



**ANNUAL  
REPORT  
2023**



*Care to Cure*

**CITI PHARMA LIMITED**



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# COMPANY INFORMATION

## Board of Directors

Mr. Nadeem Amjad  
Chairman

Mr. Rizwan Ahmad  
Chief Executive Officer

Dr. Zameer Ul Hassan  
Executive Director

Ms. Saira Aslam  
Non-Executive Director

Mr. Muhammad Naeem  
Non-Executive Director

Mr. Abdul Jaleel Shaikh  
Independent Director

Ms. Farzin Khan  
Independent Director

## AUDIT COMMITTEE

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

## Human Resource & Remuneration Committee

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

## Chief Financial Officer

Mr. Asif Iqbal

## Company Secretary & Head of Legal

Mr. Muhammad Riaz

## Head of Internal Auditor

Muhammad Ishaq

## External Auditors

Aslam Malik & Co.  
Chartered Accountants

## Legal Advisors

Muhammad Riaz

## Share Registrar

F.D Registrar Services (Pvt) Ltd

## Bankers

Habib Metropolitan Bank Limited  
Habib Bank Limited- Islamic  
Pak Brunei Investment Company Limited

Samba Bank Limited  
Soneri Bank Limited  
Bank of Punjab Limited  
National Bank of Pakistan  
Bank Al Habib Limited  
Meezan Bank Limited  
Standard Chartered Bank (Pakistan) Limited

## Head Office

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

## Registered Office

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



# CHAIRMAN'S REVIEW

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

This review report has been provided under the requirement of section 192 of the Companies Act 2017.

It is my enormous preference to present the Review Report to the shareholders on the Board's overall performance and effectiveness in achieving the Company's objectives.

This financial year 2022 – 2023 presented itself with multiple challenges including but not limited to the geopolitical tension, surging inflation, rising cost of doing business along with fluctuation of global commodity prices. Furthermore, current currency devaluation, import restrictions, higher interest rate and changes in tax regime intensified challenges.

### *Review of Overall Performance of the Board*

I am proud to highlight that despite testing circumstances the steadfast dedication and commitment of our Board of Directors in fulfilling their roles and responsibilities. Their unwavering support and strategic leadership have been instrumental in guiding the company through the challenges we face in today's business environment.

Throughout the year, our Board has diligently reviewed the company's financial statements and governance matters, ensuring transparency in disclosures, adherence to policies, alignment with regulatory compliance. This rigorous oversight has allowed us to navigate through a tumultuous period marked by substantial currency devaluation and persistently high financing and inflation rates. The Board has closely monitored these challenges, providing invaluable guidance to our management team and implementing safeguards to mitigate their impacts on our company.

Our Board of Directors is a diverse and well-rounded group, offering a wealth of experience

and expertise. They have established effective subcommittees, including the Human Resource & Remuneration Committee, the Audit Committee, and the Investments Committee, which operate seamlessly within the boundaries of the law.

In line with our commitment to robust corporate governance, the Board has approved a comprehensive risk management framework. Our vision is to establish a strong system of internal controls that fosters an environment conducive to compliance with the highest standards of corporate governance. We emphasize the paramount importance of honesty and integrity as the cornerstones of our business success and the success of Citi Pharma Limited.

The collective experience of our Board members and the dedicated efforts of our Board committees have been pivotal in ensuring the company's compliance with all legal and regulatory requirements. Based on a thorough evaluation, we are pleased to report that the overall performance of the Board and its committees has been found to be satisfactory and effective.

I extend my heartfelt appreciation to the members of the Board for their invaluable guidance and to all our stakeholders for their unwavering support. Our employees' dedication is also commendable, and their efforts continue to drive our company's success.

As we look ahead, we remain committed to our mission, vision, and values, and we are confident in our ability to overcome challenges and seize opportunities in the dynamic pharmaceutical industry.



**Nadeem Amjad**

# CEO MESSAGE

I am delighted to address you all as we reflect on another year of significant achievements at Citi Pharma Limited. During the year under review the world and Pakistan in particular faced challenges as a result of significant geopolitical and macroeconomic uncertainty.

Despite the tumultuous landscape marked by political uncertainty and economic crises, our various business segments have not only weathered the storms but have also delivered exceptional results. This past year has indeed been fraught with challenges, yet we remain resolute in upholding our promises and commitments to all our valued stakeholders.

Looking ahead to the coming year, it is expected to remain a challenging one for the country and it strives to achieve fiscal stabilization and regain macroeconomic stability. Needless to say, we have ambitious plans to embark on the establishment of a cutting-edge facility encompassing both forward and backward integration. Additionally, we are in the process of obtaining approval for a state-of-the-art healthcare facility, featuring a 200-bed hospital, alongside a research-based medical science teaching university equipped with practical training facilities.

We recognize that our investors, partners, and dedicated employees rely on us to safeguard their investments and generate the returns necessary to meet their financial obligations. Through a culture that prioritizes risk management, we strive to protect capital and enhance shareholder value. Our management team is deeply committed to upholding the highest standards of integrity, emphasizing the importance of doing the right things and doing them right. We take great pride in the recognition we've received from our peers and competitors, both locally and on the global stage, as we continue to build a remarkable company.

Our investments in upgrading our manufacturing facilities, including the addition of a state-of-the-art sterile area, exemplify our steadfast commitment to our long-term strategy. In the face of political and economic uncertainties, we have steadfastly supported a skilled workforce, a team of highly trained professionals, and an exceptional management team. Together, we've achieved operational synergies and expanded our regional presence, all while maintaining a forward-thinking approach to strengthen our investments and increase our equity value.

At Citi Pharma Limited, we always have our eyes on the future, anticipating shifts in customer needs and shaping our business strategy to lead the industry towards new possibilities.

In closing, I want to extend my heartfelt appreciation to our Citi family for their invaluable contributions to our organization. I also extend my gratitude to all our stakeholders, including shareholders and customers, for their unwavering trust and support during these challenging times. Together, let us embrace the opportunities of the year ahead and work towards yet another successful chapter in our journey.



**Rizwan Ahmad**

## VISION STATEMENT

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

## MISSION STATEMENT

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



# DIRECTOR'S PROFILE



**Mr. Nadeem Amjad**  
Chairman

Mr. Amjad is also an early age entrepreneur with over 3 decades of profession business experience. Early on in his career, he has remained involved with trading businesses, dealing in Jewelry, Computer Micro-chips & Hardware, Telecommunications business. He is a well-organized entrepreneur with an impeccable reputation of successful business ventures across the far east, middle east and Pakistan. He was the person behind the growth of the family businesses into various fields as well as geographies. He expanded the family business into the Hong Kong Real Estate business as well as hospitality.

He holds an MBA from University of London.



**Mr. Rizwan Ahmad**  
CEO

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

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

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



# DIRECTOR'S PROFILE



**Mr. Abdul Jaleel Sheikh**  
Independent Director

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



**Ms. Farzin Khan**  
Independent Director

Farzin Khan is presently serving as National Consultant – Programme Management and Stakeholder Coordination Expert at United Nations Office on Drugs & Crime (UNODC) Pakistan. Previously, she has served as National Programme Manager - AML and FATF Support for Pakistan with UNODC from 2019 till 2021. In her former roles, she

successfully completed her tenure as Deputy Chief of Project for USAID's Financial Market Development (FMD) Project from 2016 till 2019. In these recent roles with leading donors in the development sector, she has handled extensive support portfolios at national level for various regulatory and financial institutions and gained extensive experience of Financial Oversight & Regulation, Compliance & Corporate Governance, Stakeholder Communications & Advocacy, Project Management & AML/CFT Compliance mechanisms.

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

In 2016 she worked as a consultant on a number of corporate governance assignments and successfully graduated as a Certified Director from the Lahore University of Management Sciences (LUMS) as per SECP approved program. She is currently serving as an independent director on the boards of Postal Life Insurance Company Ltd. (PLIC) and Citi Pharma Ltd, Ghani Global Holdings Ltd. as well as ISE Real Estate Management Trust (ISE REIT Management Company Ltd).

She holds an MBA in Finance as well as a Masters in Financial Management from the University of Bedfordshire Business School, United Kingdom, besides having attended many other professional development programs, seminars and conferences. She has the distinction of being an IVLP Scholar under the United States funded Program on Financial Reforms.

Alongside her professional accomplishments, she is happily married for eighteen years and has a fifteen year-old son. In her own words she greatly values work life balance and never fails to stand for promoting gender equality and an enabling rather encouraging environment for female professionals and leaders.

# DIRECTOR'S PROFILE



**Mrs. Saira Aslam**  
Non-Executive Director

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

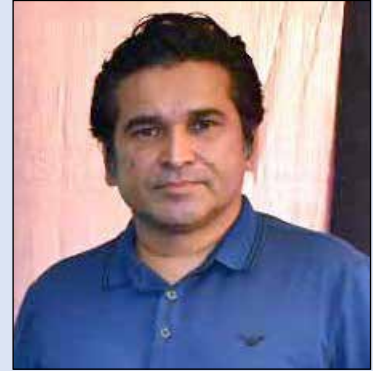


**Dr. Zameer UI Hassan**  
Director

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

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

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



**Mr. Muhammad Naeem**  
Non-Executive Director

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

# PROFILE OF KEY MANAGEMENT



## **Mr. Asif Iqbal**

Chief Financial Officer

Mr. Asif Iqbal has been serving as the Chief Financial Officer at CPHL for the past four years. He has more than 13 years experience which spans various financial matters including raising debt and equity financing, financial reporting, corporate and taxation laws.

Under Mr. Asif Iqbal's astute guidance, CPHL has achieved a significant milestone by successfully listing on the Pakistan Stock Exchange. Furthermore, his adept management skills played a pivotal role in orchestrating a prosperous Initial Public Offering (IPO) for CPHL in collaboration with renowned financial consultants. Further, CPHL has achieved significant financial growth and stability under his leadership.

Mr. Asif's strategic financial planning has contributed to CPHL's profitability and growth. He has implemented cost-saving measures and optimized financial resources, resulting in improved financial performance for the company.

Mr. Asif's established relationships and sterling reputation within the financial markets have positioned CPHL for sustained growth and success, making him an integral part of our leadership team.

Mr. Asif is a respected member of the Pakistan Institute of Public Finance Accountants. His educational background includes a Certificate in Accounting and Finance (CAF) from the Institute of Chartered Accountants of Pakistan, complementing his practical experience in finance. He also holds Bachelor's in Commerce (B. Com).



## **Mr. Muhammad Riaz**

Company Secretary & Head of Legal

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

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

Positions previously held include:

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

# DIRECTOR'S REPORT

## Report of the Directors for the year ended June 30, 2023

The Board of Directors of Citi Pharma Limited is pleased to present the Annual Report along with the Company's audited financial statements for the year ended June 30, 2023. The Directors' Report has been prepared in accordance with the section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and will be submitted to the shareholders at the Annual General Meeting of the Company to be held on October 27, 2023.

### PRINCIPAL ACTIVITIES

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

### OVERVIEW OF ECONOMY AND BUSINESS

The financial year under review marked a significant period for Pakistan's economic history, characterized by a range of internal and external factors that influenced its economic health. The country had faced the challenges of depleting forex reserves, currency devaluation and rising inflation. The situation further worsened when the country hit with heavy rains and floods in the early months of the financial year, floods engulfed the major part of agriculture land and disrupted the domestic supply chain and created the acute shortage of agricultural commodities. All this resulted into one of the highest inflation levels in the economic history of Pakistan. Consequently, the SBP had to intervene by raising the policy rate to an unprecedented level of 22%.

On the external front, policy tightening and

stabilization strategies have led to positive outcomes, including a substantial reduction in the current account deficit (CAD) to USD 2.56 billion for the financial year 2022-23 as against a deficit of USD 17.5 billion last year, primarily due to contraction in import bill. However, a decline of 14% was observed in workers' remittances, while exports also experienced a 13% decrease in financial year 2022-23. Consequently, foreign exchange reserves at Central Bank fell below USD 5 billion, which added further pressure on the currency.

### OVERVIEW OF FINANCIAL PERFORMANCE

In the year 2023, our company achieved remarkable growth in net sales, with a total of Rs. 12,396.98 million, marking a significant increase of 26.76% compared to the previous year's sales of Rs. 9,779.88 million. This outstanding growth in revenue reflects our continued dedication to delivering value to our customers and expanding our market presence.

The gross profit for the year 2023 stood at Rs. 1,507.11 million, compared to Rs. 1,363.08 million in the previous year. It's worth noting that the increase in gross profit was achieved despite facing challenges related to abnormally high inflation and fluctuating forex exchange rates during the year. Had it not been for these external factors, our gross margin could have been even more favorable.

Our net profit for the year showed a modest improvement, reaching Rs. 657.98 million compared to Rs. 653.69 million in the previous year. It's important to highlight that this figure would have been significantly higher at Rs. 744.59 million if not for the imposition of super tax in the tax year 2023. Despite this, our commitment to enhancing

# DIRECTOR'S REPORT

profitability remains steadfast.

In summary, our company has witnessed substantial growth in revenue, gross profit during the fiscal year 2023, underscoring our commitment to delivering value to our stakeholders. While we faced challenges related to inflation and forex exchange rate fluctuations, our financial performance remains strong. We would like to express our gratitude to our dedicated team, loyal customers, and valued shareholders for their continued support.

## EARNING PER SHARE

Dilutive earning per share in the current year is Rs. 2.88 per share and in the last year it was 2.88 which shows that company maintains its earning per share despite one of the most challenging year.

## DIVIDEND

Your Company is mindful of providing a superior return to its shareholders. In view of the reported performance by your Company, the directors feel great pleasure in declaring a final cash dividend of Rs. 2.5 per share which is 25%.

## COMPOSITION OF BOARD OF DIRECTORS

The Citi Pharma Limited has an independent and objective Board. The roles of the Chairman and the Chief Executive are different and each has a clearly defined role profile. In addition, both the Audit and HR committees are chaired by independent directors. There are 7 Board members including one female and 6 male directors, whereas current composition of the Board is as follows;

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

## COMMITTEES OF THE BOARD

### a. Audit Committee

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

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

### b. Human Resource & Remuneration Committee

The committee consists of three members from

# DIRECTOR'S REPORT

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

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

## BOARD OF DIRECTOR'S MEETING AND ATTENDANCE

The board of directors met five (5) times in 2023 and all these meeting were held in the Pakistan.

### Audit Committee

Board Audit Committee: four (4) meetings have been convened during the financial year ended June 30, 2023.

Human Resource and Remuneration Meetings  
Human Resource and Remuneration Committee Meetings were held one (1) time during the financial year ended June 30, 2023.

### DIRECTOR'S TRAINING PROGRAM

Out of seven Directors of the Company, two directors have already completed the training

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

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

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

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

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- o The financial statements prepared by the management of the Company, represent fairly its state of affairs, the result of the operations,

# DIRECTOR'S REPORT

- cash flows, and changes in equity.
- o Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- o Proper books of accounts have been maintained by the Company.
- o Financial reporting is based on the approved International Accounting Standards as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- o There is no significant doubt about the Company's ability to continue as a going concern.
- o The system of internal control is sound in design. The system is being continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.

## RELATED PARTY TRANSACTIONS

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

## OPERATING AND FINANCIAL DATA

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

## SUBSEQUENT EVENTS

No material changes affecting the Company's

financial position have occurred between the statement of financial position date and date of this report.

## MATERIAL CHANGES

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

## PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding in the Company as at 30 June 2023 is in subsequent pages.

## AUDITORS

The present Auditors M/s Aslam Malik & Co, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2024 at a mutually agreed fee.

## RISK OF MANAGEMENT

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

# DIRECTOR'S REPORT

## RISK ASSESSMENT

Business face numerous uncertainties that might pose threats to its objectives and if not addressed may cause preventable losses. The Board has carried out vigilant and thorough assessment of both internal and external risks that the company might face. Rising cost of Financing, fuel and energy and its effect on trade and communication along with depreciation of local currency including depletion of foreign reserve has made this risk more vulnerable.

## CORPORATE SOCIAL RESPONSIBILITY

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

## ENVIRONMENT, HEALTH AND SAFETY

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

## REMUNERATION POLICY

The Independent Directors of the Company are entitled to a remuneration recommended by

Human Resource and Remuneration Committee (HR&RC) and approved by the Board, based on market benchmark of the consumer healthcare industry and other similar style of business.

## REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

A detailed note on the remuneration of the Chief Executive Officer, Directors and Executives for the year 2023 are provided in note no. 37 of the annexed financial statements.

## CAPITAL EXPENDITURE

The capital expenditure for the year 2023 amounted to Rs. 898 million.

## FUTURE OUTLOOK AND CHALLENGES

Pakistan is facing unprecedented political and economic challenges. Persistently high inflation, very high interest rates and depleted foreign exchange reserves have significantly impacted the economic growth. Pak Rupee, having already suffered sharp depreciation, is likely to face further headwinds. Inflation, however, is likely to start cooling off which should hopefully result in softening of interest rates.

While the recent SBP with IMF combined with lifting of restriction on the imports is likely to give some relief to the economic activity in the country, consumer confidence will take a while to return and any meaningful economic recovery is unlikely in the foreseeable future.

Unreasonably high taxation, persistent inflation, high interest rates and unfriendly business environment will continue to bear down on the manufacturing industry and may find it difficult to



# DIRECTOR'S REPORT

pass on increase in costs which may impact the profit margins.

Citi Pharma Limited is one of the quality producers in the country which means that it is better placed to face off any headwinds as compared to most of its competitors. Your management is always cognizant of the challenges that might lie ahead and will continue to proactively adapt in order to ensure optimum performance by your Company and superior returns for its shareholders.

## ACKNOWLEDGMENT

The Company remains grateful to its Shareholders, employees, business partners and all other stakeholders for their confidence in the Company and their support in the Company's journey on the path of growth and prosperity. We look forward to another year of growth and success, and we remain

focused on our mission to create sustainable value for all our stakeholders.

