors' remuneration - note 25.2	4,525	2,750
Donations - note 25.3	200	551
Legal and professional charges	3,080	1,505
Printing and stationery	1,461	2,759
Insurance	258	555
Fee and subscription	9,892	6,277
Repairs and maintenance	5,481	3,401
Training	66	-
Corporate services charged by the Ultimate Parent Company	21,000	21,000
Others	2,671	2,320
	99,521	103,397

25.1 Salaries, wages and other benefits include contributions to contributory provident fund of Rs. 1.14 million (2022: Rs. 1.34 million).

25.2 Auditors' remuneration

	2023	2022
	----- Rupees in '000 -----	
Audit services		
- Statutory audit fee	1,300	1,150
- Half yearly review	750	550
- Out of pocket expenses	200	150
	2,250	1,850
Non-audit services		
- Certifications for regulatory purposes	550	300
- Tax advisory service	1,725	600
	2,275	900
	4,525	2,750

25.3 This represents donation made to Fatimid Foundation. The directors or their spouses had no interest in the donee.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

26. FINANCE COSTS

	2023	2022
	----- Rupees in '000 -----	
Bank charges	1,599	1,621
Finance lease charges	757	1,003
Mark-up expense and unwinding on long-term finance	101	1,954
Mark-up on Islamic finances	63,282	22,738
	<u>65,739</u>	<u>27,316</u>

27. INCOME TAX EXPENSE

Current tax expense - note 27.1		
- for the year	170,682	162,598
- prior year - note 27.2	(20,812)	17,813
	<u>149,870</u>	<u>180,411</u>

27.1 Relationship between tax expense and accounting profit

Accounting profit before tax	458,833	483,270
Tax at the applicable rate of 29% (2022: 29%)	133,062	140,148
Effect of minimum tax	-	1,463
Effect of prior year charge	(20,812)	17,813
Effect of super tax charge	36,904	-
Others	716	20,987
Income tax expense for the year	<u>149,870</u>	<u>180,411</u>
Effective rate (% age)	<u>33%</u>	<u>37%</u>

27.2 This includes the reversal of provision of super tax recorded for the tax year 2022. The matter is pending adjudication before the Supreme Court of Pakistan - refer note 20.1.4.

28. BASIC AND DILUTED EARNINGS PER SHARE

	2023	2022
		(Restated)
Profit after taxation attributable to ordinary shareholders (Rupees in '000)	308,963	302,859
Weighted average number of outstanding shares at the end of year (in thousand)	71,396	71,396
Earnings per share - Basic (Rupees)	<u>4.33</u>	<u>4.24</u>

28.1 Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2023 and 2022 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

2023 2022
----- Rupees in '000 -----

29. CASH GENERATED FROM OPERATIONS

Profit for the year	458,833	483,270
Adjustments for non-cash income and expenses:		
Depreciation of furniture and equipment	1,475	3,486
Depreciation of right-of-use asset	3,214	3,211
Amortisation of intangible assets	2,778	2,683
Finance costs	1,599	1,621
Finance lease charges	757	1,003
Mark-up on Islamic finances	63,383	24,692
Gain on disposal of furniture and equipment	(9)	(1,918)
	73,197	34,778
	532,030	518,048
Changes in working capital:		
(Increase) / decrease in current assets:		
Inventories	(217,754)	(265,092)
Trade and other receivables	(243,385)	(261,199)
Loans, advances, deposits and prepayments.	(139,430)	21,545
Refunds due from Government - sales tax	(23,661)	-
	(624,230)	(504,746)
Increase / (decrease) in current liabilities:		
Trade and other payables	378,818	220,648
Advance from customers	(38,200)	(610)
	248,418	233,340

30. CASH AND CASH EQUIVALENTS

Cash at bank in current accounts - note 10	95,747	61,794
Cash in hand - note 10	76	49
Cheques in hand - note 10	-	42,279
Short term borrowings - note 18	(290,565)	(247,139)
	(194,742)	(143,017)

