



Achieving Wellness

Wellness of people is our core value. We have been focusing this objective and touching one milestone after another. We are proud of our continuous efforts of bringing health to the lives of people and have made a difference in the lives for many. As the theme of our annual report, this year, we share some of our efforts for achieving wellness.



Contents

Vision & Mission	02
Company Information	03
Notice of Annual General Meeting	06
Chairman's Review	12
Chairman's Review (Urdu)	13
Directors' Report	14
Directors' Report (Urdu)	23
Operating and Financial Highlights	26
Pattern of Shareholding	28
Statement of Compliance with the Code of Corporate Governance	32
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	36
Auditors' Report to the Members	37
Financial Statements	40

Our Vision

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

Our Mission

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

Company Information

BOARD OF DIRECTORS

Mr. Rashid AbdullaChairmanMr. Adnan Asdar AliDirectorMr. S. Nadeem AhmedDirectorMr. Mufti Zia ul IslamChief Executive OfficerMr. Zubair Razzak PalwalaDirectorMr. Ayaz AbdullaDirectorMs. Shaista Khaliq RehmanDirector

AUDIT COMMITTEE

Ms. Shaista Khaliq Rehman Chairperson Mr. Zubair Razzak Palwala Member Mr. Ayaz Abdulla Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. S. Nadeem Ahmed Chairman Mr. Zubair Razzak Palwala Member Ms. Shaista Khaliq Rehman Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Tariq

AUDITORS

A.F. Ferguson & Co., Chartered Accountants

LEGAL ADVISOR

Mohsin Tayabaly & Co.

BANKERS

Habib Bank Limited Standard Chartered Bank (Pakistan) Limited National Bank of Pakistan Summit Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited

REGISTERED OFFICE

9th Floor, NIC Building, Abbasi Shaheed Road, Karachi

SHARE REGISTRAR

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

Wellness from the Start

Amazing Potential Begins with MOM

Nutritional milk supplement formulated to support nutritional needs of mother and baby during pregnancy and lactation



Notice of Annual General Meeting

Notice is hereby given that the 20th annual general meeting of the shareholders of IBL HealthCare Limited will be held on Friday, October 27, 2017 at 06:30 p.m. at the Building Centre, 2nd Floor, Plot # 1, Tipu Sultan Road, Off Shahra-e-Faisal, Karachi to transact the following business:

ORDINARY BUSINESS

- 1. To confirm the minutes of extraordinary general meeting held on June 03, 2017.
- 2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2017 together with the directors' and auditors' reports thereon.
- 3. To consider and approve final cash dividend for the financial year ended June 30, 2017, at the rate of Re.1/- per share of Rs.10/- each, equivalent to 10%, as recommended by the board of directors.
- 4. To appoint auditors for the financial year ending June 30, 2018 and to fix their remuneration. The present auditors, A.F. Ferguson & Co., Chartered Accountants, retired, being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2018.

SPECIAL BUSINESS

Ordinary Resolutions:

5. To approve the issue of bonus shares in the ratio of 10 shares for every 100 shares held i.e. 10% as recommended by the board of directors, and, if thought appropriate, to pass with or without modification(s) the following resolutions as ordinary resolution:

"RESOLVED that a sum of PKR 49,170,550/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 4,917,055 ordinary shares of Rs.10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on October 20, 2017, in the proportion of ten shares for every hundred ordinary shares held and that such new shares shall rank pari passu with the existing ordinary shares but shall not be eligible for the cash dividend declared for the year ended June 30, 2017.

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

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

OTHER BUSINESS

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

By the order of the board

Muhammad Tariq Company Secretary

October 06, 2017

Statement pursuant to section 134(3) of the Companies Act, 2017 pertaining to the Special Business

ltem 5

The Directors of the Company are of the view that the Company's financial position justifies issuance of bonus shares in the ratio of ten shares for every hundred shares held.

The Directors are interested in the business to the extent of the entitlement of bonus shares as shareholders.

NOTES:

A. Book closure:

- The share transfer books will remain closed from October 21, 2017 to October 27, 2017 (both days inclusive) for entitlement of 10% final cash dividend and 10% bonus shares. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 B, Block 'B', S.M.C.H.S., Shahra-e-Faisal, Karachi-74400 by close of the business on October 20, 2017 will be treated in time for the purpose of attending the annual general meeting and entitlement of cash dividend.
- ii. All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi 75530 not less than 48 hours before the meeting.
- iii. In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

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

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

B. Payment of Cash Dividends through electronic mode:

In accordance with the circular no. 38 of 2016 of the Securities and Exchange Commission of Pakistan (SECP) via letter no. CLD/RD/CO.516/2016-3056 dated December 02, 2016, any dividend payable in cash by listed company shall be paid only through electronic mode directly into the bank account designated by the entitled shareholders.