**For and on behalf of the of Board**



**(Rizwan Ahmed)**  
Chief Executive Officer



**(Nadeem Amjad)**  
Director

Lahore  
Dated: September 28, 2023

# ڈائریکٹرز رپورٹ

برائے اختتامہ سال 30 جون 2023ء

سٹی فار مالٹیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ ڈائریکٹرز رپورٹ کمپنیز ایکٹ 2017 کی دفعہ 227 اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے اور 27 اکتوبر 2023 کو منعقدہ کمپنی کے سالانہ اجلاس عام میں حصص داران کے روبرو پیش کی جائے گی۔

## بنیادی سرگرمیاں

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

## معیشت اور کاروبار کا جائزہ

زیر جائزہ مالی سال پاکستان کی اقتصادی تاریخ کے لیے ایک اہم دور کی نشاندہی کرتا ہے، جس میں متعدد اندرونی اور بیرونی عوامل نے اس کی معاشی صحت کو متاثر کیا۔ ملک کو غیر ملکی زرمبادلہ کے ذخائر میں کمی، کرنسی کی قدر میں کمی اور مہنگائی میں اضافہ کی مشکلات کا سامنا تھا۔ صورتحال اس وقت مزید خراب ہو گئی جب مالی سال کے ابتدائی مہینوں میں ملک شدید بارشوں اور سیلاب سے متاثر ہوا، سیلاب نے زرعی اراضی کے بڑے حصہ کو اپنی لپیٹ میں لے لیا اور ملکی سپلائی چین میں خلل اور زرعی اجناس کی شدید قلت پیدا کر دی۔ ان سب کے نتیجے میں پاکستان کی اقتصادی تاریخ میں افراط زر بلند ترین سطح پر پہنچ گئی ہے۔ نتیجتاً، اسٹیٹ بینک کو پالیسی ریٹ 22% کی غیر معمولی سطح تک بڑھا کر مداخلت کرنا پڑی۔

بیرونی محاذ پر، پالیسی میں سختی اور استحکام کی حکمت عملیوں کے مثبت نتائج سامنے آئے ہیں، جس میں مالی سال 2022-23 کے لیے کرنٹ اکاؤنٹ خسارہ (CAD) میں گزشتہ سال 17.5 بلین امریکی ڈالر کے خسارے کے مقابلے میں، بنیادی طور پر درآمدی بل میں کمی کی وجہ سے 2.56 بلین امریکی ڈالر کی خاطر خواہ کمی بھی شامل ہے۔ تاہم، کارکنوں کی ترسیلات زر میں 14 فیصد کمی دیکھی گئی، جب کہ مالی سال 2022-23 میں برآمدات میں بھی 13 فیصد کمی واقع ہوئی۔ نتیجتاً، مرکزی بینک میں زرمبادلہ کے ذخائر 5 بلین امریکی ڈالر سے نیچے آ گئے، جس نے کرنسی پر مزید باؤ ڈالا۔

## کمپنی کی مالی کارکردگی کا جائزہ

سال 2023 میں، کمپنی نے گزشتہ سال کی 9,779.88 ملین روپے کی فروخت کے مقابلے میں کل 12,396.98 ملین روپے کی خالص فروخت حاصل کی، جو 26.76 فیصد کا نمایاں اضافہ ہے۔ آمدنی میں یہ شاندار نمونہ کو قدر کی فراہمی اور مارکیٹ میں ہماری موجودگی کو وسعت دینے کے لئے ہماری مسلسل لگن کی عکاسی کرتی ہے۔

زیر جائزہ سال کے لیے مجموعی منافع پچھلے سال کے 1,363.08 ملین روپے کے مقابلے میں 1,507.11 ملین روپے حاصل کیا ہے۔ یہ قابل ذکر بات ہے کہ مجموعی منافع میں یہ اضافہ سال کے دوران غیر معمولی زیادہ افراط زر اور فارکیس ایکچینج ریٹ میں اتار چڑھاؤ سے متعلقہ مشکلات کا سامنا کرنے کے باوجود حاصل کیا گیا تھا۔ اگر یہ بیرونی عوامل نہ ہوتے تو ہمارا مجموعی مارجن اور بھی زیادہ سازگار ہو سکتا تھا۔ سال کے لیے ہمارے خالص منافع میں معمولی بہتری دکھائی دی، جو پچھلے سال 653.69 ملین روپے کے مقابلے میں 657.98 ملین روپے تک پہنچ گئی۔ یہ بتانا ضروری ہے کہ اگر ٹیکس سال 2023 میں سپرنیکس کا نفاذ نہ ہوتا تو یہ اعداد و شمار نمایاں طور پر 744.59 ملین روپے پر زیادہ ہوتے۔ اس کے باوجود منافع میں اضافہ کا ہمارا عزم ثابت قدم ہے۔

خلاصہ یہ کہ، ہماری کمپنی نے مالی سال 2023 کے دوران آمدنی، مجموعی منافع میں خاطر خواہ اضافہ دیکھا ہے، جو ہمارے اسٹیک ہولڈرز کو قدر فراہم کرنے کے ہمارے عزم کو واضح کرتا ہے۔ جب کہ ہمیں افراط زر اور فارکیس ایکچینج ریٹ کے اتار چڑھاؤ سے متعلق مشکلات کا سامنا کرنا پڑا، ہماری مالی کارکردگی بدستور مضبوط ہے۔ ہم اپنی وقف ٹیم، وفادار صارفین، اور قابل قدر شیئرز ہولڈرز کے مسلسل تعاون کے شکرگزار ہیں۔

## نی حصص آمدنی

موجودہ سال میں نی حصص آمدنی 2.80 روپے فی حصص رہی اور پچھلے سال بھی یہ 2.88 روپے تھی جو یہ ظاہر کرتی ہے کہ کمپنی نے بہت ہی مشکل سال کے باوجود اپنی فی شیئر آمدنی برقرار رکھی ہے۔

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## منافع منقسمہ

آپ کی کمپنی اپنے حصص یافتگان کو اعلیٰ منافع کرنے کا ذہن رکھتی ہے۔ کمپنی کی بیان کردہ کارکردگی کے پیش نظر، ڈائریکٹرز 2.5 روپے جو کہ 25% حتمی نقد منافع کا اعلان کرتے ہوئے بہت پُرسرت ہیں۔ 2.5 فی شیئر جو کہ 25% ہے۔

## بورڈ آف ڈائریکٹرز کی تشکیل

سٹی فارمالٹیڈ کا ایک غیر جانبدار اور ایگزیکٹو بورڈ ہے۔ چیئرمین اور چیف ایگزیکٹو کے کردار مختلف ہیں اور ہر ایک کی فنکشنل پروفائل میں واضح طور پر وضاحت کی گئی ہے۔ اس کے علاوہ، دونوں آڈٹ اور ایچ آر کمیٹیوں کی صدارت غیر جانبدار ڈائریکٹرز کرتے ہیں۔ بورڈ کے 7 ممبران ہیں جن میں ایک خاتون اور 6 مرد ڈائریکٹرز شامل ہیں، جبکہ بورڈ کی موجودہ تشکیل حسب ذیل ہے۔

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

## بورڈ کی کمیٹیاں

### a- آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کے تین ارکان پر مشتمل ہوتی ہے۔ CCG ریگولیشنز 2019 کے مطابق بورڈ کے چیئرمین ایک غیر جانبدار ڈائریکٹر ہیں جبکہ دیگر دو نان ایگزیکٹو ڈائریکٹر ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کے لیے ٹرمز آف ریفرنس کا تعین کیا ہے۔ آڈٹ کمیٹی سالانہ اور سہ ماہی مالیاتی گوشواروں، اندرونی آڈٹ رپورٹس کا جائزہ لیتی ہے اور بورڈ کے اجلاسوں سے قبل اپنے اجلاس منعقد کرتی ہے۔ آڈٹ کمیٹی کے ممبران درج ذیل ہیں۔

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

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## b۔ انسانی وسائل اور معاوضہ کمیٹی

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

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

## بورڈ آف ڈائریکٹرز کے اجلاس اور حاضری

بورڈ آف ڈائریکٹرز کے مالی سال 2023 میں چھ (5) اجلاس ہوئے اور یہ تمام اجلاس پاکستان میں ہوئے۔

## آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران چار (4) اجلاس بلائے گئے ہیں۔

## انسانی وسائل، معاوضہ اور نامزدگی کمیٹی کے اجلاس

30 جون 2023 کو ختم ہونے والے مالی سال کے دوران انسانی وسائل، معاوضہ اور نامزدگی کمیٹی کا ایک (1) اجلاس منعقد ہوا۔

## ڈائریکٹرز کا تربیتی پروگرام

کمپنی کے سات ڈائریکٹرز میں سے دو ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت تربیت مکمل کی ہوئی ہے اور سال کے دوران سی ای او نے LUMS سے ڈائریکٹرز ٹریننگ پروگرام مکمل کیا ہے۔ کمپنی نے آئندہ مالی سال میں بقیہ ڈائریکٹرز کے لئے ڈائریکٹرز تربیتی پروگرام منعقد کرنے کا منصوبہ بنایا ہے۔

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

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

بورڈ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضروریات سے بخوبی واقف ہے اور اس نے انتظامات کے ساتھ ساتھ اس کی تعمیل کو یقینی بنانے کے لیے متعلقہ اقدامات کئے ہیں۔ براہ کرم کمپنی کے بیرونی آڈیٹرز کی طرف سے جاری کردہ تعمیل کے بیان پر نظر ثانی رپورٹ مزید برآں سالانہ رپورٹ میں لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ملاحظہ کریں۔

## موزوں داخلی اور مالیاتی کنٹرول

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

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## کارپوریٹ اور مالیاتی فریم ورک

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

## متعلقہ پارٹی لین دین

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

## آپریٹنگ اور مالیاتی اعداد و شمار

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

## بعد کے واقعات

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

## مادی تبدیلیاں

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

## شیئر ہولڈنگ کا نمونہ

30 جون 2023 تک کمپنی میں شیئر ہولڈنگ کے پیٹرن کا بیان بعد کے صفحات میں ہے۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز اسلام ملک اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بناء پر، انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے باہمی رضامندی کی فیس پر کمپنی کے آڈیٹرز کے طور ان کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کرتا ہے۔

## رسک آف مینجمنٹ

اپنی ذمہ داریوں کے حصے کے طور پر، بورڈ آف ڈائریکٹرز نے ہمیشہ سماجی و اقتصادی ماحول اور اس کے نتیجے میں پیش آنے والے اندرونی اور بیرونی خطرات پر گہری نظر رکھی ہے جو کمپنی کے محفوظ اور ہموار آپریشنز کو متاثر کر سکتے ہیں اور سال بھر خطرات کی نشاندہی اور ان کو کم کرنے میں چوکس رہے: بورڈ نے ممکنہ خطرات کی نشاندہی کی، کمپنی پر ان کے اثرات کا

# ڈائریکٹرز رپورٹ

برائے اختتامہ سال 30 جون 2023ء

جائزہ لیا اور کاروبار کے لیے کسی بھی اور تمام ممکنہ خطرات کو کم کرنے کے لیے حکمت عملی وضع کی۔ ان حکمت عملیوں کو آڈٹ کمیٹی کے ذریعے نافذ کیا جائے گا تاکہ اس بات کو یقینی بنایا جا سکے کہ خطرے کی کمی میں کوئی خلاء باقی نہ رہے۔

## خطرے کی تشخیص

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

## کارپوریٹ سماجی ذمہ داری

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

## ماحولیات، صحت اور حفاظت

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

## معاوضہ کی پالیسی

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

## چیف ایگزیکٹو آفیسر، ڈائریکٹر اور ایگزیکٹوز کا معاوضہ

سال 2023 کے لیے چیف ایگزیکٹو آفیسر، ڈائریکٹر اور ایگزیکٹوز کے معاوضہ پر تفصیلی نوٹ منسلک مالی بیانات کے نوٹ نمبر 37 پر فراہم کیا گیا ہے۔

## سرمائے کے اخراجات

30 جون 2023 کو ختم ہونے والے سال کے لیے سرمائے کے اخراجات 898 ملین روپے تھے۔

## مستقبل کا نقطہ نظر اور مشکلات

پاکستان کو شدید سیاسی اور معاشی مشکلات کا سامنا ہے۔ مسلسل زیادہ افراط زر، بہت زیادہ شرح سود اور کم ہوتے زرمبادلہ کے ذخائر نے معاشی نمو کو نمایاں طور پر متاثر کیا ہے۔ پاکستانی روپیہ، جو پہلے ہی شدید گراؤ کا شکار ہے، مزید کم ہونے کا امکان ہے۔ تاہم، امید ہے کہ شرح سود میں نرمی کے نتیجے میں مہنگائی کے کم ہونے کا امکان ہے جو کہ ہونی بھی چاہیے۔

# ڈائریکٹرز رپورٹ

برائے تختہ سال 30 جون 2023ء

حال ہی میں آئی ایم ایف اور اسٹیٹ بینک کی طرف سے درآمدات پر سے پابندی ہٹانے کے ساتھ ملک میں معاشی سرگرمیوں کو کچھ ریلیف ملنے کا امکان ہے، صارفین کا اعتماد واپس آنے میں کچھ وقت لگے گا اور مستقبل قریب میں کوئی نمایاں معاشی بحالی کا امکان نہیں ہے۔

غیر معقول حد تک زیادہ ٹیکس، مسلسل افراط زر، بلند شرح سود اور غیر دوستانہ کاروباری ماحول مینوفیکچرنگ انڈسٹری کو نقصان پہنچاتا رہے گا اور لاگت میں اضافے کو صارفین تک منتقل کرنا مشکل ہو سکتا ہے جس سے منافع مارجن متاثر ہو سکتا ہے۔

سٹی فارمالیٹیڈ ملک میں معیاری پروڈیوسر میں سے ایک ہے جس کا مطلب ہے کہ یہ اپنے زیادہ تر حریفوں کے مقابلے میں کسی بھی قسم کی پریشانی کا مقابلہ کرنے کے لیے بہتر پوزیشن میں ہے۔ آپ کی انتظامیہ ان مشکلات سے ہمیشہ بخوبی واقف رہتی ہے جو درپیش ہو سکتی ہیں اور آپ کی کمپنی کی بہترین کارکردگی اور اپنے شیئر ہولڈرز کے لیے زیادہ سے زیادہ منافع کو یقینی بنانے کے لیے فعال طور پر موافقت جاری رکھے گی۔

## اعتراف

کمپنی اپنے حصص یافتگان، ملازمین، کاروباری شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کی کمپنی پر اعتماد اور کمپنی کی ترقی اور خوشحالی کی راہ پر تعاون کے لیے ان کی شکرگزار ہے۔ ہم ترقی اور کامیابی کے ایک اور سال کے منتظر ہیں، اور ہم اپنے تمام اسٹیک ہولڈرز کے لیے مستحکم قدر پیدا کرنے کے اپنے مشن پر توجہ مرکوز کئے ہوئے ہیں۔

منجانب بورڈ



(ندیم امجد)

ڈائریکٹر



(رضوان احمد)

چیف ایگزیکٹو آفیسر

لاہور

بتاریخ: 28 ستمبر 2023ء

# CSR (CORPORATE SOCIAL RESPONSIBILITY)

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

We conduct different health awareness programs.





# Company

## KEY PRODUCTS

### I. PRODUCTS PORTFOLIO

#### API segment

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



# Company

## KEY PRODUCTS

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



# Company

## KEY PRODUCTS

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



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



# Company

## KEY PRODUCTS

6. **CEPHRADINE** is in a group of drugs called cephalosporin antibiotics. Cephadrine fights bacteria in the body. Cephadrine is used to treat infections caused by bacteria, including upper respiratory infections, ear infections, skin infections, and urinary tract infections.
7. **NORFLOXACIN** hydrochloride is a synthetic chemotherapeutic antibacterial agent occasionally used to treat common as well as complicate<sup>2d</sup> urinary tract infections. Norfloxacin is a broad-spectrum antibiotic that is active against both Gram-positive and Gram-negative bacteria. It functions by inhibiting DNA gyrase, a type II topoisomerase, and topoisomerase IV, enzymes necessary to separate bacterial DNA, thereby inhibiting cell division.
8. **ASPIRIN** is used to reduce fever and relieve mild to moderate pain from conditions such as muscle aches, toothaches, common cold, and headaches. It may also be used to reduce pain and swelling in conditions such as arthritis. Aspirin is known as a salicylate and a nonsteroidal anti-inflammatory drug (NSAID). It works by blocking a certain natural substance in your body to reduce pain and swelling. This effect reduces the risk of stroke and heart attack.
9. **IBUPROFEN** is a nonsteroidal, anti-inflammatory drug (NSAID) class that is used for treating pain, fever, and inflammation. Ibuprofen was discovered in 1961 by Stewart Adams at Boots UK Limited and initially marketed as Brufen. It is available under a number of trade names, including Nurofen, Advil and Motrin. It was first marketed in 1969 in the United Kingdom and in the United States in 1974. It is on the World Health Organization's List of Essential Medicines. It is available as a generic medication.
10. **ASCORBIC ACID** (vitamin C) is an antioxidant medication that comes in chewable tablets to prevent low vitamin C levels. Ascorbic acid helps maintain the health of your cells, immune system, bones and blood vessels.

### ii. Demand for the products

#### API segment

Historically, the growth rate in API segment has remained impressive. CPHL deals in 10 primary APIs, including Paracetamol, Ciprofloxacin, Cefixime (Cephalosporin), and Amoxicillin (Penicillin). Consistent growth is achieved across the board in all segments mainly due to population growth, availability of health care facilities to the masses, awareness and increasing trend of prescription of generic salts from the practitioners. CPHL has developed its expertise in research and development to develop more molecules within its production facilities. Recent COVID-19 pandemic has also triggered sales growth in Paracetamol and Ciprofloxacin categories. However, margins in this segment are relatively low. Higher sales volume requires more working capital in this category, being a B2B segment where larger formulations' producers take longer credit terms.

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

# Company

## KEY PRODUCTS

### Formulation segment

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

### Hospital Facility

- iii. Lahore is the 2nd largest city of Pakistan with a population of ~13.1 million as quoted by world population review. Presently, Lahore is facing a shortage of quality healthcare facilities. CPHL has acquired a 12-Kanal plot which is ideally located Pine Avenue, opposite DHA Lahore. CPHL intends to set up a state of the art 200 bed hospital facility at this location to cater to the demands of a highly densely populated city.