31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

31.2 Financial assets and liabilities by category and their respective maturities

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
	----- (Rupees) -----						
FINANCIAL ASSETS							
At amortised cost							
Short-term deposits, loans							
and advances	-	-	-	31,927	-	31,927	31,927
Trade and other receivables	-	-	-	1,362,108	-	1,362,108	1,362,108
Cash and bank balances	-	-	-	95,823	-	95,823	95,823
2023	-	-	-	1,489,858	-	1,489,858	1,489,858
2022	-	-	-	1,255,710	-	1,255,710	1,255,710
FINANCIAL LIABILITIES							
At amortised cost							
Long-term finance							
	-	-	-	-	-	-	-
Lease liability	3,952	3,128	7,080	-	-	-	7,080
Trade and other payables	-	-	-	1,090,600	-	1,090,600	1,090,600
Short term borrowings	290,565	-	290,565	-	-	-	290,565
Unclaimed dividend	-	-	-	7,107	-	7,107	7,107
Unpaid dividend	-	-	-	14,192	-	14,192	14,192
2023	294,517	3,128	297,645	1,111,899	-	1,111,899	1,409,543
2022	260,085	7,080	267,165	698,782	-	698,782	965,947
Off balance sheet items							
Letters of credit	2023						243,159
	2022						490,534

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

(i) Interest rate risk

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

At June 30, 2023, the Company had variable interest bearing net financial liabilities of Rs. 290.56 million, and had the interest rate varied by 200 basis points with all other variables held constant, profit before income tax for the year would have been lower / higher by Rs. 5.81 million (2022: 4.94 million) mainly as a result of lower / higher interest income on floating rate loans.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on payables in respect of imported inventory denominated in US Dollar (USD). The total foreign currency risk exposure as at June 30, 2023 is Rs. 705.01 million (2022: Rs. 466.36 million).

As at June 30, 2023, if the Pak Rupee had weakened / strengthened by 4% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 28.20 million (2022: Rs. 18.65 million), as a result of foreign exchange losses / gains on translation of US Dollar denominated trade and other payables.

As at June 30, 2023, if the Pak Rupee had weakened / strengthened by 4% against GBP with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. Nil million (2022: Rs. Nil million), as a result of foreign exchange losses / gains on translation of GBP denominated trade and other payables.

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

(iii) Price risk

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

(b) Credit risk

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

As at June 30, 2023 trade receivables of Rs. 289.09 million (2022: Rs. 228.95 million) were past due but not impaired. The carrying amount of trade receivables relate to number of independent customers for whom there is no history of default.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

Bank	Rating Agency	Rating		2023	2022
		Short term	Long term	Rupees in '000	
Habib Bank Limited	VIS	A1+	AAA	41,496	9,394
Soneri Bank Limited	PACRA	A1+	AA-	24,118	44,953
Meezan Bank Limited	VIS	A1+	AAA	15,331	-
Bank Alfalah	PACRA	A1+	AA+	5,215	-
Al Baraka Bank (Pakistan) Limited	VIS	A1	A+	4,928	4,083
Summit Bank Limited	VIS	A3	BBB-	1,296	1,296
National Bank of Pakistan	PACRA	A1+	AAA	699	372
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	617	500
Dubai Islamic Bank	VIS	A1+	AA	601	-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	538	203
Mobilink Microfinance Bank Limited	PACRA	A1	A	-	536
Central Depository Company				908	457
				95,747	61,794

(c) Liquidity risk

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

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

	Carrying amount	Contractual cash flows	2023		
			Six months or less	Six to twelve months	One to five years
Rupees in '000					
Financial liabilities					
Long-term finance - secured	-	-	-	-	-
Lease liability	7,080	(7,638)	(2,152)	(2,255)	(3,231)
Short-term borrowings	290,565	(290,565)	(290,565)	-	-
Trade and other payables	1,090,600	(1,090,600)	(1,090,600)	-	-
Unclaimed dividend	7,107	(7,107)	(7,107)	-	-
Unpaid dividend	14,192	(14,192)	(14,192)	-	-
	1,409,543	(1,410,102)	(1,404,616)	(2,255)	(3,231)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

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

(d) Fair value of financial instruments

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

As at June 30, 2023, all financial assets and financial liabilities are carried at amortised cost.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

31.3 Capital Risk Management

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

The debt to capital ratios as at June 30, 2023 and 2022 were as follows:	2023	2022
	----- Rupees in '000 -----	
Short term borrowings - note 18	290,565	247,139
Cash and bank balances - note 10	(95,823)	(104,122)
Net debt	194,742	143,017
Total equity	2,107,124	1,863,066
Total capital	2,301,866	2,006,083
Debt to capital ratio	8.46%	7.13%