Notice of Annual General Meeting

- C. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:
- a. Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rate of deduction of income tax from dividend payments has been revised as follows:
 - i. Rate of tax deduction for filers of income tax return 15%
 - ii. Rate of tax deduction for non-filers of income tax return 20%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

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

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

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

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

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

D Dividend Mandate (Optional):

Under Section 242 of the Companies Act, 2017 a shareholder may, if so desires, direct the Company to pay dividend through his/her/its bank account. In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide circular number 18 of 2012 dated June 5, 2012, shareholders may authorize the Company for direct credit of his/her/its cash dividend in his/her/its bank account (please note that giving bank mandate for dividend payments is optional, in case shareholder do not wish to avail this facility his/her/its dividend will be paid through dividend warrant). If any shareholder wants to avail the facility of direct credit of dividend amount in his/her/its bank account, provide following information to the Company's Share Registrar, Central Depository Company of Pakistan Limited.

Bank Account Details of Shareholder				
Title of Bank Account				
Bank Account Number				
Bank's Name				
Branch name and address				
Cell number of shareholder				
Landline number of shareholder, if any				

It is stated that the above-mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company and the concerned registrar.

Name, signature, folio # and CNIC number of shareholder

Notes:

(1) Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant/CDC Investor Account Services Department.

(2) If dividend mandate information has already been provided, please ignore this request.

E Transmission of annual financial statements through email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787(1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email, may fill the form attached to the annual report 2016 and send it back to the Company's share registrar along with a copy of CNIC.

F. Video conference facility:

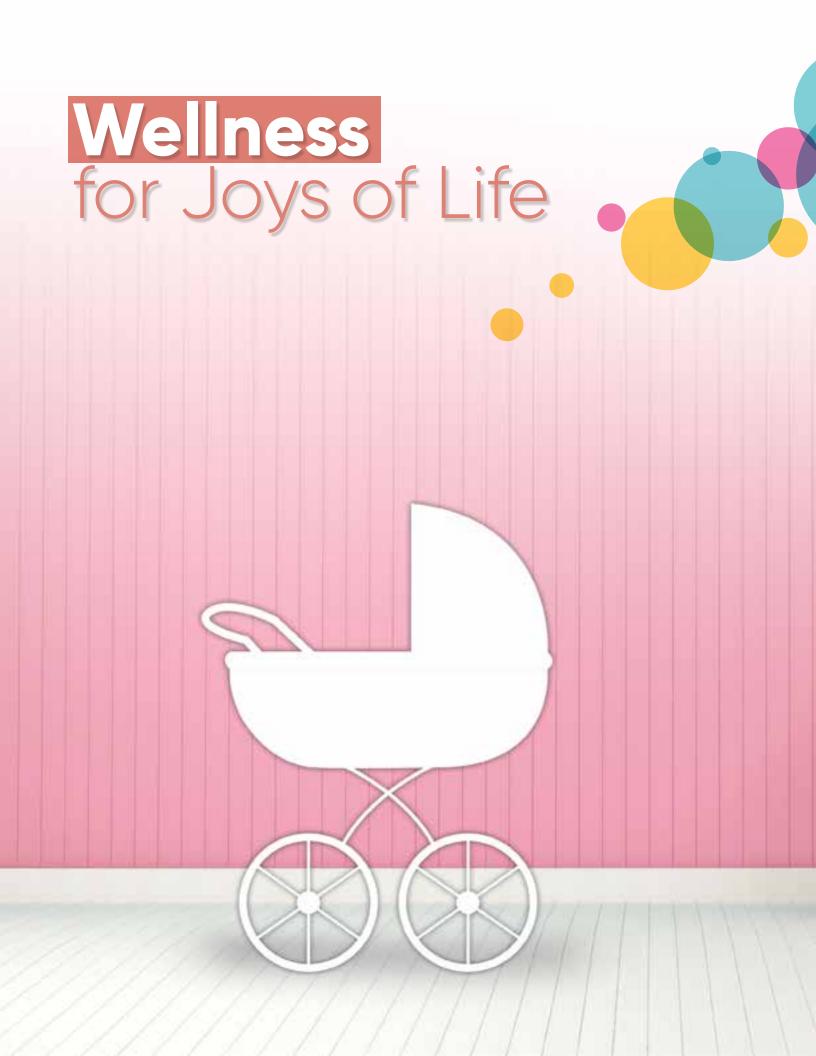
Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the company ten days before holding of the annual general meeting.

If the company receives consent from members holding in aggregate 16% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to day of meeting, the company will arrange a video conference facility in the city subject to availability of such facility in that city.

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

Signature of Member

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



Brain Development is important for every child

Routine formula to provide complete nutrition for full term infants . Clinically demonstrated to support brain and immune system.





Chairman's Review



DEAR MEMBERS

I am pleased to present 20th annual report along with audited financial statements of IBL HealthCare Limited for the year ended June 30, 2017 and the auditors' report thereon.