### iv. Future prospects, demand outlook

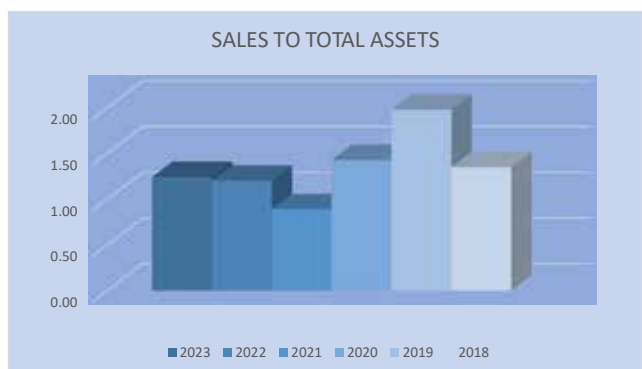
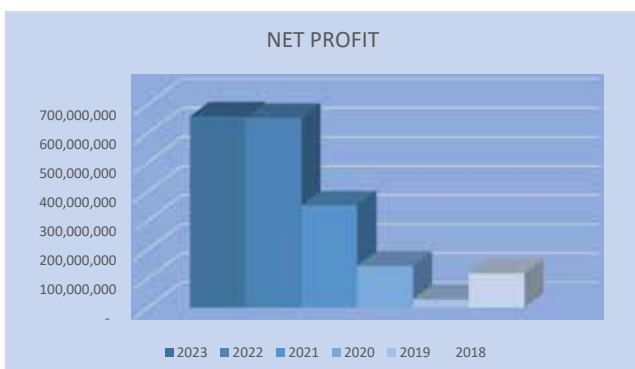
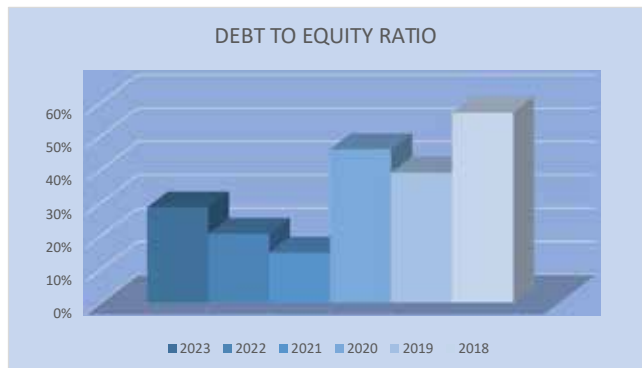
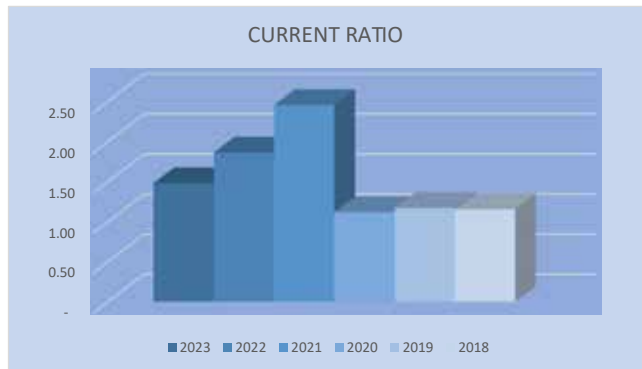
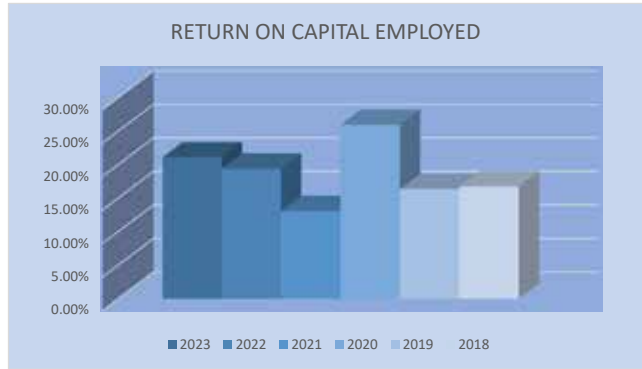
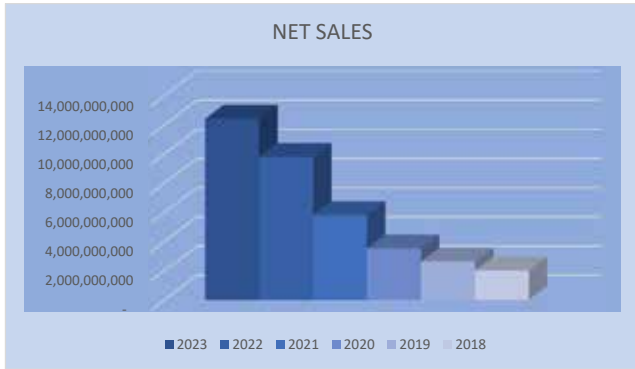
CPHL is one of the leading API manufacturing companies in Pakistan. The Company's Management is apt at adopting and utilizing new technology and committed to adherence to Good Manufacturing Practices (GMP). The Company is continuously striving to acquire the latest technological advancements as the Management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

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

# KEY OPERATING & FINANCE DATA FOR LAST SIX YEARS

	2023	2022	2021	2020	2019	2018
<b>FINANCIAL POSITION</b>						
Fixed assets net	3,051,888,220	2,244,062,582	1,734,765,860	814,458,386	735,519,503	740,396,751
Total assets	9,984,164,614	8,127,152,498	6,499,162,737	2,471,348,598	1,318,273,103	1,485,873,435
Paid - up Capital	2,284,612,000	2,284,612,000	1,350,000,000	450,000,000	450,000,000	450,000,000
Equity	5,373,073,310	4,713,978,328	4,366,045,109	4,366,045,109	978,308,204	834,722,343
Long term liabilities	8,541,062	402,853,766	297,605,788	241,961,797	139,515,252	36,408,434
<b>STATEMENT OF PROFIT OR LOSS</b>						
Net Sales	12,396,982,521	9,779,879,938	5,795,403,997	3,527,625,000	2,607,027,951	2,003,333,502
Gross Profit	1,507,112,978	1,363,082,659	780,474,326	436,949,856	330,755,595	262,779,006
Operating Profit/(Loss)	1,167,477,796	993,483,374	570,970,333	254,114,103	136,427,404	135,481,148
Profit/(Loss) before tax	957,254,344	1,060,576,110	499,746,398	202,527,899	136,427,404	116,865,703
Profit/(Loss) after tax	657,984,360	653,692,059	351,768,295	143,416,468	27,804,462	116,865,703
<b>PROFITABILITY RATIOS</b>						
Gross Profit	12.16%	13.94%	13.47%	12.39%	12.69%	13.12%
Net Profit Ratio	5.31%	6.68%	6.07%	4.07%	1.07%	5.83%
<b>RETURN TO SHAREHOLDER</b>						
Return on Capital Employed	21.11%	19.42%	13.08%	25.97%	16.34%	16.73%
Earning per share- Basic	2.88	2.88	3.64	31.87	6.18	25.97
<b>LIQUIDITY/LEVERAGE</b>						
Current Ratio	1.48	1.859	2.453	1.114	1.169	1.152
Break up Value Per Share (With Revaluation)	23.52	20.63	32.34	217.4	185.49	179.99
Break up Value Per Share (Without Revaluation)	22.16	19.28	30.05	217.4	185.49	179.99
Debt To Equity Ratio	29%	21%	15%	46%	39%	57%
<b>ACTIVITY</b>						
Sales to total assets	1.24	1.20	0.89	1.43	1.98	1.35
Sales to fixed assets	4.06	4.36	3.34	4.33	3.54	2.71

# KEY OPERATING & FINANCE DATA FOR LAST SIX YEARS



# HORIZONTAL ANALYSIS

	2023	2022	2021	2020	2019	2018
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Issued, subscribed and Paid up:	0%	69%	200%	0%	0%	0%
Share Deposit Money	0%	-100%	100%	0%	0%	0%
Share Premium	0%	100%	0%	0%	0%	0%
Unappropriated profits	90%	86%	-28%	37%	7%	48%
Revaluation Surplus on Land	0%	0%	100%	0%	0%	0%
<b>NON CURRENT LIABILITIES</b>						
Long Term Financing - Secured	-97%	32%	15%	127%	219%	-48%
Deferred Liabilities	27%	25%	45%	11%	0%	0%
Deferred Grant	-98%	247%	1525%	0%	0%	0%
Lease Liabilities	-30%	-19%	-44%	38%	-27%	50%
<b>CURRENT LIABILITIES</b>						
Trade and other payables	14%	79%	-19%	2253%	-46%	32%
Director's Loan	2338%	0%	-29%	0%	-87%	1046%
Payable to General Public Against Excess Proceeds	0%	-100%	100%	-	-	-
Short Term Borrowings-Secured	189%	100%	60%	-1%	-50%	20%
Current Portion of Long Term Financing-Secured	-64%	53%	57%	56%	100%	10%
Unclaimed Dividend	-31%	100%	0%	0%	0%	0%
Accrued Mark Up	383%	2724%	-50%	27%	0%	0%
Provision for taxation	-3%	207%	122%	76%	0%	0%
Contingencies and Commitments		-	-	-	-	-
<b>Total Equity And Liabilities</b>	<b>23%</b>	<b>25%</b>	<b>163%</b>	<b>87%</b>	<b>-11%</b>	<b>26%</b>
<b>ASSETS</b>						
<b>NON CURRENT ASSETS</b>						
Property, plant and equipment	36%	29%	113%	11%	-1%	48%
Capital Work in Progress	391%	100%	0%	0%	0%	0%
Intangibles	0%	0%	-100%	100%	-29%	-10%
Long term security deposits	35%	103%	0%	45%	25%	22%
Long Term Advance	0%	0%	100%	48%	0%	0%
<b>CURRENT ASSETS</b>						
Stock in Trade	54%	117%	-13%	774%	-50%	38%
Trade Debts- Unsecured	34%	215%	48%	87%	-45%	43%
Advances deposits and prepayments	3%	130%	80%	118%	-62%	8%
Short Term Investment	-23%	100%	0%	0%	0%	0%
Cash and bank balance	99%	-99%	3337%	2%	-14%	-45%
<b>Total Assets</b>	<b>23%</b>	<b>25%</b>	<b>163%</b>	<b>87%</b>	<b>-11%</b>	<b>26%</b>



# HORIZONTAL ANALYSIS

	2023	2022	2021	2020	2019	2018
Turnover -Net	27%	69%	64%	35%	30%	26%
Cost of sales	29%	68%	62%	36%	31%	26%
Gross profit	10%	73%	79%	32%	26%	26%
Administrative expenses	-29%	141%	17%	-9%	59%	9%
Selling expenses	47%	4%	12%	-2%	46%	27%
	-8%	76%	15%	-6%	53%	17%
Operating Profit	18%	72%	125%	86%	1%	36%
Financial Charges	444%	74%	-7%	138%	26%	30%
	-15%	72%	152%	78%	-2%	37%
Other income	26%	4693%	-35%	57%	0%	68%
	-7%	107%	146%	77%	-2%	38%
Other Expenses	25%	23%	133%	79%	-2%	38%
Profit before Taxation	-10%	107%	147%	77%	-2%	38%
Taxation	-26%	168%	150%	-32%	100%	0%
Profit after Taxation	1%	81%	145%	416%	-76%	38%

# VERTICAL ANALYSIS

	2023	2022	2021	2020	2019	2018
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Issued, subscribed and Paid up:	22.88%	28.11%	20.72%	18.21%	34.14%	30.29%
Share Deposit Money	0.00%	0.00%	35.70%	0.00%	0.00%	0.00%
Share Premium	13.94%	17.12%	0.00%	0.00%	0.00%	0.00%
Unappropriated profits	13.90%	8.96%	6.00%	21.38%	29.18%	24.22%
Revaluation Surplus on Land	3.10%	3.81%	4.75%	0.00%	0.00%	0.00%
	53.82%	58.00%	67.17%	39.59%	63.32%	54.51%
<b>NON CURRENT LIABILITIES</b>						
Long Term Financing - Secured	0.09%	3.08%	2.90%	6.66%	5.51%	1.53%
Deferred Liabilities	1.45%	1.41%	1.40%	2.55%	4.32%	0.00%
Deferred Grant	0.01%	0.40%	0.14%	0.02%	0.00%	0.00%
Lease Liabilities	0.04%	0.08%	0.12%	0.56%	0.76%	0.92%
	1.58%	4.96%	4.57%	9.79%	10.58%	2.45%
<b>CURRENT LIABILITIES</b>						
Trade and other payables	21.69%	23.27%	16.24%	36.19%	2.88%	4.76%
Due to Related Parties	2.98%	0.15%	0.19%	0.70%	1.30%	8.87%
Payable to General Public Against Excess Proceeds	0.00%	0.00%	8.00%	0.00%	0.00%	0.00%
Short Term Borrowings-Secured	14.73%	6.27%	0.00%	8.22%	15.56%	27.72%
Current Portion of Long Term Financing-Secured	0.65%	2.21%	1.80%	3.17%	3.82%	1.70%
Unclaimed Dividend	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Accrued Mark Up	0.62%	0.16%	0.01%	0.04%	0.05%	0.00%
Provision for taxation	3.94%	4.97%	2.02%	2.32%	2.47%	0.00%
	44.60%	37.04%	28.26%	50.62%	26.10%	43.04%
Contingencies and Commitments	-	-	-	-	-	-
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>ASSETS</b>						
<b>NON CURRENT ASSETS</b>						
Property, plant and equipment	30.57%	27.61%	26.63%	32.96%	55.79%	49.83%
Capital Work In Progress	0.70%	0.18%	0.00%	0.00%	0.00%	0.00%
Intangibles	0.00%	0.00%	0.00%	0.00%	0.20%	0.26%
Long term security deposits	0.24%	0.22%	0.13%	0.35%	0.45%	0.32%
Long Term Advance	2.55%	3.13%	3.91%	10.30%	13.03%	0.00%
	34.06%	31.14%	30.67%	43.60%	69.48%	50.41%
<b>CURRENT ASSETS</b>						
Stock in Trade	26.13%	20.81%	11.94%	36.08%	7.74%	13.83%
Trade Debts- Unsecured	18.85%	17.25%	6.82%	12.12%	12.16%	19.55%
Advances deposits and prepayments	7.94%	6.22%	3.38%	4.58%	3.94%	9.31%
Short Term Investments	15.17%	24.24%	0.00%	0.00%	0.00%	0.00%
Cash and bank balance	0.55%	0.34%	47.19%	3.62%	6.68%	6.91%
	65.94%	68.86%	69.33%	56.40%	30.52%	49.59%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

# VERTICAL ANALYSIS

	2023	2022	2021	2020	2019	2018
Turnover -Net	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	-87.84%	-86.06%	-86.53%	-87.61%	-87.31%	-86.88%
Gross profit	12.16%	13.94%	13.47%	12.39%	12.69%	13.12%
Administrative expenses	1.52%	2.72%	1.91%	2.68%	3.99%	3.26%
Selling expenses	1.22%	1.05%	1.71%	2.51%	3.47%	3.10%
	-2.74%	-3.78%	-3.62%	-5.18%	-7.45%	-6.35%
Operating Profit	9.42%	10.16%	9.85%	7.20%	5.23%	6.76%
Financial Charges	-3.12%	-0.73%	-0.70%	-1.25%	-0.71%	-0.73%
	6.30%	9.43%	9.15%	5.96%	4.52%	6.03%
Other income	2.36%	2.36%	0.08%	0.21%	0.18%	0.24%
	6.30%	11.80%	9.23%	6.17%	4.71%	6.27%
Other Expenses	-0.94%	-0.95%	-0.61%	-0.43%	-0.32%	-0.43%
Profit before Taxation	7.72%	10.84%	8.62%	5.74%	4.38%	5.83%
Taxation	-2.41%	-4.16%	-2.55%	-1.68%	-3.32%	0.00%
Profit after Taxation	5.31%	6.68%	6.07%	4.07%	1.07%	5.83%

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Citi Pharma Limited

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

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

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the statement of Compliance.

Paragraph Reference	Description
9	The Company has not arranged the directors training program or obtained the exemption from directors training program from the commission as required under clause 19 of the Regulations..

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



Chartered Accountants

September 28, 2023

Lahore

UDIN: CR202310148Pcgk4Bf3R

# STATEMENT OF COMPLIANCE

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

### For the Year Ended June 30, 2023

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

1. Total number of directors are seven as per the following

- a. Male Five (5)
- b. Female Two (2)

2. The composition of the board is as follows:

Category	Name
<b>Independent Directors*</b>	I. Abdul Jaleel Shaikh
	II. Farzin Khan
<b>Executive Directors</b>	I. Rizwan Ahmad
	II. Zameer Ul Hassan Shah
<b>Non-Executive Directors</b>	I. Nadeem Amjad
	II. Muhammad Naeem
	III. Saira Aslam

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

- 3. The directors have confirmed that none of them is serving on more than seven (7) listed companies, including this, Company;
- 4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company are in process. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with the respect to frequency, recording and circulating minutes of the meetings of the Board;

8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations;

9. The independent directors of the company have already completed Director's Training Program. During the year CEO/Director completed the directors training. The company has planned to arrange director's training of remaining director's subsequent to the financial year.

10. The Board has approved appointment of Chief financial officer and Company Secretary including their remuneration, terms and conditions of their employment and complied with the relevant requirements of the Regulations;

11. The Financial statements of the Company were duly endorsed by the chief executive officer and chief financial officer before approval of the Board;

# STATEMENT OF COMPLIANCE

12. The Board has formed committees comprising of the members given below;

## a. Audit Committee

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

## b. Human Resource & Remuneration committee

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

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the Committee were as per following;

a. Audit Committee.	<b>Quarterly</b>
b. HR and Remuneration Committee	<b>Yearly</b>

15. The Board has set up an effective internal audit function supervised by a Head of Internal Audit which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with

Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as below:

- ii. Female executive has not completed training under Directors' Training Program (required under nonmandatory provision of the Regulation 19). However, their trainings are planned in the ensuing year.

For and behalf of the Board



**Nadeem Amjad**  
Chairman



**Rizwan Ahmad**  
CEO

# FINANCIAL **STATEMENT**

For the year ended

# INDEPENDENT AUDITOR'S REPORT

## To the members of Citi Pharma Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Citi Pharma Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of 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, the statement of profit or loss, the statement of 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.



# INDEPENDENT AUDITOR'S REPORT

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Valuation of stock-in-trade</p> <p>Refer to notes 3.4 and 18 to the financial statements.</p> <p>As at June 30, 2023, the company held stock-in-trade of Rs. 2,608.98 million, which is 26% of total assets.</p> <p>We focused on stock-in-trade as it is a significant portion of Company's total assets and it requires management judgement with respect to the determination of net realisable value (NRV) as well as the determination of an appropriate costing basis and assessing its valuation.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> <li>➤ Obtained an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade;</li> <li>➤ On a sample basis, verified supporting documents for purchases of stock-in-trade and the production costs;</li> <li>➤ Obtained an understanding and assessed the reasonableness of management's process for determination of net realisable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis;</li> <li>➤ Evaluated the adequacy of calculation of NRV as at the year-end;</li> <li>➤ Tested cost of goods with underlying invoices and expenses accounted for in accordance with stock valuation method;</li> <li>➤ Assessed the adequacy of related financial statement disclosures in accordance with the applicable financial reporting framework.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended June 30, 2023, but does not include the financial statements, our auditor's report thereon, and the review report issued on statement of compliance with Code of Corporate Governance.