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

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

	2023			
	Short term borrowings used for cash management	Long term loan	Unappropriated profit	Total
	----- Rupees in '000 -----			
Balance as at July 1, 2022	247,139	9,729	1,094,415	1,351,283
Changes from financing cash flows				
Repayment of long term loan	-	(9,830)	-	(9,830)
Dividend paid	-	-	(129,810)	(129,810)
Disbursement / (repayments) - net	43,426	-	-	43,426
Total changes from financing activities	43,426	(9,830)	(129,810)	(96,214)
Other changes - interest cost				
Interest expense	-	101	-	101
Total loan related other changes	-	101	-	101
Total equity related other changes	-	-	308,963	308,963
Balance as at June 30, 2023	290,565	-	1,273,568	1,564,133

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

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

32. RELATED PARTY TRANSACTIONS

Nature of relationship	Nature of transaction	2023	2022
		----- Rupees in '000 -----	
i. Ultimate parent			
International Brands (Private) Limited	- Corporate service charges	21,000	21,000
	- Dividend paid	208	173
	- SAP maintenance fee	1,139	1,798
	- Bonus shares issued in the ratio of 10 shares for every 100 shares held - note 32.3		
ii. Holding company			
The Searle Company Limited	- Dividend paid	46,810	39,009
	- Purchase of goods	473,611	327,258
	- Claims	-	565
	- Reimbursement of expenses	46,915	34,062
	- Utilities	4,015	2,501
	- Rent expense	3,974	3,529
	- Bank guarantee margin	-	350
	- Sale of goods	2,428	1,497
	- Bonus shares issued in the ratio of 10 shares for every 100 shares held - note 32.3		

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

Nature of relationship	Nature of transaction	2023	2022
		----- Rupees in '000 -----	
iii. Associated companies			
IBL Operations (Private) Limited	- Sale of goods	1,859,215	1,849,324
	- Shared costs	11,200	2,640
	- Sale of assets	-	6,515
United Brands Limited	- Sale of goods	52,443	63,602
	- Purchase of goods	-	16
Searle Pakistan Limited	- Sale of goods	200	-
	- Purchase of goods	28,412	-
Searle Biosciences (Private) Limited	- Purchase of goods	1,403	-
IBL Logistics (Private) Limited	- Cartage and freight charges	23,313	21,034
United Retail (Private) Limited	- Rental income	1,161	436
	- Other income	1,603	1,405
	- Sale of goods	41	-
Universal Retails (Private) Limited	- Rental income	1,265	-
iv. Other related parties			
Employees' Provident Fund Key Management Personnel *	- Contribution paid	3,564	8,525
	- Salaries and other employee benefits	73,938	79,584
	- Director's fee and conveyance	2,765	2,005
	- Sale of goods	66	26
	- Bonus shares issued in the ratio of 10 shares for every 100 shares held		

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

- 32.1** The status of outstanding balances with related parties as at June 30, 2023 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.
- 32.2** These transactions are carried out at mutually agreed rates.
- 32.3** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

S.No	Company	Basis of Association	Aggregate % of shareholding
1	The Searle Company Limited	Holding Company	74.19%
2	International Brands (Private) Limited	Ultimate Parent	42.34%*
3	IBL Operations (Private) Limited	Group Company	N/A
4	United Brands Limited	Group Company	N/A
5	Searle Pakistan Limited	Group Company	N/A
6	Searle Biosciences (Private) Limited	Group Company	N/A
7	IBL Logistics (Private) Limited	Group Company	N/A
8	United Retail (Private) Limited	Common Directorship	N/A
9	Universal Retails (Private) Limited	Common Directorship	N/A

* Direct holding of International Brands (Private) Limited is 0.32%.

33. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

	2023	2022	2023	2022
	Chief Executive Officer		Executive	
	----- Rupees in '000 -----			
Managerial remuneration	10,873	9,924	59,624	55,772
Bonus and incentives	3,706	4,889	16,665	19,108
Leave fare assistance and leave encashment	-	831	1,450	3,761
Company's contribution to the Provident fund	866	787	4,095	3,442
Housing and utilities	4,763	4,329	23,113	23,996
	<u>20,208</u>	<u>20,761</u>	<u>104,947</u>	<u>106,079</u>
Number of persons	<u>1</u>	<u>1</u>	<u>14</u>	<u>16</u>

33.1 In addition to above, fee to six non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 0.97 million (2022: Rs. 0.63 million).

34. NUMBER OF EMPLOYEES

	2023	2022
Number of employees at year end	<u>311</u>	<u>304</u>
Average number of employees during the year	<u>296</u>	<u>287</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2023

35. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in their meeting held on September 27, 2023 proposed a cash dividend of (NIL) per share (2022: Re. 01 per share) amounting to NIL (2022: Rs. 64.9 million) and issued 20 bonus shares for every 100 shares (2022: 10 bonus shares for every 100 shares) subject to approval of members at the forthcoming annual general meeting. This would be recognised in the Company's financial statements in the year in which such dividend and distribution are approved.

36. CORRESPONDING FIGURES

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

37. DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved and authorised for issue by the Board of Directors of the Company on September 27, 2023.



Chief Executive



Director



Chief Financial Officer

Proxy Form

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

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

Signed this _____ day of _____ 2023.

Witness:

1. _____

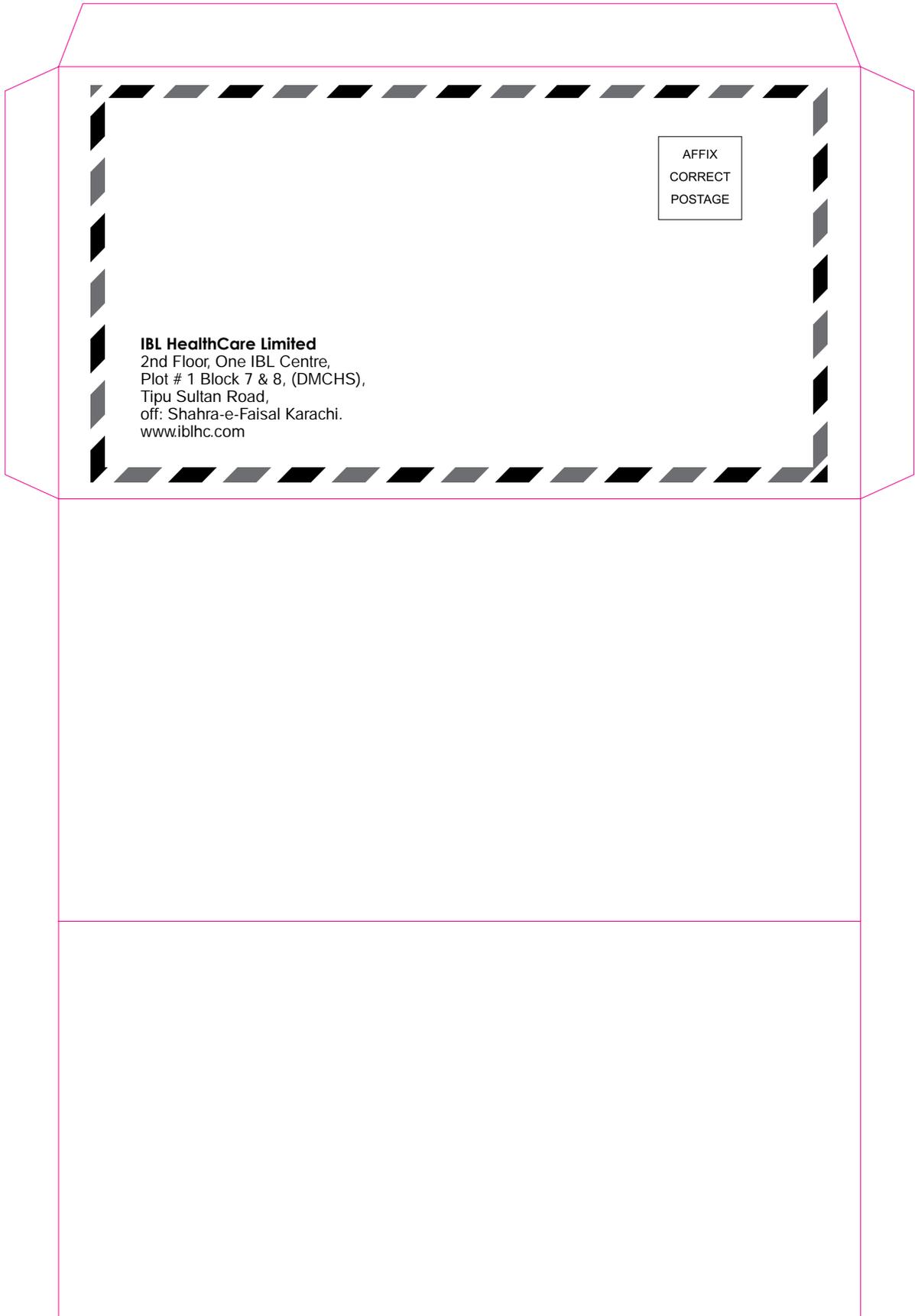
2. _____

Rs. 5/-
Revenue
Stamp

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

Note:

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



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www.iblhc.com

پراکسی فارم

دی سیکریٹری

آئی بی ایل ہیلتھ کیئر لمیٹڈ

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

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

میں / ہم _____ پسر / دختر / زوجہ / خاوند بابت _____ شیئر ہولڈر آئی بی ایل ہیلتھ کیئر لمیٹڈ
حال _____ عمومی شیئرز بذریعہ ہذا _____ کو مقرر کر رہے ہیں جو میرے
_____ (رشتہ بیان کریں (اگر کوئی ہے) پراکسی ہیں، جیسا کہ حکومتی ضوابط کے تحت ضروری ہے، اور پسر / دختر / زوجہ / خاوند
بابت _____ حال _____ کمپنی کے عمومی شیئرز فلیو نمبر _____ کے تحت
(حکومت کی جانب سے لازمی، اگر پراکسی کمپنی کا شیئر ہولڈر نہیں ہے) بطور میرے / ہمارے پراکسی میری / ہماری اور میرے / ہمارے جانب سے کمپنی کے
سالانہ اجلاس عام منعقدہ 28 اکتوبر 2022ء یا کسی زیر التوا تاریخ پر ہونے والے اجلاس میں میری / ہماری جانب سے شرکت کریں گے اور ووٹ کا حق
استعمال کریں گے۔

دستخط شدہ بتاریخ _____ دن _____ 2023ء

گواہ نمبر 1:

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

51- روپے مالیت کے ریونیو
اسٹیٹ پر دستخط کریں

ممبر (ممبرز) کے دستخط

دستخط:

نام:

سی این آئی سی نمبر:

پتہ:

گواہ نمبر 2:

دستخط:

نام:

سی این آئی سی نمبر:

پتہ:

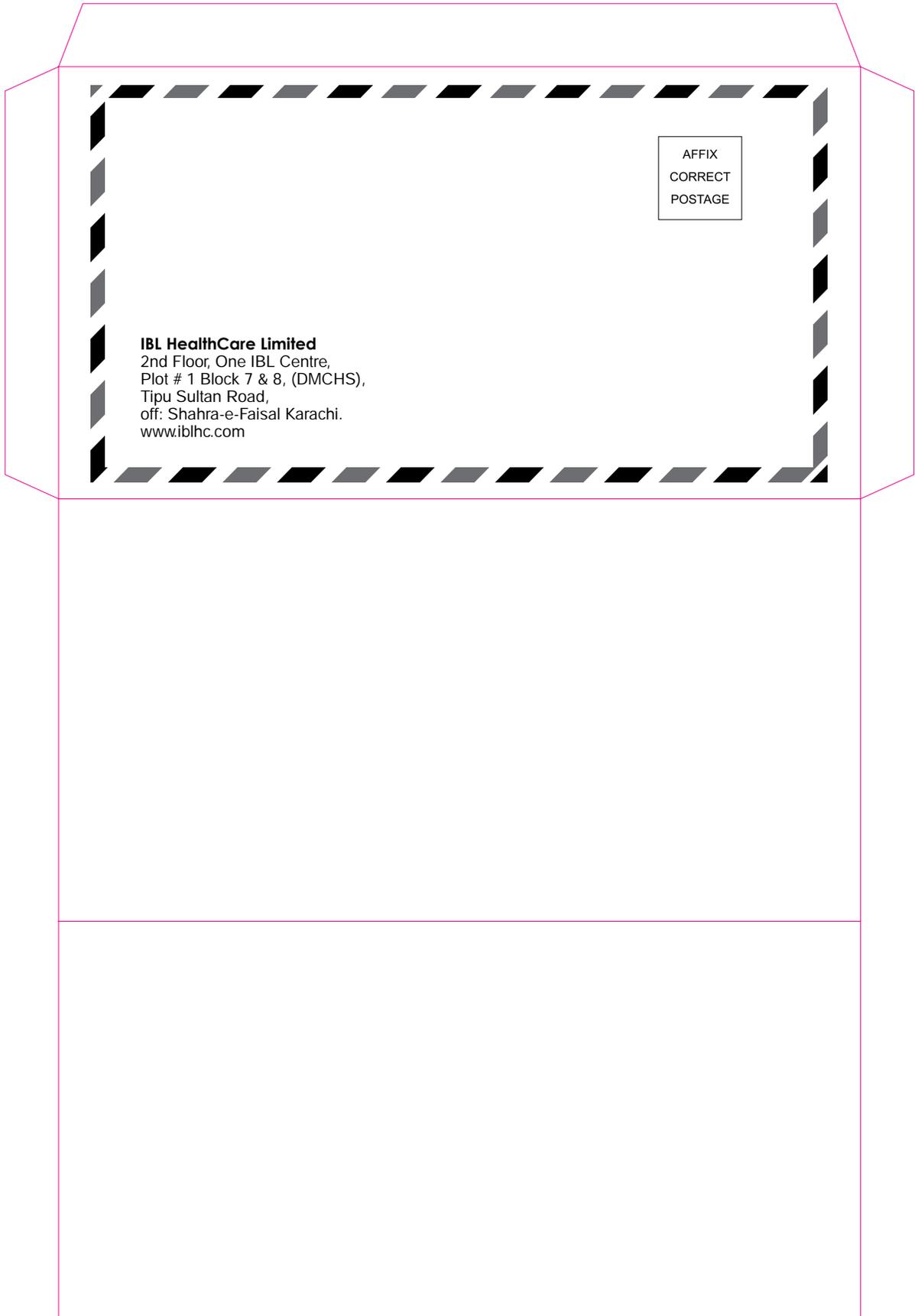
شیئر ہولڈرز کا فلیو نمبر: _____
اور/ یا سی ڈی سی پارٹنیشن آئی ڈی نمبر: _____
اور ذیلی اکاؤنٹ نمبر: _____
شیئر ہولڈرز کا سی این آئی سی نمبر: _____