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

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

## Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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

# INDEPENDENT AUDITOR'S REPORT

expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial

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

## Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Chartered Accountants

September 28, 2023

Lahore

UDIN: AR202310148F2AHIhg8y

# STATEMENT OF FINANCIAL POSITION


AS AT JUNE 30, 2023

	Note	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021
		Rupees	Rupees	Rupees
			Restated	Restated
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
<b>Authorised Capital:</b>				
300,000,000 Ordinary shares of Rs. 10/- each		<b>3,000,000,000</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>
<b>Share Capital</b>				
Issued, subscribed and paid up capital	4	2,284,612,000	2,284,612,000	1,350,000,000
Share Deposit Money		-	-	2,326,144,000
<b>Capital Reserves</b>				
Share Premium	5	1,391,532,000	1,391,532,000	-
Surplus on revaluation of freehold land	6	309,294,525	309,294,525	309,294,525
		<b>1,700,826,525</b>	<b>1,700,826,525</b>	<b>309,294,525</b>
Revenue Reserve				
Unappropriated Profit		1,387,634,785	728,539,802	390,907,684
		<b>5,373,073,310</b>	<b>4,713,978,327</b>	<b>4,376,346,209</b>
<b>NON-CURRENT LIABILITIES</b>				
Long Term Financing - Secured	7	8,541,062	250,173,743	189,157,811
Deferred Liabilities	8	144,584,190	114,246,582	91,419,343
Deferred Grant	9	582,493	32,166,032	9,273,278
Lease Liabilities	10	4,366,411	6,267,409	7,755,356
		<b>158,074,156</b>	<b>402,853,766</b>	<b>297,605,788</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	11	2,165,170,443	1,891,177,503	1,058,179,203
Due to Related Parties	12	297,480,434	12,200,000	12,200,000
Payable to General Public Against Excess Proceeds		-	-	521,384,357
Short Term Borrowings-Secured	13	1,470,571,476	509,371,276	-
Current Portion of Long Term Financing-Secured	14	64,585,799	179,971,199	117,554,263
Unclaimed Dividend		461,696	670,003	-
Accrued Mark Up		61,558,378	12,754,350	451,598
Provision for taxation		393,188,922	404,176,073	131,536,788
		<b>4,453,017,148</b>	<b>3,010,320,405</b>	<b>1,841,306,209</b>
Contingencies and Commitments	15	-	-	-
		<b>9,984,164,614</b>	<b>8,127,152,498</b>	<b>6,515,258,206</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	16	3,051,888,220	2,244,062,582	1,734,765,860
Capital Work in Progress		70,386,258	14,329,827	-
Long term Security Deposits		23,645,564	17,519,200	8,613,950
Long Term Advance	17	254,540,900	254,540,900	254,540,900
		<b>3,400,460,942</b>	<b>2,530,452,509</b>	<b>1,997,920,710</b>
<b>CURRENT ASSETS</b>				
Stock in Trade	18	2,608,983,575	1,691,637,034	778,194,441
Trade Debts- Unsecured	19	1,882,148,741	1,401,564,821	444,545,802
Advances, Deposits, prepayments & other Receivables	20	523,058,370	505,590,018	220,172,750
Short Term Investments	21	1,514,904,826	1,970,426,861	-
Cash and Bank Balances	22	54,608,160	27,481,255	3,074,424,503
		<b>6,583,703,672</b>	<b>5,596,699,989</b>	<b>4,517,337,496</b>
		<b>9,984,164,614</b>	<b>8,127,152,498</b>	<b>6,515,258,206</b>

Auditor's report is annexed.

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

  
Chief Executive

  
Chief Financial Officer

  
Director

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

		JUNE 30, 2023	JUNE 30, 2022
	Note	Rupees	Rupees
			Restated
Turnover -Net	23	12,396,982,521	9,779,879,938
Cost of sales	24	(10,889,869,543)	(8,416,797,279)
<b>Gross profit</b>		<b>1,507,112,978</b>	<b>1,363,082,659</b>
Administrative and general expenses	25	188,413,573	266,439,811
Marketing and distribution expenses	26	151,221,609	103,159,474
		<b>(339,635,182)</b>	<b>(369,599,285)</b>
<b>Operating Profit</b>		<b>1,167,477,796</b>	<b>993,483,374</b>
Financial Charges	27	(386,233,578)	(71,036,551)
		<b>781,244,218</b>	<b>922,446,823</b>
Other income	28	292,221,415	231,152,175
		<b>1,073,465,633</b>	<b>1,153,598,998</b>
Other Expenses	29	(116,211,289)	(93,022,888)
<b>Profit before Taxation</b>		<b>957,254,344</b>	<b>1,060,576,110</b>
Income tax expense	30	(299,269,984)	(406,884,051)
<b>Profit after Taxation</b>		<b>657,984,360</b>	<b>653,692,059</b>
			<b>(Restated)</b>
<b>Earnings per share- basic and dilutive (Rupees)</b>	31	<b>2.88</b>	<b>2.88</b>

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



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Note	JUNE 30, 2023 Rupees	JUNE 30, 2022 Rupees Restated
Profit for the year		657,984,360	653,692,059
Other comprehensive income/ (loss)		-	-
Items that will not be subsequently reclassified in profit or loss:			
- Experience adjustment on remeasurement of staff retirement		1,820,693	(6,749,165)
- Related tax impact		(710,070)	2,227,224
Other comprehensive income for the year		1,110,623	(4,521,941)
Total comprehensive income/(loss) for the year		659,094,983	649,170,118

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



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

PARTICULARS	SHARE CAPITAL	SHARE DEPOSIT MONEY	CAPITAL RESERVES		REVENUE RESERVES	TOTAL
			SURPLUS ON REVALUATION OF FREEHOLD LAND	SHARE PREMIUM	UN-APPROPRIATED PROFIT	
----- Rupees -----						
Balance as at June 30, 2021- Restated	1,350,000,000	2,326,144,000	309,294,525	-	390,907,684	4,376,346,209
Total Comprehensive income for the year- restated	-	-	-	-	649,170,118	649,170,118
72,692,000 shares issued to general public at a strike price of Rs. 32 each	726,920,000	(2,326,144,000)	-	1,599,224,000	-	-
Final Dividend Paid for the year ended June 2021 @ 15%	-	-	-	-	(311,538,000)	(311,538,000)
Issuance of Bonus Shares at the rate of 10% for every one share held	207,692,000	-	-	(207,692,000)	-	-
<b>Balance as at June 30, 2022- restated</b>	<b>2,284,612,000</b>	<b>-</b>	<b>309,294,525</b>	<b>1,391,532,000</b>	<b>728,539,802</b>	<b>4,713,978,327</b>
Total Comprehensive income for the year	-	-	-	-	659,094,983	659,094,983
<b>Balance as at June 30, 2023</b>	<b>2,284,612,000</b>	<b>-</b>	<b>309,294,525</b>	<b>1,391,532,000</b>	<b>1,387,634,785</b>	<b>5,373,073,310</b>

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



Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	JUNE 30, 2023 Rupees	JUNE 30, 2022 Rupees Restated
<b>CASH FLOWS FROM OPEARTING ACTIVITIES</b>			
Profit/ (Loss) Before Taxation		957,254,344	1,060,576,110
Adjustments For Non- Cash Items And Other Line Items:			
Depreciation	16.1	90,587,213	76,828,640
Gratuity Expense	8.1	21,476,748	11,526,139
Unrealized Exchange Loss		8,126,709	6,846,634
Amortisation of Deferred Grant	9	(4,978,457)	(14,169,624)
Gain on extinguishment of Term Finance under RFCC		(18,156,373)	-
Unrealized Loss on Investment in Shares		35,124,680	4,482,204
Accrued Interest		(25,906,881)	(27,668,930)
Financial Charges		378,106,867	71,036,551
Worker's Profit Participation Fund	29	51,802,413	56,906,937
Worker's Welfare Fund	28	17,322,272	20,655,703
		553,505,191	206,444,254
Profit/ (Loss) before working capital changes		1,510,759,535	1,267,020,364
<b>Effect of working capital changes</b>			
Advances, Deposits And Prepayments		51,420,380	(106,034,534)
Trade Debts		(480,583,920)	(957,019,019)
Stock In Trade		(917,346,540)	(913,442,593)
Trade and other payables		260,082,911	782,186,515
		(1,086,427,169)	(1,194,309,631)
Financial Charges Paid		(329,302,839)	(58,733,799)
Income Tax Paid		(367,917,229)	(309,612,654)
Gratuity Paid	8.1	(687,156)	(586,946)
Worker's Profit Participation Fund	11	(55,422,964)	(26,750,855)
Worker's Welfare Fund	10	-	-
		(753,330,188)	(395,684,254)
Net cash flow from operating activities	<b>A</b>	<b>(328,997,822)</b>	<b>(322,973,522)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property And Equipment	16.1	(453,319,118)	(586,125,362)
Capital Work in Progress		(501,150,164)	(14,329,827)
Long Term Security Deposits		(6,126,364)	(8,905,250)
Short Term Investments		179,767,239	(312,122,622)
Net cash flow from investing activities	<b>B</b>	<b>(780,828,407)</b>	<b>(921,483,061)</b>



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	JUNE 30, 2023 Rupees	JUNE 30, 2022 Rupees Restated
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long-term loans obtained		-	300,000,000
Long-term loans repaid		(377,676,130)	(143,527,311)
Liability Against Assets Subject To Finance Lease		(5,562,778)	(4,772,964)
Due to Related Parties	12	285,280,434	-
Payable to General Public Against Excess Proceeds		-	(521,384,357)
Dividend Paid		-	(311,538,000)
Short Term Borrowings	13	961,200,200	509,371,276
<b>Net Cash flow From financing Activities</b>	<b>C</b>	<b>863,241,726</b>	<b>(171,851,355)</b>
<b>Net Increase/ (Decrease) In Cash And Cash Equivalents</b>	<b>A+B+C</b>	<b>(246,584,503)</b>	<b>(1,416,307,938)</b>
<b>Cash And Cash Equivalents At Beginning of the Year</b>		<b>1,658,116,565</b>	<b>3,074,424,503</b>
<b>Cash And Cash Equivalents at End Of The Year</b>		<b>1,411,532,062</b>	<b>1,658,116,565</b>
Cash and cash equivalents comprise of:			
Cash in hand		183,762	372,543
Cash at bank		54,424,398	27,108,712
Short Term Investments		1,356,923,902	1,630,635,309
		<b>1,411,532,062</b>	<b>1,658,116,564</b>

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



Chief Executive



Chief Financial Officer



Director

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 1 LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated as a private limited company in Pakistan under the Repealed Companies Ordinance, 1984 on October 08, 2012. The principal activity of the company is manufacturing and sale of pharmaceuticals, medical chemicals and botanical products. The company was converted into public unlisted company with effect from October 13, 2020. The Company was listed on Pakistan Stock Exchange on July 09, 2021. The registered office of the company is situated at 3.5 KM, Head Balloki Road, Phool Nagar, Kasur. The Head office of the company situated at 588 Q Block, Johar Town, Lahore.

## 2 BASIS OF PREPARATION

### 2.1 BASIS OF MEASUREMENT

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

### 2.2 STATEMENT OF COMPLIANCE

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

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

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

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

### 2.3 Functional and presentation currency

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

### 2.4 Use of estimates and judgments

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note
- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of operating fixed assets	16.1
- assumptions and estimates used in revaluation of land	6
- assumptions and estimates used in determining the useful lives and residual values of intangible assets	3.2
- assumptions and estimates used in calculating the provision for impairment for trade debts	19
- assumptions used in determination of current and deferred taxation	3.17
- assumptions and estimates used for valuation of present value of defined benefit obligation	3.19
- assumptions and estimates used in determining current taxation	30

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

## 2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE APPROVED ACCOUNTING STANDARDS

**2.5.1 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 statements.**

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

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IFRS 4 Insurance Contracts (Amendments)	January 1, 2023
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2023
IFRS 7 Financial Instruments	January 1, 2023
IFRS 16 Leases (Amendments)	January 1, 2024

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts
IFRIC 12	Service Concession Arrangement

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 PROPERTY, PLANT AND EQUIPMENTS

#### a OWNED ASSETS

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

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

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

Residual values and useful lives are reviewed at each balance sheet date and adjusted if expectations differ significantly from previous estimates. The management estimates that the financial impact of changes in the residual values and the useful lives during the year ended June 30, 2023 is immaterial.

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

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

#### b RIGHT OF USE ASSETS

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

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

## **c CAPITAL WORK IN PROGRESS**

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

### **3.2 INTANGIBLE ASSETS**

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

### **3.3 IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

### **3.4 STOCKS, STORES AND SPARES**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

## 3.5 TRADE AND OTHER RECEIVABLES

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

## 3.6 CASH AND CASH EQUIVALENTS

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

## 3.7 TRADE DEBTS, DEPOSITS AND OTHER RECEIVABLES

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

## 3.8 REVENUE RECOGNITION

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

- i) Revenue from sales is recognized on delivery of products to the customers with the exception that export sales if any are recognized at the time of issuance of bill of lading.
- ii) Dividend income is recognized when the right to receive dividend is established.
- iii) Income on bank deposits and short term investments are recognized using the effective yield method.

## 3.9 REVENUE FROM CONTRACT WITH CUSTOMERS

### Sale of Goods

Sale of goods is recognized when the Company has transferred control of the products to the customers

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

## **Contract assets**

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

## **Contract liabilities**

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

## **3.10 BORROWINGS AND BORROWING COSTS**

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

## **3.11 PROVISIONS**

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

## **3.12 TRADE AND OTHER PAYABLES**

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

## **3.13 RELATED PARTY TRANSACTIONS**

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

## **3.14 FINANCIAL INSTRUMENTS**

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

## 3.14.1 Financial Assets

### Classification

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

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

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

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

### Recognition and derecognition

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

### Measurement

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## Debt Instrument

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

### a) A mortised Cost

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

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

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

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

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

## De-recognition of financial assets

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

- i The rights to receive cash flows from the asset have expired
- ii The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

## Impairment of financial assets

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

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

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

## Simplified approach for trade debts

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

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

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

## Recognition of loss allowance

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

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

## Write-off

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

### 3.14.2 Financial Liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

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

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

#### a) Fair value through profit or loss

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

#### b) Amortised cost

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## De-recognition of financial liabilities

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

### 3.14.3 Off-setting of financial assets and financial liabilities.

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## 3.15 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

- c. Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

## 3.16 CONTINGENT LIABILITIES

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

## 3.17 TAXATION

### Current Tax

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

### Deferred Tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

when the assets is realized or the liability is settled based on the tax rates that have been enacted currently or subsequently at the balance sheet date.

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

## **3.18 RESEARCH AND DEVELOPMENT COST**

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

## **3.19 STAFF RETIREMENT BENEFITS**

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

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

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

## **3.20 LEASE LIABILITY**

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

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

## **3.21 OFF SETTING:**

Financial assets and liabilities are offset and the amount is reported in the financial statements only when

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

there is legally enforceable right to set-off the recognized amount and the company intends either to settle on a net basis, or to realize the assets and to settle the liability simultaneously.

## **3.22 EARNING PER SHARE:**

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

## **3.23 FOREIGN CURRENCY TRANSACTIONS**

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

## **3.24 GOVERNMENT GRANT**

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 3.25 DIVIDEND TO ORDINARY SHAREHOLDERS

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

## 3.26 SHARE CAPITAL

Ordinary shares are classified as 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.

## 3.27 IJARAH

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

## 3.28 INVESTMENT IN ASSOCIATES

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

## 3.29 OPERATING SEGEMENT

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

## 3.30 CORRECTION OF PRIOR PERIOD ERROR

In the previous years, company made equity investment in Associated company namely Yaqeen Developers Limited but the associated company did not issue shares on such equity investment. As required by clause 5(3) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 company did not account for interest in the prevuios years. The correction is accounted for retrospectively, and the comparative information has been restated. The effect of that correction by restating each of the affected financial statement line items for the prior periods, as follows:



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Particulars	For the year ended 2022		
	2022	Profit Increase/ (Decrease) by	2022 (Restated)
Effect on Statement of Profit or Loss			
Other income	201,472,706	29,679,469	231,152,175
Worker's Profit Participation Fund	(55,422,964)	(1,483,973)	(56,906,937)
Worker's Welfare Fund	(20,062,114)	(593,589)	(20,655,703)
Current tax expense	(389,714,162)	(9,794,225)	(399,508,387)
Profit after Taxation	635,884,378	17,807,681	653,692,059

Particulars	As at July 01, 2021			As at June 30, 2022		
	As at June 30, 2021	Error Adjustment	As stated on July 01, 2021	As at June 30, 2022- Restated	Error Adjustment	As stated on June 30, 2022
Effect on statement of financial position						
Unappropriated Profit	380,606,584	10,301,100	390,907,684	710,732,121	17,807,681	728,539,802
Worker's Profit Participation Fund	26,750,855	804,773	27,555,628	56,227,737	1,483,973	57,711,711
Worker's Welfare Fund	8,519,855	321,909	8,841,764	28,903,878	593,589	29,497,467
Provision for taxation	126,869,102	4,667,686	131,536,788	394,381,848	9,794,225	404,176,073
Mark up Receivable from Yaqeen Developers Limited (Related Party)	-	16,095,469	16,095,469	16,095,469	29,679,469	45,774,938

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	Rupees	
<b>4 Issued, subscribed and paid up capital</b>		
<b>Opening Balance</b>		
117,692,000 Ordinary shares (2022: 45,000,000) of fully paid in cash	1,176,920,000	450,000,000
110,769,200 Ordinary Share (2022: 90,000,000) of Rs. 10 each issued as fully paid Bonus shares	1,107,692,000	900,000,000
	<b>2,284,612,000</b>	<b>1,350,000,000</b>
<b>Movement During the Year</b>		
Nil (2022: 77,692,000) Ordinary Shares issued through IPO at premium of Rs. 22	-	726,920,000
Nil (2022: 20,769,200) Ordinary Shares of Rs. 10 each issued as fully paid Bonus Shares	-	207,692,000
	-	<b>934,612,000</b>
<b>Closing Balance</b>		
117,692,000 Ordinary shares of fully paid in cash	1,176,920,000	1,176,920,000
110,769,200 Ordinary Share of Rs. 10 each issued as fully paid Bonus shares	1,107,692,000	1,107,692,000
	<u>2,284,612,000</u>	<u>2,284,612,000</u>
228,461,200 Ordinary shares of Rs. 10/- each	<u>2,284,612,000</u>	<u>2,284,612,000</u>

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

## **5 SHARE PREMIUM**

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

## **6 SURPLUS ON REVALUATION OF FREEHOLD LAND**

**6.1** The latest revaluation of freehold land has been carried out as at December 01, 2020 by Independent Valuers on the basis of their professional assessment of present market value, based on enquiries made about the cost of land of similar nature, size and location. The Forced Sale Value of Land is Rs. 891.80 Million.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023

June 30, 2022

Rupees

## 7 LONG TERM FINANCING - SECURED

Long term loan from Pak Brunei Investment Company	21,875,000	77,083,346
Term finance against purchase of machinery from Bank Al-Habib Limited	9,570,716	21,750,000
Salary & Wages Loan under SBP Refinance Scheme from Bank Al-Habib Limited	-	15,039,310
Finance of Machinery in SBP (TERF) from Bank Al-Habib Limited	32,971,394	51,817,114
Term Finance under RFCC from Bank of Punjab	-	296,745,885
	<b>64,417,110</b>	<b>462,435,655</b>
Deferred Grant	-	(51,568,138)
Current Portion shown under current liabilities	(55,876,047)	(160,693,774)
	<b>8,541,062</b>	<b>250,173,743</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023

June 30, 2022

Rupees

## 8 DEFERRED LIABILITIES

Staff retirement benefits - gratuity	50,341,311	31,942,412
Deferred Taxation	94,242,879	82,304,170
	<b>144,584,190</b>	<b>114,246,582</b>

### 8.1 Staff retirement benefits - gratuity

#### 8.1.1 Net liability recognized in the statement of financial position

Present value of defined benefit obligations	<b>50,341,311</b>	<b>31,942,412</b>
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#### 8.1.2 Movement in the net liability recognized in the statement of financial position

Net liability as at 1st July	31,942,412	14,254,054
Expense recognized in the income statement	21,476,748	11,526,139
Benefits paid during the year	(687,156)	(586,946)
Payables to ex-employees shown under current liabilities	(570,000)	-
Remeasurement changes chargeable to other comprehensive income	(1,820,693)	6,749,165
Net liability as at 30th June	<b>50,341,311</b>	<b>31,942,412</b>

#### 8.1.3 Movement in the present value of defined benefit obligation is as follows:

Present value of defined benefit obligation as at 1st July	31,942,412	14,254,054
Current service cost	14,181,165	10,130,081
Past Service Cost	3,068,215	-
Interest cost on defined benefit obligation	4,227,368	1,396,058
Benefits due but not paid (payables)	(570,000)	-
Benefit paid	(687,156)	(586,946)
Remeasurement of obligation	(1,820,693)	6,749,165
Present value of defined benefit obligation as at 30th June	<b>50,341,311</b>	<b>31,942,412</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023      June 30, 2022  
Rupees

## 8.1.4 Amount Chargeable to Statement of Profit or Loss

Service Cost	14,181,165	10,130,081
Past service cost	3,068,215	-
Interest cost on defined benefit obligation	4,227,368	1,396,058
	<u>21,476,748</u>	<u>11,526,139</u>

## 8.1.5 Amount recognized in other comprehensive income are:

Actuarial loss / (gain) due to experience adjustments	<u>(1,820,693)</u>	<u>6,749,165</u>
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## 8.1.6 Key actuarial assumptions used:

The company operates a defined benefit plan which comprises an unfunded gratuity scheme for its permanent employees. The scheme defined the amounts of the benefit that an employee will receive on or after retirement subject to minimum qualifying period of service under the scheme. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out on June 30, 2023 using Projected Unit Credit method by an approved actuary.