نوٹ:

1- ممبر سے درخواست ہے کہ:

- مذکورہ بالا نشان زدہ جگہ پر 51- روپے مالیت کا ریونیو اسٹیٹ چسپاں کریں۔
- ریونیو اسٹیٹ پر اسی انداز میں دستخط کریں جیسا کہ کمپنی کے پاس رجسٹرڈ ہیں۔
- اپنا فلیو نمبر صحیح درج کریں۔

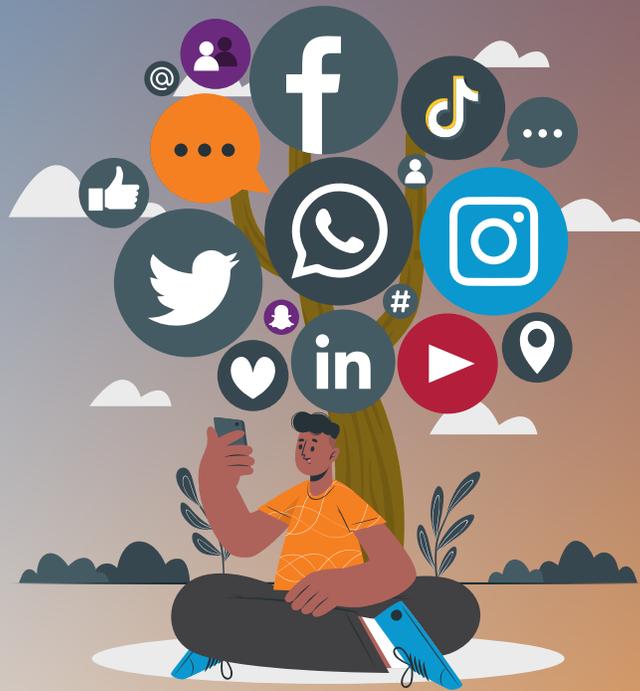
- اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ / بورڈ کی قرارداد اور پراکسی کے سی این آئی سی کی کاپی پراکسی فارم کے ساتھ منسلک کر کے جمع کرائیں۔
- کارآمد ہونے کے لئے یہ ضروری ہے کہ یہ پراکسی کمپنی کے رجسٹرڈ آفس میں اجلاس کے لئے مقررہ وقت سے کم از کم ۳۸ گھنٹے قبل ہر طرح سے مکمل صورت میں جمع کرا دیے جائیں۔
- سی ڈی ایس شیئر ہولڈرز یا ان کے پراکسیز اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ مع پارٹنیشن آئی ڈی نمبر اور ان کے اکاؤنٹ نمبر اپنی شناخت میں سہولت کے لئے ہمراہ لائیں مفصل طریقہ کار غیر معمولی اجلاس عام کے نوٹ میں درج ہے۔