	2023	2022
Average Expected Remaining Working Lifetime of Members	10 years	10 years
Average Duration of Liability	9 years	9 years

## 8.1.7 Sensitivity analysis for actuarial assumptions:

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

	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	45,717,071	55,995,978
Salary increase	56,167,498	45,488,712

## 8.1.8 Estimated Expenses to be Charged to P&L in FY 2024

	<b>30-Jun-24</b>
Current service cost	14,391,408
Interest cost on defined benefit obligation	7,309,238
	<u>21,700,646</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 8.1.9 Expected Benefit Payments for the Next 10 Years and Beyond

FY 2024	7,866,907
FY 2025	9,027,457
FY 2026	10,033,607
FY 2027	10,915,153
FY 2028	11,700,266
FY 2029	12,387,018
FY 2030	13,027,551
FY 2031	13,621,265
FY 2032	14,131,102
FY 2033	14,630,963
FY 2034 onwards	8,025,507,783
The average duration of the defined benefit obligation is 10 Years	

## 8.2 Deferred Taxation

June 30, 2023      June 30, 2022

Rupees

Opening deferred tax liability	82,304,170	77,165,289
Deferred tax charged / (reversal) to profit or loss		
Accelerated tax depreciation	46,295,929	14,070,027
Staff retirement benefits - gratuity	(9,802,186)	(4,180,096)
Lease Liability	(556,767)	(1,044,698)
Investment in Shares	(24,708,338)	(1,479,127)
	<b>11,228,638</b>	<b>7,366,106</b>
Deferred tax reversal to other comprehensive income		
Employees' retirement benefits	710,070	(2,227,224)
	<b>94,242,878</b>	<b>82,304,170</b>

### 8.2.1 Deferred taxation liability

- accelerated tax depreciation	139,004,171	92,708,242
- Lease Liability	1,059,284	1,616,052
- Staff retirement benefits - gratuity	(19,633,111)	(10,540,996)
- Investment in Shares	(26,187,466)	(1,479,127)
	<b>94,242,878</b>	<b>82,304,170</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
	Rupees	
<b>9 DEFERRED GRANT</b>		
As at 01 July	46,671,792	9,273,279
Received during the year	-	51,568,138
Derecognition of Grant	(38,067,524)	-
Amortization	(4,978,457)	(14,169,624)
	<b>3,625,811</b>	<b>46,671,792</b>
Current portion	(3,043,317)	(14,505,760)
As at 30 June	<b>582,493</b>	<b>32,166,032</b>

## 10 LEASE LIABILITIES

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

Not later than one year	6,750,609	6,040,936
Later than one year but not later than five years	4,651,301	7,254,819
	11,401,910	13,295,755
Less: Finance charge	(1,369,064)	(2,256,682)
	<b>10,032,846</b>	<b>11,039,073</b>
Less: Current maturity of long term obligation	(5,666,435)	(4,771,664)
	<b>4,366,411</b>	<b>6,267,409</b>
Payable within one year	5,666,435	4,771,664
Payable after one year	4,366,411	6,267,409
	<b>10,032,846</b>	<b>11,039,073</b>

**10.1** The Company entered into lease agreements with financial institutions to acquire vehicles. The liabilities under the lease agreements are payable in equal monthly installments and are subject to finance charges at the rates ranging from 6 months KIBOR + 2.5% per annum (June 30, 2022 : 6 months KIBOR + 2.5% to 3.95% per annum). The lease liabilities are secured against security deposits, post dated cheques and also secured against financed vehicles.

## 11 TRADE AND OTHER PAYABLES

		Restated
Trade creditors	<b>11.1</b> 1,938,471,667	1,617,655,170
Accrued expenses	<b>11.2</b> 17,806,985	49,705,992
Worker's Profit Participation Fund	<b>11.3</b> 54,091,160	57,711,711
Worker's Welfare Fund	<b>11.4</b> 46,819,739	29,497,467
Sales Tax Payable	26,345,740	-
Other Liabilities	81,635,152	136,607,163
	<b>2,165,170,443</b>	<b>1,891,177,503</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023

Rupees

June 30, 2022

Rupees

Restated

**11.1** This includes secured foreign creditors amounting Rs. 1,778.61 million against import of raw material.

**11.2** This includes an amount of Rs. 0.570 million (2022: Nil) in respect of gratuity payable to outgoing employees.

## **11.3 Worker's Profit Participation Fund**

Balance as at July 01		57,711,711	27,555,628
Expense recognised during the year	<b>29</b>	51,802,413	56,906,937
		<b>109,514,124</b>	<b>84,462,566</b>
<b>Less:</b> Payments during the year		(55,422,964)	(26,750,855)
Balance as at June 30		<b>54,091,160</b>	<b>57,711,711</b>

## **11.4 Worker's Welfare Fund**

Balance as at July 01		29,497,467	8,841,764
Expense recognised during the year		17,322,272	20,655,703
		<b>46,819,739</b>	<b>29,497,467</b>
<b>Less:</b> Payments during the year		-	-
Balance as at June 30		<b>46,819,739</b>	<b>29,497,467</b>

## **12 DUE TO RELATED PARTIES**

Director's Loan	<b>12.1</b>	107,420,000	12,200,000
Loan from Associated Company	<b>12.2</b>	190,060,434	-
		<b>297,480,434</b>	<b>12,200,000</b>

**12.1** Interest free Loan obtained Director of the company amounting Rs. 107,420,000/- (2022: Rs. 12,200,000 ) to meet working capital requirements of the company without any security and shall be payable on demand of the Director. The maximum aggregate amount outstanding during the year was 107.42 million.

**12.2** This represents interest free loan taken from Associated company namely Citi Technologies (Private) Limited to meet working capital requirement of the company. The loan shall be payable on demand.

## **13 SHORT TERM BORROWINGS-SECURED**

Short Term Borrowings	<b>13.1</b>	1,470,571,476	509,371,276
		<b>1,470,571,476</b>	<b>509,371,276</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**13.1** Running Finance facilities aggregate sanction limit of Rs. 1,387 million (2022: 713 million) and other working facilities has been obtained form different banks to meet the working capital requirements and carries markup ranging from 1 month and 3 months KIBOR + 0.5% to 1 month and 3 months KIBOR + 1.5% and is secured against first pari passu charge and Deposits.

<b>14</b>	<b>CURRENT PORTION OF LONG TERM FINANCING-SECURED</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
		<b>Rupees</b>	
	Long Term Finances	55,876,047	160,693,775
	Current Portion of Deferred Grant	3,043,317	14,505,760
	Lease liabilities	5,666,435	4,771,664
		<u><b>64,585,799</b></u>	<u><b>179,971,199</b></u>

## **15 CONTINGENCIES AND COMMITMENTS**

### **15.1 Contingencies**

There were no known contingencies as at year end (2022: Nil).

### **15.2 Commitments**

#### **15.2.1 Letters of credit issued by various banks on behalf of the Company in ordinary course of the business (outstanding at year end)**

<b>608,623,544</b>	<b>202,861,111</b>
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#### **15.2.2 Commitments under Ijarah Agreement**

The future aggregate payments under Ijarah arrangement are as follows:

Not later than one year	13,274,858	2,120,000
Later than one year but not later than five years	29,965,205	2,093,266
	<u><b>43,240,063</b></u>	<u><b>4,213,266</b></u>

## **16 PROPERTY PLANT & EQUIPMENT**

Operating assets	3,051,888,220	2,244,062,582
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### **16.1 Fixed Asset Schedule is attached.**

## **17 LONG TERM ADVANCE**

Long term advance to Yaqeen Developers Limited	254,540,900	254,540,900
	<u><b>254,540,900</b></u>	<u><b>254,540,900</b></u>

**17.1 This represents advance for purchase of shares of Yaqeen Developers Limited (related party).**

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023 Rupees	June 30, 2022 Rupees Restated
<b>18</b>	<b>STOCK IN TRADE</b>		
	Raw material	1,178,950,452	1,124,968,493
	Packing Material	54,138,325	-
	Stock in transit	336,961,352	216,046,134
	Work in process	17,235,429	6,344,234
	Finished goods	1,021,698,017	344,278,173
		<u><u>2,608,983,575</u></u>	<u><u>1,691,637,034</u></u>
<b>19</b>	<b>TRADE DEBTS- UNSECURED</b>		
	Considered Good	1,882,148,741	1,401,564,821
		<u><u>1,882,148,741</u></u>	<u><u>1,401,564,821</u></u>
<b>20</b>	<b>Advances, Deposits, prepayments &amp; other Receivables</b>		
	Advance income tax <b>20.1</b>	389,662,775	320,774,042
	Advance against import	2,422,372	4,645,523
	Advance against Purchase of Land Near DHA Rahber	-	100,000,000
	Short Term Deposits	10,787,051	1,667,902
	Mark up Receivable from Yaqeen Developers Limited (Related Party)	96,294,943	45,774,938
	Advances to Suppliers	17,641,297	20,234,906
	Advance to employees- unsecured	4,827,654	10,741,364
	Other Advances and Prepayments- unsecured	1,422,278	1,751,343
		<u><u>523,058,370</u></u>	<u><u>505,590,018</u></u>
<b>20.1</b>	<b>ADVANCE INCOME TAX</b>		
	Opening balance	320,774,042	138,030,490
	Tax deducted during the year	367,917,229	309,612,654
	Tax adjusted for the year	(299,028,497)	(126,869,102)
		<u><u>389,662,775</u></u>	<u><u>320,774,042</u></u>
<b>21</b>	<b>SHORT TERM INVESTMENTS At amortized Cost</b>		
	-Term deposits receipts (TDRs) <b>21.1</b>	1,036,923,902	1,630,635,309
	-Accrued profit thereon	25,625,541	27,668,930
	Deposit Account <b>21.2</b>	320,000,000	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023      June 30, 2022  
Rupees

## At fair value through profit or loss

Investment in Shares- Quoted (Listed Companies)	21.3	132,355,384	117,722,622
Investment in Shares- Unquoted (LSE Financial Services Limited)	21.4	-	194,400,000
		<u>1,514,904,826</u>	<u>1,970,426,861</u>

**21.1** These carry mark up ranging from 19.05% to 20.60% with maturity from July 20, 2023 to September 27, 2023.

**21.2** This represents deposit account in a Banking Company which is fixed for one month and roll over and carries mark up of 19.90%/annum.

### 21.3 Quoted - Investments

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

#### 21.3 Quoted - Investments

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

2023	2022	Name of investee company	JUNE 30, 2023	JUNE 30, 2022
Number of shares			Rupees	
1,000,000	-	BANK ALFALAH LIMITED	30,440,000	-
-	69,278	BANK AL HABIB LIMITED	-	4,022,281
21,420,000	12,115,125	THE BANK OF PUNJAB	74,327,400	65,663,978
-	100,000	ENGRO FERTILIZERS LIMITED	-	8,864,000
100,000	100,000	ENGRO POLYMER & CHEMICALS LIMITED	4,225,000	7,963,000
-	100,000	GHANI GLOBAL HOLDINGS LIMITED	-	1,651,000
204,097	204,097	MCB BANK LIMITED	23,362,984	25,099,849
-	6,500	OCTOPUS DIGITAL LIMITED	-	463,515
-	100,000	STANDARD CHARTERED BANK (PAK.) LTD.	-	1,911,000
-	100,000	SAIF POWER LIMITED	-	2,084,000
			<u>132,355,384</u>	<u>117,722,622</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**21.4** This represents 10 million investment in shares of LSE Financial Services Limited an unquoted company in Financial Year 2022 and disposed off in the current year.

	June 30, 2023	June 30, 2022
<b>22 CASH AND BANK BALANCES</b>	<b>Rupees</b>	
Cash in hand	183,762	372,543
Cash at banks:		
Current Accounts	40,097,064	5,914,310
Saving Accounts	<b>22.1</b> 14,327,334	21,194,402
	<u><b>54,608,160</b></u>	<u><b>27,481,255</b></u>

**22.1** The Rate of Return on Saving Accounts is Ranging from 16.50%% to 19.10% (2022: 5.5% to 9.5%).

## **23 TURNOVER**

Gross turnover	12,520,353,007	10,497,575,288
Sales Tax	(123,370,486)	(717,695,350)
	<u><b>12,396,982,521</b></u>	<u><b>9,779,879,938</b></u>

**23.1** Revenue has been recognized at a point in time for local sales made during the year.

## **24 COST OF SALES**

Raw material consumed	<b>24.1</b> 10,493,829,987	8,031,893,398
Salaries, Wages & Other benefits	<b>24.2</b> 274,547,716	176,799,468
Gas Bill	483,962	19,677,296
Electricity	141,699,844	103,113,222
Wood/corn cube	233,926,392	185,854,824
Packing Material Consumed	282,651,577	46,011,931
Fuel and Power	8,426,220	12,614,776
Repair & maintenance	30,432,296	29,331,322
Depreciation	76,468,923	66,376,391
Other Production Expenses	35,713,666	9,784,786
	<u><b>11,578,180,583</b></u>	<u><b>8,681,457,414</b></u>
Work in Process:		
Opening Work in Process	6,344,234	3,624,242
Closing Work in Process	(17,235,429)	(6,344,234)
	<u><b>(10,891,195)</b></u>	<u><b>(2,719,992)</b></u>
Cost of goods manufactured	<u><b>11,567,289,388</b></u>	<u><b>8,678,737,422</b></u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023      June 30, 2022

Rupees

Finished goods:			
	Opening finished goods	344,278,173	82,338,030
	Closing finished goods	(1,021,698,017)	(344,278,173)
		(677,419,844)	(261,940,143)
		<b>10,889,869,543</b>	<b>8,416,797,279</b>
<b>24.1</b>	<b>RAW MATERIAL CONSUMED</b>		
	Opening Stock	1,124,968,493	491,895,889
	Raw Material Purchases	10,547,811,945	8,664,966,002
	Closing stock	(1,178,950,452)	(1,124,968,493)
		<b>10,493,829,987</b>	<b>8,031,893,398</b>
<b>24.2</b>	This includes Rs. 15.14 million (2022: Rs. 7.28 million), approximately, in respect of employee benefits - gratuity scheme.		
<b>25</b>	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
	Salaries, Wages & benefits	<b>25.1</b> 90,270,894	79,224,388
	Electricity bill	2,006,537	4,814,512
	Communication	1,215,268	643,349
	Printing & Stationary expense	2,985,124	2,795,375
	Gardening expense	1,653,356	3,582,767
	Depreciation	9,227,218	6,741,908
	Water & sanitation	25,670	19,670
	Uniforms expense	2,820,497	2,593,628
	Legal and Professional Charges	<b>25.2</b> 3,400,500	2,355,000
	General Repair & Maintenance	9,594,559	8,893,576
	Vehicle Running & Maintenance	8,787,553	909,195
	Travelling and Conveyance	1,499,146	958,165
	Fee and Subscription	12,489,123	608,721
	Insurance Expenses	1,778,784	547,522
	Charity and Donation	<b>25.3</b> 4,804,053	2,679,683
	Entertainment Expense	18,284,910	12,374,543
	Postage and courier	464,542	493,862
	Miscellaneous Expenses	17,105,838	8,536,084
	Listing Expenses	-	127,667,864
		<b>188,413,573</b>	<b>266,439,811</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**25.1** This includes Rs. 4.67 million (2022: Rs. 3.11 million), approximately, in respect of employee benefits - gratuity scheme.

	June 30, 2023	June 30, 2022
<b>25.2</b>	<b>Rupees</b>	
<b>Legal &amp; Professional Charges Include:</b>		
Audit Fee	1,000,000	1,000,000
Other Services/Certifications	100,000	100,000
	<u><b>1,100,000</b></u>	<u><b>1,100,000</b></u>

**25.3** None of the directors or their spouses have any interest in the donee.

## **26** **MARKETING AND DISTRIBUTION EXPENSES**

Salaries & benefits	<b>26.1</b> 37,206,224	27,548,321
Delivery/courier expense	60,413,907	48,864,894
Communication Expenses	2,387,261	1,678,455
Marketing, Promotional & Selling Expenses	38,302,545	18,028,373
Miscellaneous expense	8,020,601	3,329,089
Depreciation	4,891,071	3,710,341
	<u><b>151,221,609</b></u>	<u><b>103,159,474</b></u>

**26.1** This includes Rs. 1.67 million (2022: Rs. 1.13 million), approximately, in respect of employee benefits - gratuity scheme.

## **27** **FINANCIAL CHARGES**

Bank Charges	6,705,912	827,887
Exchange loss- net	245,683,893	6,846,634
Mark up on Short Term Financing	100,141,974	16,690,524
Ijara Rentals (Operating Lease)	13,636,183	5,599,948
Markup on Finance Lease	1,612,565	1,261,563
Markup on Long Term Financing	18,453,051	39,809,994
	<u><b>386,233,578</b></u>	<u><b>71,036,551</b></u>

## **28** **OTHER INCOME**

### **Income from financial assets**

		<b>Restated</b>
Bank Profits on Saving Accounts	3,954,970	7,676,748
Profits on Term Deposit Receipts (TDRs)	205,031,473	166,352,361
Dividend Income	9,580,137	13,273,973
Markup on Investment in Yaqeen Developers Limited (Related Party)	50,520,005	29,679,469

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023 Rupees	June 30, 2022 Rupees Restated
	<b>Income from non-financial assets</b>		
	Amortisation of Grant Income	4,978,457	14,169,624
	Gain on extinguishment of Term Finance under RFCC	18,156,373	-
		<b>292,221,415</b>	<b>231,152,175</b>
<b>29</b>	<b>OTHER EXPENSES</b>		
	Worker's Profit Participation Fund	51,802,413	56,906,937
	Loss on Investment in Shares- Net	37,417,368	4,482,204
	Worker's Welfare Fund	17,322,272	20,655,703
	Central Research Fund	9,669,236	10,978,044
		<b>116,211,289</b>	<b>93,022,888</b>
<b>30</b>	<b>INCOME TAX EXPENSE</b>		
	Current tax	339,318,661	399,508,387
	Prior Year Adjustment	(51,277,315)	-
	Deferred tax adjustment	11,228,638	7,375,664
		<b>299,269,984</b>	<b>406,884,051</b>
<b>30.1</b>	<b>Relationship Between Tax Expense and Accounting Profit</b>		
	Profit before tax	957,254,344	1,060,576,110
	Tax at the applicable rate of 29% (29%)	277,603,760	307,567,072
	FTR Income	(2,778,240)	(3,849,452)
	Prior Year Tax	(51,277,315)	-
	Super Tax	86,611,358	99,512,786
	Others	29,159,098	(3,722,019)
		<b>339,318,661</b>	<b>399,508,387</b>
<b>31</b>	<b>EARNING PER SHARE- BASIC</b>		
	Net profit after taxation	Rupees 657,984,360	653,692,059
	Weighted Average No. of Shares Outstanding at the year end	228,461,200	226,867,951
	Earning Per Share-Basic	<b>Number 2.88</b>	<b>2.88</b>
	<b>EARNING PER SHARE- DILUTIVE</b>		
	Net profit after taxation	Rupees 657,984,360	653,692,059
	Weighted Average No. of Shares Outstanding at the year end	228,461,200	226,867,951
	Earning Per Share-Dilutive	<b>Number 2.88</b>	<b>2.88</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 32 FINANCIAL RISK MANAGEMENT

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

- credit risk
- liquidity risk
- market risk

### Risk management framework

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

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

### 32.1 Credit risk

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

#### 32.1.1 Exposure to credit risk

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

	2023	2022
	----- Rupees -----	
Long term Security Deposits	23,645,564	17,519,200
Trade Debts- Unsecured	1,882,148,741	1,401,564,821
Short Term Investments	1,514,904,826	1,970,426,861
Bank Balances	54,424,398	27,108,712

#### 32.1.2 Concentration of credit risk

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

Customers	1,882,148,741	1,401,564,821
Banking companies	54,424,398	27,108,712

#### 32.1.3 Credit quality and impairment



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

### 32.1.3(a) Counterparties with external credit ratings

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

	Agency	Rating	
		Short Term	Long Term
Bank Al-Habib Limited	PACRA	A1+	AAA
The Bank of Khyber	PACRA	A1	A+
Askari Bank Limited	PACRA	A1+	AA+
Meezan Bank Limited	VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	VIS	A-1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Bank of Punjab	PACRA	A1+	AA+
Habib Metropolitan Bank Limited	PACRA	A1+	AA+

### 32.1.3(b) Counterparties without external credit ratings

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

	2023	2022
	----- Rupees -----	
Past due 1 - 30 Days	1,201,009,254	1,003,660,568
Past due 31 - 60 Days	597,967,333	362,663,694
Past due 61 - 90 Days	83,172,153	35,240,559

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 32.2 Liquidity risk

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

### 32.2.1 Exposure to liquidity risk

#### 32.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

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

	Carrying Amount	Contractual Cash Flows	Less than 1 year	More than 1 year
	Rupees	Rupees	Rupees	Rupees
<b>Non-derivative financial liabilities</b>				
<b>At June 30, 2023</b>				
Long Term Loans	64,417,110	83,330,765	70,228,127	13,102,638
Staff retirement benefits - gratuity	50,341,311	50,341,311	-	50,341,311
Lease Liabilities	10,032,846	11,401,910	6,040,936	5,360,974
Trade and other payables	2,165,170,443	2,165,170,443	2,165,170,443	-
Due to Related Parties	297,480,434	297,480,434	297,480,434	-
Short Term Borrowings-Secured	1,470,571,476	1,470,571,476	1,470,571,476	-
Accrued Mark Up	61,558,378	61,558,378	61,558,378	-
Uncalaimed Dividend	461,696	461,696	461,696	-
<b>At June 30, 2022</b>				
Long Term Loans	462,435,655	498,721,316	182,864,906	315,856,410
Staff retirement benefits - gratuity	31,942,412	31,942,412	-	31,942,412
Lease Liabilities	11,039,073	13,295,755	6,040,936	7,254,819
Trade and other payables	1,887,973,258	1,887,973,258	1,887,973,258	-
Due to Related Parties	12,200,000	12,200,000	12,200,000	-
Short Term Borrowings-Secured	509,371,276	509,371,276	509,371,276	-
Accrued Mark Up	12,754,350	12,754,350	12,754,350	-
Uncalaimed Dividend	670,003	670,003	670,003	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 32.3 Market risk

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

### 32.3.1 Currency risk

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

At June 30, 2023, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by as follows:

	Effect on profit before taxation	
	2023	2022
	----- Rupees -----	
Increase in Dollar Rate	(88,930,435)	(73,373,012)
Decrease in Dollar Rate	88,930,435	73,373,012

### 32.3.2 Interest rate risk

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

#### 32.3.2(a) Mark-up bearing financial instruments

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

	Financial liability	
	2023	2022
	----- Rupees -----	
Fixed rate instruments	32,971,394	363,602,309
Variable rate instruments	1,512,050,038	619,243,695
	Financial Assets	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
Fixed rate instruments	1,356,923,902	1,630,635,309
Variable rate instruments	14,327,334	21,194,402

### 32.3.2(b) *Cash flow sensitivity analysis for variable rate instruments*

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

	Effect on profit before taxation	
	2023	2022
	----- Rupees -----	
Increase of 100 basis points	(14,977,227)	(5,980,493)
Decrease of 100 basis points	14,977,227	5,980,493

### 32.3.2(c) *Interest rate risk management*

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

### 32.3.3 *Price risk*

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

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

Effect on profit before taxation
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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	----- Rupees -----	
Increase in Prices	6,617,769	5,886,131
Decrease in Prices	(6,617,769)	(5,886,131)

### 33 Capital management

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

The Company's objectives when managing capital are:

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

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

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

### 34 Fair value of financial instruments

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

As at June 30, 2023 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

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

	Level 1	Level 2	Level 3	Total
<b>June 2023</b>				
<b>Assets</b>				
<b>At fair value through profit or loss - Short Term Investment</b>				
Investment in Shares- Quoted (Listed Companies)	132,355,384	-	-	132,355,384
Investment in Shares- Unquoted (LSE Financial Services Limited)	-	-	-	-
<b>June 2022</b>				
<b>Assets</b>				
<b>At fair value through profit or loss - Short Term Investment</b>				
Investment in Shares- Quoted (Listed Companies)	117,722,622	-	-	117,722,622
Investment in Shares- Unquoted (LSE Financial Services Limited)	194,400,000	-	-	194,400,000

## 34.1 Fair Value of Land

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022
<b>35</b>		
<b>Financial instruments by categories</b>		
<b>Financial asset as at amortized cost</b>		<b>Rupees</b>
Long term Security Deposits	23,645,564	17,519,200
Trade Debts	1,882,148,741	1,401,564,821
Trade Deposits and Other Receivables	11,068,391	1,756,425
Short Term Investment in TDR's	1,062,549,443	1,658,304,239
Deposit Account	320,000,000	-
Cash and Bank Balances	54,608,160	27,481,255
<b>Financial assets - at FVTPL</b>		
Short Term Investments in Shares- Quoted	132,355,384	117,722,622
Short Term Investments in Shares- Unquoted	-	194,400,000
<b>Financial liabilities at amortized cost</b>		
Long Term Financing - Secured	64,417,110	462,435,655
Lease Liabilities	10,032,846	11,039,073
Trade and other payables	1,978,687,111	1,756,792,686
Due to Related Parties	297,480,434	12,200,000
Short Term Borrowings	1,470,571,476	509,371,276

## 35.1 Fair values of Financial Assets and Liabilities

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

## 36 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies and key management personnel. The Company in the normal course of business carried out transactions with related parties. Detail of transactions with key management personnel are disclosed in Note 37. Balances of related parties are shown in the relevant notes. There are following transactions incurred during the year with related parties:

Associated Companies/ Undertaking	% of Shareholding	Nature of Transaction	2023	2022
			Rupees	Rupees
Citi Technologies (Pvt.) Ltd.	-	Loan Obtained	190,060,434	-
Yaqeen Developers Ltd.	-	Markup Income	50,520,005	29,679,469
<b>Key management personnel:</b>				
Mr. Rizwan Ahmad (Chief Executive)	-	Loan Obtained	95,220,000	-

There were no transactions with key management personnel other than undertaken as per terms of their employment as disclosed in Note 37.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

- 36.1** There are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Company Name	Relationship
Yaqeen Developers Limited	Associate - Common Directorship
Citi Technologies (Pvt.) Ltd.	Associate - Common Directorship

## 37 REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	2023			
	Chief Executive	Directors	Executives	Total
Managerial remuneration	13,200,000	14,900,000	36,791,948	64,891,948
Bonuses	1,100,000	1,075,000	2,523,112	4,698,112
Meeting Fees	-	890,000	-	890,000
	<b>14,300,000</b>	<b>16,865,000</b>	<b>39,315,060</b>	<b>70,480,060</b>
No. of persons	1	6	18	25

	2022			
	Chief Executive	Director	Executives	Total
Managerial remuneration	10,800,000	15,900,000	28,884,000	55,584,000
Bonuses	-	-	-	-
Meeting Fees	-	890,000	-	890,000
	<b>10,800,000</b>	<b>16,790,000</b>	<b>28,884,000</b>	<b>56,474,000</b>
No. of persons	1	6	11	16

- 37.1** The Chief executive, directors and executive have not been provided any other perquisites and benefits.

- 37.2** An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

## 38 OPERATING SEGMENT

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**38.1** Revenue from sale of API and Formulation items represent 90% and 10% of total revenue of the Company respectively.

**38.2** All of the Company sales are local.

**38.3** All assets of the Company as at 30 June 2023 are located in Pakistan.

## **39 NUMBER OF EMPLOYEES**

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

	<u>2023</u>	<u>2022</u>
Number of employees as at the closing date	594	587
Average number of employees during the year	601	558

## **40 PLANT CAPACITY AND ACTUAL PRODUCTION**

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

## **41 UTILIZATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING**

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

Estimated break-up of utilization of the IPO proceeds is mentioned below:

Description	Funds Required (Rupees)	Allocation (%)	Actual Expenditure (Rupees)	Excess/ (Less) Incurred (Rupees)
<b>API Segment</b>				
Civil Works	150,000,000	7%	153,750,654	3,750,654
Procurement of Plant and Machinery	405,194,500	20%	216,187,580	(189,006,920)
	<b>555,194,500</b>	<b>27.28%</b>	<b>369,938,234</b>	<b>(185,256,266)</b>
<b>Formulation Segment</b>				
Civil Works	250,000,000	12%	136,596,989	(113,403,011)
Procurement of Plant and Machinery	307,630,000	15%	210,663,652	(96,966,348)
	<b>557,630,000</b>	<b>27.40%</b>	<b>347,260,641</b>	<b>(210,369,359)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

<b>Hospital Facility</b>				
Civil Work of Hospital Building (incl. Electrical and Mechanical work)	668,000,000	33%	-	(668,000,000)
Plant and Machinery for Hospital	254,551,500	13%	-	(254,551,500)
	<b>922,551,500</b>	<b>45.33%</b>	-	<b>(922,551,500)</b>
<b>Utilization of Excess Proceeds</b>				
Repayment of Borrowings	54,197,497	19%	54,197,497	-
Working Capital	108,902,639	37%	108,902,639	-
IPO Expenses	127,667,864	44%	127,667,864	-
	<b>290,768,000</b>	<b>100%</b>	<b>290,768,000</b>	-

\* The project delay of Hospital is primarily stems from the complexities and challenges associated with various procedural activities. These activities encompass a range of administrative, regulatory and bureaucratic processes that are essential for the successful planning, approval and execution of a hospital project.

## 42 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2023 of Rs. 2.5 (2022: Rs. Nil) per share at their meeting held on **September 28, 2023**.

## 43 DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been authorized for issue on **September 28, 2023** by the board of directors of the company.

## 44 REPRESENTATION / RECLASSIFICATION

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

	From	To	Amount
Central Research Fund	Cost of Sales	Other Expenses	10,978,044
Loss on Investment in Shares- Net	Other Income	Other Expenses	4,482,204

## 45 GENERAL

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



Chief Executive



Chief Financial Officer



Director

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023	JUNE 30, 2022
	Rupees	
Operating Fixed Assets	16.1	3,039,139,260
Right of Used assets		2228126382.353
		12,748,960
	16.2	15,936,200
		<b>70,386,258</b>
		<b>14,329,827</b>
		<b>3,122,274,478</b>
		<b>2,258,392,409</b>

## 16.1

### Operating Fixed Assets

DESCRIPTION	COST			As At June 30, 2023	RATE %	DEPRECIATION		WDV As At June 30, 2023
	As At June 30, 2022	Addition/ (deletion)	Revaluation Surplus			As At June 30, 2022	For the year	
Owned Asset:								
Freehold Land	1,421,488,325	443,498,900	-	1,864,987,225	0	-	-	1,864,987,225
Building on Freehold Land	309,331,766	175,701,678	-	485,033,444	10%	100,965,512	22,300,806.06	123,266,318
Plant & Machinery	858,784,929	270,597,054	-	1,129,381,984	10%	291,538,612	59,009,732.22	350,548,344
Vehicles	18,587,322	-	-	18,587,322	20%	12,984,994	1,120,465.55	14,105,460
Office Equipment	20,462,311	6,421,903	-	26,884,214	15%	9,034,683	2,195,786.92	11,230,470
Books	181,500	-	-	181,500	10%	46,519	13,498.13	60,017
Furniture & Fixtures	12,469,958	1,673,943	-	14,143,901	15%	1,790,411	1,727,477.78	3,517,889
Computer	4,709,896	519,372	-	5,229,268	30%	1,528,894	1,032,206.27	2,561,101
	<b>2,646,016,007</b>	<b>898,412,851</b>	<b>-</b>	<b>3,544,428,858</b>		<b>417,889,625</b>	<b>87,399,973</b>	<b>505,289,598</b>
Right of Used Assets:								
Vehicle	35,556,200	-	-	35,556,200	20%	19,620,000	3,187,240	22,807,240
	<b>35,556,200</b>	<b>-</b>	<b>-</b>	<b>35,556,200</b>		<b>19,620,000</b>	<b>3,187,240</b>	<b>22,807,240</b>
<b>As at June 30, 2023</b>	<b>2,681,572,207</b>	<b>898,412,851</b>	<b>-</b>	<b>3,579,985,058</b>		<b>437,509,625</b>	<b>90,587,213</b>	<b>528,096,838</b>

Allocation of Depreciation	Cost of Sales	Administra- tive Expense	Selling Expense	Total
	Depreciation for the year 2023	76,468,923	9,227,218	4,891,071

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

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

Location / Address	Usage of immovable property	Total Area (In Kanals)	Appro. Covered Area (In sq. ft.)
3.5 KM, Head Balloki Road, Phool Nagar, Kasur	Production Unit	369.5	579,405
71-E, Hali Road, Lahore	Corporate office will be constructed	4	N/A
588-Q Block, Johar Town, Lahore	Head Office	1	15,050
Opposite DHA Phase XI, Lahore	Hospital will be constructed	12	N/A
Opposite DHA Phase XI, Lahore	Medical, Educational, Research and Teaching University will be constructed	48.3	N/A
Near New Airport Islamabad	Botanical Garden will be established	99.1	N/A

## 16.2

### Capital Work in Progress

Opening Balance	14,329,827	-
Additions	501,150,164	216,048,712
Transfers	(445,093,733)	(201,718,885)
Closing	<b>70,386,258</b>	<b>14,329,827</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## Operating Fixed Assets

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

## Allocation of Depreciation

Cost of Sales	Administrative Expense	Selling Expense	Total
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Depreciation for the year 2022	<b>66,376,391</b>	<b>6,741,908</b>	<b>3,710,341</b>	<b>76,828,640</b>
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Had there been no revaluation carrying amount of Land would be Rupees 339,885,475.

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

Location / Address	Usage of immovable property	Total Area (In Kanals)	Appro. Covered Area (In sq. ft.)
3.5 KM, Head Balloki Road, Phool Nagar, Kasur	Production Unit	369.5	527,384
71-E, Hali Road, Lahore	For Company's Corporate Office	4	N/A
588-Q Block, Johar Town, Lahore	Head Office	1	15,050
Pine Avenue Opp. DHA, Lahore	Hospital will be constructed	12	N/A
Pine Avenue Opp. DHA, Lahore	Medical, Educational, Research and Teaching University will be constructed	8	N/A
Near New Airport Islamabad	Botanical Garden	99.1	N/A

# PATTERN OF SHAREHOLDING - FORM "34"

SHAREHOLDERS STATISTICS AS AT JUNE 30, 2023

Number Of Share Holders	From	Share Holding	To	Total Shares Held
714	1	-	100	35,578
994	101	-	500	373,850
2019	501	-	1000	1,407,886
3906	1001	-	5000	8,817,843
801	5001	-	10000	5,868,308
311	10001	-	15000	3,768,480
148	15001	-	20000	2,618,955
111	20001	-	25000	2,527,356
78	25001	-	30000	2,178,527
53	30001	-	35000	1,739,260
34	35001	-	40000	1,299,220
22	40001	-	45000	941,386
28	45001	-	50000	1,367,852
24	50001	-	55000	1,275,565
15	55001	-	60000	878,302
9	60001	-	65000	564,005
11	65001	-	70000	739,426
10	70001	-	75000	732,596
10	75001	-	80000	782,330
5	80001	-	85000	416,246
4	85001	-	90000	349,597
6	90001	-	95000	565,956
15	95001	-	100000	1,483,231
9	100001	-	105000	925,320
9	105001	-	110000	981,976
2	110001	-	115000	223,956
1	115001	-	120000	117,000
2	120001	-	125000	245,816
5	125001	-	130000	638,000
2	130001	-	135000	261,000
1	135001	-	140000	138,000
1	140001	-	145000	145,000
8	145001	-	150000	1,188,765
1	150001	-	155000	155,000
1	155001	-	160000	156,000
4	160001	-	165000	649,898
1	170001	-	175000	173,200
1	180001	-	185000	184,847
1	185001	-	190000	189,093
2	195001	-	200000	400,000
1	200001	-	205000	204,000

# PATTERN OF SHAREHOLDING - FORM "34"

SHAREHOLDERS STATISTICS AS AT JUNE 30, 2023

Number Of Share Holders	From	Share Holding	To	Total Shares Held
1	210001	-	215000	211,606
2	215001	-	220000	437,800
1	235001	-	240000	235,900
1	260001	-	265000	263,142
1	275001	-	280000	275,960
1	305001	-	310000	310,000
1	360001	-	365000	362,147
2	365001	-	370000	732,118
1	385001	-	390000	385,500
1	405001	-	410000	408,722
1	415001	-	420000	417,222
1	440001	-	445000	440,900
1	480001	-	485000	483,750
2	495001	-	500000	995,953
1	500001	-	505000	501,000
1	505001	-	510000	508,000
1	540001	-	545000	542,500
1	545001	-	550000	550,000
1	555001	-	560000	555,500
1	575001	-	580000	577,500
1	610001	-	615000	611,540
1	690001	-	695000	694,000
1	795001	-	800000	799,744
1	895001	-	900000	900,000
1	970001	-	975000	970,658
1	995001	-	1000000	1,000,000
1	1050001	-	1055000	1,050,150
1	1075001	-	1080000	1,078,012
1	1205001	-	1210000	1,207,589
1	1465001	-	1470000	1,466,686
1	2235001	-	2240000	2,237,745
1	2295001	-	2300000	2,300,000
1	2675001	-	2680000	2,678,788
1	2975001	-	2980000	2,975,082
1	3085001	-	3090000	3,087,374
3	14845001	-	14850000	44,550,000
1	44545001	-	44550000	44,550,000
1	59395001	-	59400000	59,399,986
<b>9423</b>				<b>228,461,200</b>