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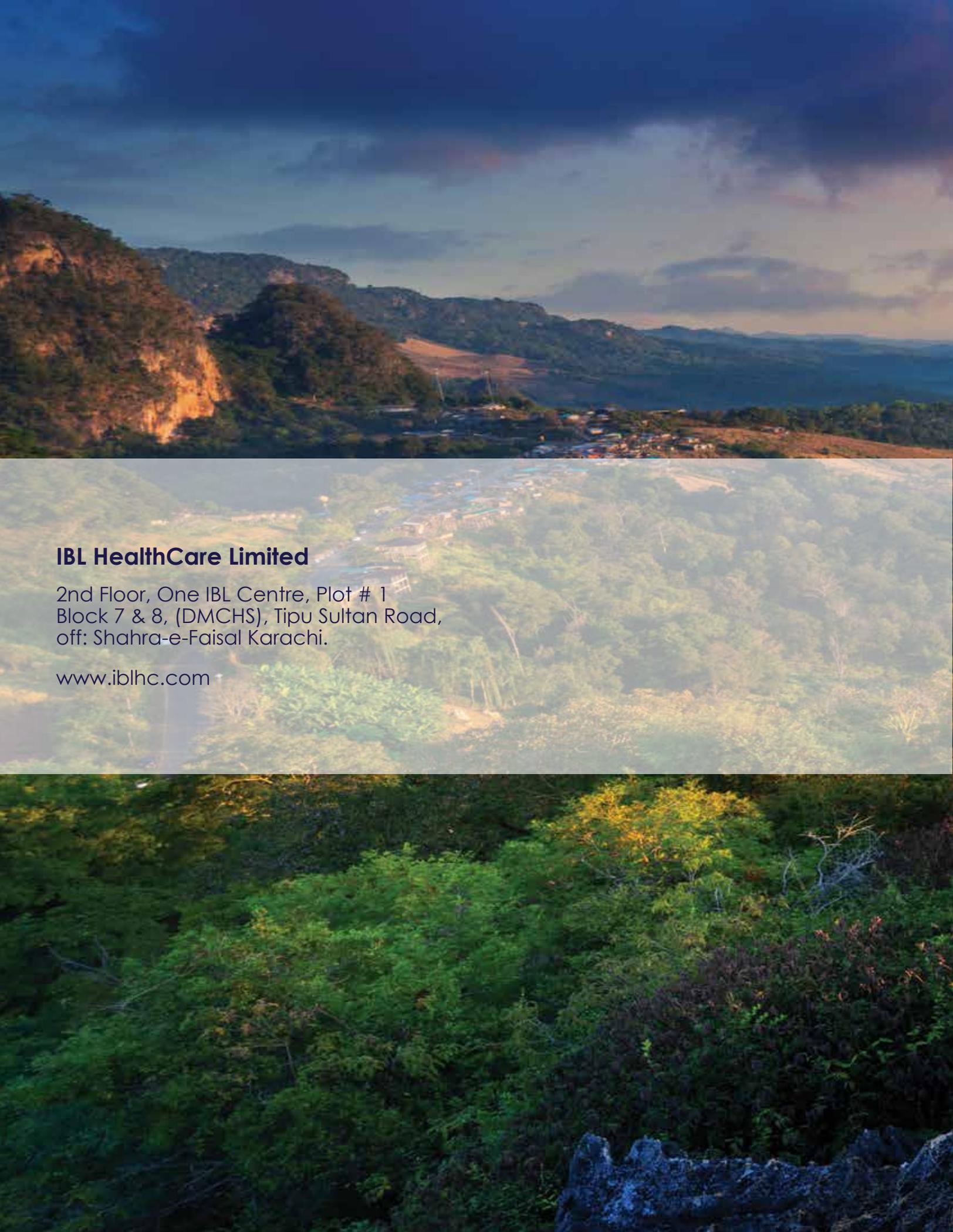


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