# DETAILS OF PATTERN OF SHAREHOLDINGS

AS ON JUNE 30, 2023

S. No.	Categories Shareholders	Shares Held	% Age
<b>1</b>	<b>Directors, CEO, Their Spouses And Minor Childern</b>	<b>118,801,092</b>	<b>52.00</b>
	MR. NADEEM AMJAD - DIRECTOR	59,399,986	
	MR. RIZWAN AHMAD - DIRECTOR / CEO	44,550,000	
	DR. ZAMEER UL HASSAN - DIRECTOR OPERATIONS	3	
	MR. MUHAMMAD NAEEM - DIRECTOR	14,850,000	
	MS. SAIRA ASLAM - DIRECTOR	3	
	MR. ABDUL JALEEL SHAIKH - DIRECTOR	550	
	MS. FARZIN KHAN - DIRECTOR	550	
<b>2</b>	<b>Modaraba and Mutual Funds</b>	<b>22,531,192</b>	<b>9.86</b>
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	3,087,374	
	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	2,975,082	
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	2,300,000	
	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	2,237,745	
	CDC - TRUSTEE NBP STOCK FUND	1,466,686	
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1,207,589	
	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1,078,012	
	CDC - TRUSTEE ABL STOCK FUND	1,050,150	
	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	970,658	
	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	799,744	
	CDC - TRUSTEE AKD AGGRESSIVE INCOME FUND	694,000	
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	501,000	
	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	500,000	
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	495,953	
	CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND	417,222	
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	408,722	
	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	385,500	
	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	217,800	
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	184,847	
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	162,648	
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	161,000	
	CDC - TRUSTEE APF-EQUITY SUB FUND	150,000	
	CDC - TRUSTEE APIF - EQUITY SUB FUND	150,000	
	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	150,000	
	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	120,816	
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	108,015	
	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	102,900	
	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	97,000	
	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	45,000	
	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	42,000	
	CDC - TRUSTEE NBP BALANCED FUND	40,097	
	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	37,404	

# DETAILS OF PATTERN OF SHAREHOLDINGS

AS ON JUNE 30, 2023

S. No.	Categories Shareholders	Shares Held	% Age
	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	30,000	
	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	29,000	
	CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	25,038	
	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	23,117	
	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	20,000	
	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	19,073	
	B.R.R. GUARDIAN MODARABA	15,000	
	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	14,000	
	CDC - TRUSTEE FAYSAL MTS FUND - MT	11,000	
<b>3</b>	<b>Insurance Companies and Takaful</b>	<b>3,883,629</b>	<b>1.70</b>
	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	2,678,788	
	ADAMJEE LIFE ASSURANCE COMPANY LIMITED	611,540	
	ALFALAH INSURANCE COMPANY LIMITED	366,500	
	UNITED INSURANCE COMPANY OF PAKISTAN LIMITED	147,400	
	ADAMJEE LIFE ASSURANCE COMPANY LTD-AMAANAT FUND	41,401	
	DAWOOD FAMILY TAKAFUL LIMITED	38,000	
<b>4</b>	<b>Banks Development Financial Institutions, Non Banking Financial Institutions</b>	<b>1,465,618</b>	<b>0.64</b>
	EFG HERMES UAE L.L.C	1,000,000	
	SAMBA BANK LIMITED	365,618	
	THE BANK OF KHYBER	100,000	
<b>5</b>	<b>Joint Stock Companies</b>	<b>3,313,078</b>	<b>1.45</b>
	TRADING ENTERPRISES (PVT) LTD	577,500	
	WESTBURY (PRIVATE) LTD	555,500	
	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	542,500	
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	362,147	
	ZAHID LATIF KHAN SECURITIES (PVT) LTD.	189,093	
	INSIGHT SECURITIES (PVT.) LTD	130,500	
	MRA SECURITIES LIMITED - MF	111,756	
	STANDARD CAPITAL SECURITIES (PVT) LIMITED	90,000	
	TOPLINE SECURITIES LIMITED - MF	84,000	
	ADAM USMAN SECURITIES (PRIVATE) LIMITED	56,000	
	FRIENDLY SECURITIES (PVT) LTD.	52,500	
	MSMANIAR FINANCIALS (PVT) LTD.	50,000	
	BAWA SECURITIES (PVT) LTD. - MF	47,500	
	ALTAF ADAM SECURITIES (PVT) LTD.	46,500	
	ISPI Corporation (Private) Limited	44,500	
	KAISAR SHAHZADA (PVT)LTD.	42,500	
	ABA ALI HABIB SECURITIES (PVT) LIMITED	34,000	
	ZENSOFTE PRIVATE LIMITED	27,500	
	SHERMAN SECURITIES (PRIVATE) LIMITED	26,500	



# DETAILS OF PATTERN OF SHAREHOLDINGS

AS ON JUNE 30, 2023

S. No.	Categories Shareholders	Shares Held	% Age
	MIAN NAZIR SONS INDUSTRIES (PVT) LIMITED	26,500	
	FIRST DAWOOD INVESTMENT BANK LIMITED	26,000	
	PASHA SECURITIES (PVT.) LIMITED	22,000	
	SHADAB INNOVATIONS (PRIVATE) LIMITED	17,000	
	MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIMITED	14,000	
	EDULJEE DINSHAW HOLDING COMPANY (PVT) LTD	13,500	
	DARSON SECURITIES LIMITED	12,500	
	BAWA SECURITIES (PVT) LTD.	9,500	
	ORIENT IMPEX (PRIVATE) LIMITED	8,250	
	NINI SECURITIES (PRIVATE) LIMITED	7,528	
	F. D. REGISTRAR SERVICES (SMC-PRIVATE) LIMITED.	7,000	
	ASDA SECURITIES (PVT.) LTD.	5,500	
	DIYANAH ISLAMIC FINANCIAL SERVICES (PVT.) LIMITED	5,000	
	B. R. R. INVESTMENT (PRIVATE) LIMITED	5,000	
	ZAFAR SECURITIES (PVT) LTD.	5,000	
	BMA CAPITAL MANAGEMENT LTD. - MF	5,000	
	GALAXY CAPITAL SECURITIES (PVT) LIMITED	5,000	
	SPINZER EQUITIES (PRIVATE) LIMITED	5,000	
	BAWANY SECURITIES (PRIVATE) LIMITED	5,000	
	KHYBER INTERNATIONAL PAK (PVT) LTD	5,000	
	YAPARVAR (PRIVATE) LIMITED	4,350	
	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	3,500	
	AVI DINSHAW (PRIVATE) LIMITED	3,414	
	SHAFFI SECURITIES (PVT) LIMITED	3,300	
	BACKERS & PARTNERS (PRIVATE) LIMITED - MT	2,500	
	A B M SECURITIES (PVT.) LIMITED	2,200	
	TECHNOLOGY LINKS (PVT.) LIMITED	2,200	
	JS GLOBAL CAPITAL LIMITED - MF	2,100	
	EDDIE COMPANY (PRIVATE) LIMITED	2,087	
	N. U. A. SECURITIES (PRIVATE) LIMITED - MF	2,000	
	HIGH LAND SECURITIES (PRIVATE) LIMITED	2,000	
	CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF	1,500	
	KHURSHEED SALT WORKS (PRIVATE) LIMITED	1,450	
	JS GLOBAL CAPITAL LIMITED	500	
	JS GLOBAL CAPITAL LIMITED-MM-ALFALAH-ETF	203	
<b>6</b>	<b>Others</b>	<b>2,485,977</b>	<b>1.09</b>
	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	508,000	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	440,900	
	TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES PROVIDENT FUND	211,606	
	CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB FUND	200,000	

# DETAILS OF PATTERN OF SHAREHOLDINGS

AS ON JUNE 30, 2023

S. No.	Categories Shareholders	Shares Held	% Age
	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	173,200	
	TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	161,250	
	PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND-DC SHARIAH	101,987	
	CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	97,541	
	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	78,000	
	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	69,300	
	CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	58,537	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	52,300	
	TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CONVENTIONAL	37,600	
	TRUSTEES OF FRIENDS EDUCATIONAL AND MEDICAL TRUST	32,000	
	ALI GOHAR & COMPANY (PRIVATE) LIMITED STAFF PROVIDENT FUND	28,000	
	TRUSTEES OF GHANDHARA TYRE & RUBBER CO. LTD LOCAL STAFF P.F.	26,500	
	CHEVRON PAKISTAN LUBRICANTS (PVT.) LTD. EPF	25,443	
	NOVARTIS PHARMA PAKISTAN LIMITED SENIOR PROVIDENT FUND	24,000	
	TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	21,500	
	TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	21,000	
	TRUSTEE- GUL AHMED TEXTILE MILLS LTD. EMP. PROVIDENT FUND	20,000	
	TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	18,800	
	TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	15,500	
	TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.G.FUND	11,000	
	BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	10,018	
	HAMID ADAMJEE TRUST	10,000	
	PROVIDENT FUND TRUST-HUSEIN SUGAR MILLS LIMITED	10,000	
	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	7,150	
	CDC - TRUSTEE FAYSAL ISLAMIC PENSION FUND-EQUITY SUB FUND	4,830	
	TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	4,000	
	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	4,000	
	ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	2,002	
	GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	13	
	<b>General Public</b>	<b>75,980,614</b>	<b>33.26</b>
	Total	228,461,200	100.00
<b>Shareholders Holding Ten Percent Or More In The Company</b>			
	MR. NADEEM AMJAD - DIRECTOR	59,399,986	26.00
	MR. RIZWAN AHMAD - DIRECTOR / CEO	44,550,000	19.50

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that the Annual General Meeting of Citi Pharma Limited will be held on October 27, 2023, Friday, at 11:00 AM at 588- Q Block, M.A Johar Town, Lahore to transact the following businesses:

## Ordinary Business

1. To confirm the minutes of last Annual General Meeting (AGM) held on October 28, 2022.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with Directors' and Auditors' Report thereon.
3. To appoint statutory auditors of the Company for the year ending on June 30, 2024 and fix their remuneration. The Board of Directors upon recommendations of Audit Committee has recommended M/s Aslam Malik & Co. Chartered Accountant, being eligible for re-appointment and have offered themselves for re-appointment at a fee to be mutually agreed and reimbursements of out-of-pocket expenses at actuals.
4. To approve payment of final cash dividend of Rs. 2.50 per share i.e. 25% for the year ended June 30, 2023, as recommended by the Board of Directors.

## Special Business

5. To approve transmission of Annual Audited Financial Statements of the Company to members through a QR enabled code and weblink, as allowed by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389(1)/2023 dated March 21, 2023 and to pass with or without any amendment/modification the following resolution as an ordinary resolution:

"RESOLVED that the consent and approval of the members of Citi Pharma Limited be and is hereby accorded for transmission of the Annual Audited Financial Statements and related documents (included in the Annual Report) along with the Notice of General Meeting through a QR enabled code and weblink instead of transmitting the same in CD/DVD/USB or in hard copies.

FURTHER RESOLVED THAT the Managing Director & CEO and / or the Company Secretary be and are hereby singly or jointly authorized to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution."

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

By the Order of the Board

**Muhammad Riaz**  
Company Secretary  
October 6, 2023  
Lahore

# NOTICE OF ANNUAL GENERAL MEETING

## NOTES

### 1. Closure of Share Transfer Books

The Share Transfer books of the Company will remain closed from October 20, 2023 to October 27, 2023 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s F.D Registrar Services (Pvt.) Limited, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road, Karachi at the close of business on October 19, 2023 will be treated in time for the purpose of above entitlement to the transferees and for the purposes of attending the Annual General Meeting (AGM).

### 2. Participation in the AGM Proceeds via video conferencing facility:

- a) A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. A proxy form is enclosed.
- b) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarized/attested copy of power of attorney must be deposited at the Head Office of the Company situated at 588 Q Block, Johar Town, Lahore at least 48 hours before the time of the AGM i.e., latest by Wednesday, October 25, 2023 at 11:00 am.
- c) Shareholders interested in attending the AGM through Zoom application, a video-link facility, are hereby requested to get themselves registered with the Company at least two (2) - days before the time of AGM i.e., by Wednesday, October 25, 2023, 11:00 a.m. by sending an email with subject: "Registration for CPHL AGM" at the given email address corporate@citipharma.com.pk or WhatsApp No. 0336-1451581 along with a valid scanned copy of their CNIC.

Shareholders are advised to provide the following details:

Full Name	CNIC Number	Folio/CDC Account No.	Email Address	Cell Number	No. of Shares

Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM

# NOTICE OF ANNUAL GENERAL MEETING

proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

## 3. Guidelines for CDC Account Holders

CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

### A. For attending the meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

### B. For appointing proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The Proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## 4. Notification for change in address

Members holding shares in physical form are requested to promptly notify Share Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should get their address updated with their participant or CDC Investor Account Services.

## 5. Submission of copy of CNIC/NTN (Mandatory)

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar, M/s F.D Registrar Services (Pvt.) Limited, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road, Karachi. Corporate Entities are requested to provide their National Tax Number (NTN). Please also give Folio Number with the copy of CNIC/NTN details.

## 6. Payment of Cash Dividend Electronically (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Regulation no. 4 of the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to fill in "E-Dividend Mandate Form" available on Company's website (<http://www.citipharma.com.pk>) and send it duly signed along with a copy of CNIC to the Company's Share Registrar, M/s F.D Registrar Services (Pvt.) Limited, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road, Karachi, in case of physical shares.

In case shares are held in CDC then "E-Dividend Mandate Form" must be submitted directly to shareholder's broker/participant/CDC Investor Account Services.

Please note that as per Section 243 of the Companies Act, 2017 and Regulation No. 6 of the Companies (Distribution of Dividends) Regulations, 2017, listed companies are entitled to withhold payment of dividend, if necessary information is not provided by the shareholders.

## 7. Withholding Tax on Dividend Income

The rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

- i) Rate of tax deduction for persons appearing in Active Taxpayer List (ATL) | 15%
- ii) Rate of tax deduction for persons not appearing in Active Taxpayer List 30%

# NOTICE OF ANNUAL GENERAL MEETING

In this regard, all shareholders who hold shares with Joint Shareholder(s) are requested to provide shareholding proportions of and Joint Shareholder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

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

**Note:** The required information must reach the Company’s Share Registrar by Thursday, October 19, 2023; otherwise, it will be assumed that the shares are equally held by Principal Shareholder and Joint Shareholder(s).

To enable the Company to make tax deductions on the amount of cash dividend @15% instead of 30%, shareholders are requested to please check and ensure Filer status from Active Taxpayer List (“ATL”) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC/Passport number has been recorded by the Participant/Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate entities (non-individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant/Investor Account Services or in case of physical shareholding by Company’s Share Registrar.

Withholding tax exemption from dividend income, shall only be allowed if a copy of valid tax exemption certificate is made available to the Company’s Share Registrar by Thursday, October 19, 2023.

## 8. Availability of Annual Audited Financial Statements on the Company’s website

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company’s website (<http://www.citipharma.com.pk>).

## 9. Transmission of Annual Audited Financial Statements through CD

SECP, through its SRO 470(1)/2016 dated May 31, 2016 has allowed companies to circulate the annual audited financial statements to their members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses. Accordingly, the Annual Report of CPHL for the year ended June 30, 2023 is being dispatched to shareholders through CD. Any member requiring printed copy of the Annual Report 2023 may send a request using a “Standard Request Form” placed on the Company’s website (<http://www.citipharma.com.pk>).

# NOTICE OF ANNUAL GENERAL MEETING

## 10. Transmission of Financial Statements to the Members through e-mail

SECP, through its SRO 787 (1)/2014 dated September 08, 2014 has provided an option for shareholders to receive annual audited financial statements along with Notice of AGM electronically through email. Members who are interested in receiving the annual reports and Notice of AGM electronically in future, are requested to send their email addresses on the "Consent Form" placed on the Company's website (<http://www.citipharma.com.pk>) to the Company's Share Registrar.

## 11. Conversion of Physical Shares into Book Entry Form

Section 72(2) of the Companies Act, 2017 provides that every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, Securities and Exchange Commission of Pakistan has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

## 12. Consent for Video-Link Facility

Members may participate in the meeting via video-link facility. if the Company receives a demand from members holding an aggregate 10% or more shareholding residing at a geographical location outside Karachi, to participate in the meeting through video-link at least 7 days prior to the date of meeting, the Company will arrange video-link facility in that city.

In this regard, members who wish to participate through video-link facility, should send a duly signed request as per the following format to the Registered Address of the Company.

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of Citi Pharma Limited, holder of ordinary share(s) as per Registered Folio/CDC Account No. hereby opt for video-link facility at

Signature of Member



# NOTICE OF ANNUAL GENERAL MEETING

## Statement under section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2023.

### Item 5 of the agenda

To give effect to the Notification S.R.O. 389(1)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan, consent of the members is being sought for transmission of the Annual Audited Financial Statements of the Company and related documents (included in the Annual Report) along with the Notice of General Meeting through a QR enabled code and weblink instead of transmitting the same in CD/DVD/USB or in hard copies. The Company however, shall send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, if a request has been made by the member on the Standard Request Form available on the website of the Company.

None of the Members of the Board of Management has any direct or indirect interest in the above said special business.

## اطلاع سالانہ اجلاس عام

اطلاع سالانہ اجلاس عام سٹی فارما لمیٹڈ سٹی فارما لمیٹڈ سٹی فارما لمیٹڈ

بذریعہ ہذا ارکان کو مطلع کیا جاتا ہے کہ سٹی فارما لمیٹڈ کا سالانہ اجلاس عام 27 اکتوبر 2023 بروز جمعہ صبح 11:00 بجے بمقام Q-588 بلاک، M.A. جو ہرٹاؤن، لاہور درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

### عام امور:

- 1- 28 اکتوبر 2022 کو منعقدہ گزشتہ سالانہ اجلاس عام (AGM) کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے نظر ثانی شدہ مالیاتی گوشواروں معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، غور و خوض اور منظور کرنا۔
- 3- 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کا معاوضہ تعین کرنا۔ آڈٹ کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز نے میسرز اسلم ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو اہل ہونے کی بنیاد پر دوبارہ تقرری کی سفارش کی ہے اور انہوں نے باہمی رضامندی سے فیس اور اصل جیب خرچ پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔
- 4- حتمی نقد منافع منقسمہ بشرح %25 یعنی -/2.50 روپے فی عام شیئر 30 جون 2023 کو ختم ہونے والے سال کے لیے ادا کرنے کی منظوری جیسا کہ بورڈ آف ڈائریکٹرز نے سفارش کیا۔

### خصوصی امور:

- 5- سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی رُو سے اجازت کے مطابق کمپنی کے سال 2023 سے شروع ہونے والے سال کے لیے سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ممبرز کو منتقلی CD/DVD/USB کے ذریعے منتقل کرنے کی بجائے QR فعال کوڈ اور ویب لنک کے ذریعے ممبران کو مہیا کرنے کی منظوری دینا۔
- قرار پایا ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023 کی رُو سے اجازت کے مطابق سٹی فارما لمیٹڈ کے ممبران کی منظوری ہے اور بذریعہ ہذا سال 2023 سے شروع ہونے والے آئندہ سالوں کے لیے سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ممبرز کو منتقلی CD/DVD/USB کے ذریعے منتقل کرنے کی بجائے QR فعال کوڈ اور ویب لنک کے ذریعے کرنے کی منظوری دی جاتی ہے۔
- مزید قرار پایا ہے کہ کمپنی کے ٹیننگ ڈائریکٹر اور سی ای او/یا کمپنی سیکرٹری تمام کاموں، اعمال اور چیزوں کو کرنے، تمام قانونی تقاضے، ضروری اقدامات اٹھانے یا کرنے کا سبب بننے اور ضروری دستاویزات فائل کرنے جو کہ اس قرار داد کو نافذ کرنے کے مقاصد کے لیے ضروری یا اتفاقی ہوں گے مجاز ہیں۔
- صاحب صدر کی اجازت سے کوئی دیگر امور سرانجام دینا۔

حسب الحکم بورڈ

6 اکتوبر 2023

محمد ریاض

لاہور

کمپنی سیکرٹری

## اطلاع سالانہ اجلاس عام

نوٹ:

1- کتابوں کی بندش: کمپنی کی منتقلی حصص کی کتابیں، برائے 30 جون 2023 مختتمہ سال اور سالانہ اجلاس عام کی شرکت اور ووٹنگ کے استحقاق کیلئے 20-10-2023 تا 27-10-2023 (بشمول ہر دو ایام) بند رہیں گی۔ مادی منتقلیاں/CDS ٹرانزیکشنز/IDs، درست کمپنی کے شیئر رجسٹرار، میسرز، ایف ڈی رجسٹرار سروسز (پرائیوٹ) لمیٹڈ 17 ویں منزل، صائمہ ٹریڈ ٹاور، A، ائی ائی چند گروڈ، کراچی میں 19 اکتوبر 2023ء کو دوپہر 1:00 بجے تک وصول ہونیوالی اجلاس میں شرکت کے لیے بروقت تصور ہوگی۔

2- ویڈیو کانفرنسنگ کی سہولت کے ذریعے (AGM) سالانہ عام اجلاس کی کارروائیوں میں شرکت:

(a) سالانہ عام اجلاس میں شرکت، تقریر اور ووٹ دینے کا اہل رکن کسی دوسرے رکن کو اپنی طرف سے شرکت، تقریر اور ووٹ دینے کے لیے اپنا پراکسی مقرر کرنے کا اہل ہے۔

(b) پراکسی اور پاور آف اٹارنی یا دیگر اتھارٹی کا تقرر کرنے والا آلہ جو کہ زیر دستخطی ہو یا پورا یا اتھارٹی کی ایک نوٹرائزڈ مصدقہ کاپی اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے، 25 اکتوبر 2023ء بروز بدھ، کو دوپہر 11:00 بجے تک کمپنی کے ہیڈ آفس واقع Q-بلاک، M.A. جوہر ٹاؤن، لاہور میں جمع کرائی جانی چاہیے۔ پراکسی کا فارم منسلک ہے۔

(c) زوم اپلیکیشن، ویڈیو کانفرنسنگ کی سہولت کے ذریعے AGM میں شرکت کی دلچسپی رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ AGM سے کم از کم دو (2) دن پہلے 25 اکتوبر 2023 صبح 11:00 بجے مندرجہ ذیل معلومات کو بعنوان "سٹی فارمالٹیڈ، سالانہ اجلاس عام کے لیے رجسٹریشن" کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کے دونوں اطراف کی موثر کاپی کے ہمراہ corporate@citipharma.com.pk پر ای میل یا واٹس ایپ 0336-1451581 کریں۔ ویڈیولنک اور لاگ ان کی اسناد صرف ان ممبروں کے ساتھ شیئر کی جائیں گی۔

شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات فراہم کریں۔

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

میٹنگ کا ویڈیولنک ممبران کو ان کے فراہم کردہ ای میل ایڈریس پر بھیجا جائے گا تاکہ وہ دی گئی تاریخ اور وقت پر اجلاس میں شرکت کر سکیں۔

لاگ ان کی سہولت میٹنگ کے وقت سے (30) منٹ پہلے شروع کر دی جائے گی تاکہ شرکاء کو شناخت کے عمل کے بعد میٹنگ میں شامل ہونے کے قابل بنایا جائے۔ شیئر ہولڈرز

کی شناخت اور تصدیق کے لیے درکار تمام رسمی کارروائیوں کو مکمل کرنے کے بعد اپنے آلات کے ذریعے لاگ ان اور AGM کی کارروائی کے حصہ لے سکیں۔

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### 3- CDC شیئر ہولڈرز کے لیے رہنما اصول:

CDC شیئر ہولڈرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے بیان کردہ درج ذیل رہنما اصولوں پر عمل کرنا ہوگا۔

#### اجلاس میں شرکت کیلئے:

- (a) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔
- (b) بصورت کارپوریٹ اینٹیٹی بورڈ آف ڈائریکٹرز قرار داد/مختار نامہ مع نامزدہ کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہونگے (اگر پہلے مہیا نہیں کئے گئے)۔

#### B- پراسی تقرری کیلئے:

- a- بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، کو بالاریکو ایئرمنٹ کے مطابق پراسی فارم جمع کرانا ہوگا۔
- (b) پراسی فارم، دو افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہونگے، کے گواہی شدہ ہونے چاہئیں۔
- (c) بٹیفیشل اونر اور پراسی کے CNIC یا پاسپورٹ کی مصدقہ نقول پراسی فارم کے ہمراہ جمع کرانا ہونگی۔
- (d) پراسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔

کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز قرار داد/مختار نامہ مع نمونہ دستخط، کمپنی کو پراسی فارم کے ہمراہ جمع کرانا ہونگے۔ (اگر پہلے مہیا نہیں کئے گئے)۔

#### 4- پتہ میں تبدیلی کی اطلاع:

فزیکل شیئر ہولڈنگ رکھنے والے ممبران سے درخواست کی جاتی ہے کہ ایڈریس کی تبدیلی، اگر کوئی ہو تو فوری طور پر اپنا پتہ CDC Investor Account Services کو اپڈیٹ مطلع کریں۔

#### 5- CNIC/NTN کی کاپی جمع کرانا مینڈیٹری:

انفرادی ممبران سے درخواست کی جاتی ہے کہ وہ اپنے CNIC کی کاپی ہمارے رجسٹرار سروسز (پرائیوٹ) لمیٹڈ 17 ویں منزل، صائمہ ٹریڈ ٹاور، A، ائی ائی چند گارڈ، کراچی پر کارآمد CNIC کی کاپی ارسال کریں کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنے CNIC، NTN اور فونو نمبر کا حوالہ بھی دیں۔

#### 6- نقد منافع منقسمہ کی مینڈیٹری:

کمپنیز ایکٹ، 2017 کی دفعہ 242 کے تحت لسٹڈ کمپنیز کے نقد ادا ہونے والے کسی بھی منافع کو صرف الیکٹرانک ماڈل کے ذریعہ سے حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائے گا۔ تمام حصص یافتگان فزیکل شیئر کی صورت میں جنہوں نے اپنے IBAN فراہم نہیں کیے ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنے بینک مینڈیٹ

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کی تفصیلات فراہم کر دیں جو کہ کمپنی کی ویب سائٹ (<http://www.citipharma.com.pk>) پر دستیاب ہے اور اس کو دستخط شدہ بمعہ CNIC کمپنی کے شیئر رجسٹرار، میسرز، ایف ڈی رجسٹرار سروسز (پرائیوٹ) لمیٹڈ 17 ویں منزل، صائمہ ٹریڈ ٹاور، A، ائی ائی چندیگر روڈ، کراچی کو فراہم کریں۔ وہ حصص یافتگان جو اپنے حصص سنٹرل ڈیپازٹری کمپنی آف پاکستانی ڈی سی میں رکھتے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ متعلقہ CDC کے شرکاء کو بینک مینڈیٹ کی تفصیلات فراہم کر دیں جس کا اوپر بتایا گیا ہے۔

براہ کرم نوٹ کر لیں کہ کمپنی ایکٹ 2017 کے سیکشن 243 اور کمپنیز (ڈسٹریبیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کے ریگولیشن نمبر 6 کے مطابق لسٹڈ کمپنیاں ڈیویڈنڈ روکنے کی حقدار ہیں، اگر شیئر ہولڈرز ضروری معلومات فراہم نہیں کرتا تو۔

### 7- ڈیویڈنڈ پرود ہولڈنگ ٹیکس کی ڈیکشن:

انکم ٹیکس آرڈیننس 2001 کے تحت انکم ٹیکس کی ڈیکشن کی شرحوں پر درج ذیل کے مطابق نظر ثانی کی گئی ہے:

1۔ فعال ٹیکس دہندہ کی فرسٹ ATL میں ظاہر ہونے والے افراد کے لیے فائلرز 15% 2۔ فعال ٹیکس دہندہ کی فرسٹ ATL میں ظاہر نہ ہونے والے افراد کے لیے نان فائلرز 30%

اس سلسلے میں تمام شیئر ہولڈرز جو جوئنٹ شیئر ہولڈرز کے ساتھ شیئر رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کے حوالے سے جوئنٹ شیئر ہولڈر کا تناسب ہمارے شیئر رجسٹرار کو تحریری طور پر فراہم کریں۔

جوائنٹ شیئر ہولڈر		پرنسپل شیئر ہولڈر		ٹوٹل شیئرز	فویو/CDC اکاؤنٹ نمبر
Proportion شیئر ہولڈنگ (شیئرز کی تعداد)	نام اور شناختی کارڈ	Proportion شیئر ہولڈنگ (شیئرز کی تعداد)	نام اور شناختی کارڈ نمبر		

مطلوبہ معلومات جمعرات 19 اکتوبر 2023 تک کمپنی کے شیئر رجسٹرار کو پہنچائیں، بصورت دیگر یہ فرض کیا جائے گا کہ حصص پرنسپل شیئر ہولڈر اور جوئنٹ شیئر ہولڈر کے شیئر برابر ہیں۔

تقسیم کے ذریعے وہ ہولڈنگ ٹیکس کی چھوٹ کارپوریٹ اداروں (غیر انفرادی شیئر ہولڈرز) کو ملے گی، یعنی بنانا چاہے کہ ان کا نام اور NTN، FBR کی ویب سائٹ پر ATL میں دستیاب ہیں اور متعلقہ شراکت دار/ سرمایہ کار اکاؤنٹ سروس کے ذریعے رکارڈ کیے گئے ہیں یا کمپنی کے شیئر رجسٹرار کے ذریعے فیزیکل شیئر ہولڈنگ کی صورت میں صرف تب اجازت ہوگی جب ٹیکس سے استثنیٰ کے درست سرٹیفکیٹ کی ایک کاپی کمپنی کے شیئر رجسٹرار کو 19 اکتوبر 2023 تک دستیاب کر دی جائے گی۔

ڈیویڈنڈ آمدنی سے وہ ہولڈنگ ٹیکس استثنیٰ کی اجازت صرف اس صورت میں دی جائے گی جب کمپنی کے شیئر رجسٹرار کو جمعرات 19 اکتوبر 2023 تک درست ٹیکس استثنیٰ کے سرٹیفکیٹ کی کاپی دستیاب کر دی جائے گی۔

### 8- کمپنی کی ویب سائٹ پر سالانہ آڈٹ مالیاتی گوشواروں کی دستیابی:

کمپنی ایکٹ، 2017 کی دفعہ (7) 223 کے تحت 30 جون 2023ء کو ختم ہونے والے سال کیلئے آڈٹ شدہ فنانشل سٹیٹمنٹس کے ساتھ چیئر مین کی جائزہ رپورٹ، ڈائریکٹران اور آڈیٹران کی رپورٹس کمپنی کی ویب سائٹ یعنی (<http://www.citipharma.com.pk>) پر دستیاب ہے۔

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### 9- سالانہ نظر ثانی شدہ مالیاتی گوشواروں کی ترسیل CD کی ذریعے:

مورخہ 21 مارچ 2023ء سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ SRO 470(1)/2016 کے مطابق سالانہ آڈٹ شدہ مالیاتی گوشواروں کو USB/DVD/CD شکل کے ذریعے منتقل کرنے کی اجازت ہے 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے نظر ثانی شدہ مالیاتی گوشوارے CD کے ذریعے ممبران کو ارسال کیے جا رہے ہیں اور کمپنی کی ویب سائٹ (<http://www.citipharma.com.pk>) پر دستیاب ہیں

### 10- سالانہ فنانشل سٹیٹمنٹس کی ٹرانسمیشن بذریعہ ای میل:

بروئے SRO 787(I)/2014 مورخہ 8 ستمبر 2014ء سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) سے دی گئی ہدایات کی پیروی میں وہ شیئرز ہولڈرز جو آئندہ سالانہ فنانشل سٹیٹمنٹس ڈاک کے ذریعے وصول کرنے کی بجائے بذریعہ ای میل وصول کرنے کے خواہشمند ہوں، کو نصیحت ہے کہ اپنی فارمل رضامندی معاً اپنا کارآمد ای میل ایڈریس سٹیٹمنٹرز درخواست فارم جو کمپنی کی ویب سائٹ یعنی (<http://www.citipharma.com.pk>) پر دستیاب ہے، پر دیں اور مذکورہ فارم شیئرز ہولڈرز سے باقاعدہ دستخط شدہ معاً ان کے CNIC کی کاپی، کمپنی کے شیئر رجسٹرار، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو ارسال کریں۔

### 11- فزیکل شیئرز کی بک انٹری کی شکل میں تبدیلی:

کمپنیز ایکٹ 2017ء کے سیکشن 72 کے تحت، تمام موجودہ کمپنیوں کیلئے لازم ہے کہ کمپنیز ایکٹ 2017 کی منوثر تاریخ سے 4 سال کی مدت کے اندر اپنے فزیکل شیئرز کو بک انٹری کی شکل میں تبدیل کریں۔ سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) نے اپنے سرکلر نمبر 639-640-2016 CSD/ED/ Misc./ مورخہ 26 مارچ 2021 کے ذریعے لٹڈ کمپنیوں کو ہدایت دی ہے کہ وہ فزیکل شیئرز رکھنے والے ان ممبران کو اپنے شیئرز بک انٹری کی شکل میں تبدیل کرنے کے لیے قائل کریں جنہوں نے ابھی تک ایسا نہیں کیا۔ ہم فزیکل شیئرز رکھنے والے تمام ممبران سے درخواست کرتے ہیں کہ جلد سے جلد انہیں بک انٹری کی شکل میں تبدیل کر لیں۔ ان کو یہ بھی تجویز دی جاتی ہے کہ وہ سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) یا پاکستان اسٹاک ایکسچینج کمیشن کے کسی بھی فعال رکن/اسٹاک بروکر سے رابطہ کریں تاکہ سینٹرل ڈیپازٹری سسٹم میں اکاؤنٹ کھولا جاسکے اور فزیکل شیئرز کو بک انٹری کی شکل میں تبدیل کیا جاسکے۔ ممبران کو مطلع کیا جاتا ہے کہ بک انٹری کی شکل میں شیئرز رکھنے کے کئی فوائد ہیں۔ شیئرز کی محفوظ اور آسان تحویل، کاروبار اور منتقلی میں سہولت، نقصان، ضرر یا چوری کا کوئی خطرہ نہیں، شیئرز کی منتقلی پر کوئی سٹمپ ڈیوٹی نہیں اور کسی پریشانی کے بغیر بونس یا رائٹ شیئرز کا کریڈٹ۔

### 12- وڈیو کانفرنس سہولت:

کمپنیز ایکٹ 2017 کی پرورش کی پیروی میں، کمپنی کے کل سیڈ اپ کیپٹل کے کم از کم 10% کے مالک شہر میں سکونت رکھنے والے ارکان کمپنی سے اجلاس میں شرکت کے لئے وڈیو لنک کی سہولت مہیا کرنے کا مطالبہ کر سکتے ہیں۔ وڈیو لنک سہولت کا مطالبہ مذکورہ بالا پتہ پر شیئر رجسٹرار کے ذریعے سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم پر اجلاس کی تاریخ سے کم از کم 7 یوم قبل وصول کیا جائے گا۔

اس سلسلے میں جو ممبران وڈیو لنک کے ذریعے شرکت کرنا چاہتے ہیں وہ درج ذیل فارمیٹ کے مطابق کمپنی کے رجسٹرز پتہ پر دستخط شدہ درخواست بھیجیں۔

## اطلاع سالانہ اجلاس عام

میں/ہم \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت رکن سٹی فارمالیٹیڈ، رجسٹرڈ فوئیو نمبر/ CDC کاؤنٹ نمبر \_\_\_\_\_ کے مطابق \_\_\_\_\_ عام حصص کا حامل \_\_\_\_\_ میں ویڈیو کانفرنس کی سہولت کا انتخاب کرتا ہوں/کرتے ہیں۔  
اراکین کے دستخط: \_\_\_\_\_

### کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان

یہ بیان 27 اکتوبر 2023 کو منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور سے متعلق مادی حقائق کا تعین کر رہا ہے۔

ایجنڈا انٹیم نمبر 5:

کمپنی سالانہ آڈٹ شدہ مالیاتی گوشواروں کو CD/DVD/USB شکل کے ذریعے منتقل کرنے کی بجائے ملاحظہ اور ڈاؤن لوڈ کے لئے مورخہ 21 مارچ 2023ء سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ S.R.O. 389(1)/2023 کے مطابق QR فعال کوڈ اور ویب لنک کے ذریعے اپنے سالانہ نظر ثانی شدہ مالیاتی گوشواروں (بمعد سالانہ رپورٹ) میٹنگ کے نوٹس کے ساتھ، اپنے ممبروں تک پہنچانے کی مجاز ہے اگر ممبر کی طرف سے کمپنی کی ویب سائٹ پر دستیاب درخواست فارم پر کوئی درخواست کی گئی ہو۔








بورڈ آف ڈائریکٹرز کے ممبران میں سے کوئی بھی مذکورہ بالا خصوصی امور میں براہ راست یا بالواسطہ دلچسپی نہیں رکھتا



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# PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of Citi Pharma Limited hereby appoint Mr./Ms. \_\_\_\_\_ another member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, October 27, 2023, at 11:00 AM at 588-Q Block, M.A Johar Town, Lahore and any adjournment thereof.

Signed \_\_\_\_\_ \ \_\_\_\_\_ day of \_\_\_\_\_ 2023.

## SIGNATURE OF MEMBER

### Note

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

Second Fold

Affix Revenue  
Stamp

**Head Office**

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

First Fold

Third Fold and Tuck in





588 - Q, Johar Town Lahore

Email: [corporate@citipharma.com.pk](mailto:corporate@citipharma.com.pk)

Website: [www.citipharma.com.pk](http://www.citipharma.com.pk)

Tel: +92-42-35316587