OVERALL PERFORMANCE

The nutrition business in Pakistan is flourishing as overall market is growing positively in double digit per annum. Our adult nutrition business is growing with +13% per annum compared to market growth of +6%. In the infant nutrition market, we are facing tough competition due to induction of new players with economical brands and extensive promotional campaign by key players restricted us to grow significantly. The newly launched own brands started contributing in revenue and profitability of the company. The financial results of IBL Healthcare are satisfactory, as we have earned total revenue of Rs. 1.19 billion this year as compared to Rs. 1.16 billion in same period last year. During the fiscal year, we faced price increase by the principal and imposition of additional regulatory duty by the Government which further squeezed our margins. To neutralize the effect of competitor's campaigns and launching of economical brands by the new player, aggressive promotional strategies were executed which resulted in positive growth in profit after tax which is 16.7% of the sales as compared to 15.5% same period last year.

FUTURE OUTLOOK

The management is continuously working to explore new opportunities to enter in other categories of healthcare sector to maximize share in the market and the revenue as well. Our newly launched own brands and products in pipeline, with good profit margin will contribute further towards profitability of the company.

ACKNOWLEDGEMENTS

On behalf of the Board, I express my appreciation for the dedication to duty and professional conduct of the employees of the Company, as well as shareholders and stakeholders for their support. I also thank the bankers of the Company for the understanding and the cooperation they have extended. The combined efforts of all have been instrumental in the growth of the Company against all odds. We all pray for a peaceful, progressive and prosperous Pakistan. Ameen!

For and on behalf of the Board of Directors

RASHID ABDULLA Chairman September 21, 2017



عزيز ممبران

میں ۲۰ ویں سالا نہ رپورٹ بشمول سال مختمہ ۳۰ جون ۱۷۰۷ء کے لئے آئی بی ایل ہیاتھ کیئرلمیٹڈ کے آڈٹ شدہ مالیاتی حسابات اوران پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوش محسوں کرر ہاہوں ۔

مجموعي كاركردگي

مستقتل كاجائزه

ا نظامیہ ہیلتھ کیئرسیگڑ کی دیگر کمٹیگر بزمیں شمولیت کے لئے نئے مواقع تلاش کرنے کیلئے مسلسل کو شاں ہیں تا کہ مارکیٹ شیئر میں اضافے کے ساتھ ریو نیو کو بھی بڑھایا جا سکے۔ ہمارے نئے ذاتی متعارف کرائے جانے والے برانڈ زاور جو پروڈ کٹس ابھی پائپ لائن میں ہیں اُن سے پہتر شرح منافع کے حصول کا امکان ہے اور اس کے بنتیج میں کمپنی کے منافع جات میں بھی اضافہ ہوگا۔

اظهارتشكر

پورڈ کی جانب سے میں کمپنی کے ملاز مین کوان کے فرائض کی دیا نتراری سے انجام دہی اور پیشہ ورانہ رو یئے پر خراج تحسین پیش کرتا ہوں اور شیئر ہولڈرز اور اسٹیک ہولڈرز کی معادنت پران کا مشکور ہوں۔ میں کمپنی کے بینکرز کے تعاون اور حمایت پران کا بھی شکر بیادا کرتا ہوں۔ تمام لوگوں کی مشتر کہ کوششوں کے باعث تمام تر رکا دلوں کے باوجود کمپنی نے نمایاں ترقی حاصل کی ہے۔ہم ایک پُرامن، ترقی یا فتہ اور شخکم پاکستان کیلئے دعا گو ہیں۔ آمین

برائے اور منجانب بور ڈ آف ڈائر کیٹرز

راشدعبداللد چيئر مين

۲۱ شتمبر ۲۵+۲ء

Directors' Report

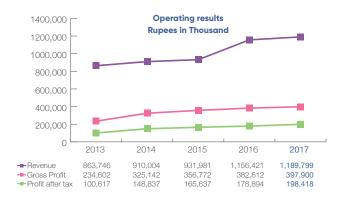
The Board of Directors of IBL HealthCare Limited (IBLHC) takes pleasure to present before you the Annual Report together with the audited financial statements of the Company for the year ended June 30, 2017.

The Directors' report is prepared under section 227 of the Companies Act 2017 and clause xvi of the Code of Corporate Governance.

SUMMARY OF FINANCIAL PERFORMANCE

	2017 (Rupees ir	2016 n thousand)
Revenue	1,189,799	1,156,421
Gross profit	397,900	382,612
Gross profit as a percentage of revenue	33.4%	33.1%
Operating profit	253,970	223,059
Profit after taxation	198,418	178,894

The performance of your company is satisfactory for the financial year despite of the fact that number of new players entered in the market with economical brands and extensive promotional activities by the key players of the market.



The gross profit as a percentage of sales has marginally increased to 33.4% for the current fiscal year despite of price increase by the principal, imposition of additional regulatory duty by the Government resulted in higher cost of sales compared to last year. To neutralize the effect of competitor's campaigns and launching of economical brands by the new player, aggressive promotional strategies were executed which resulted in positive growth in profit after tax which is 16.7% of the sales as compared to 15.5% same period last year.

HOLDING COMPANY

The Searle Company Limited is the Holding Company of IBL HealthCare Limited. As at June 30, 2017, The Searle Company Limited held 35,624,533



shares of Rs.10 each.

BASIC EARNINGS PER SHARE

Basic earnings per share were Rs.4.04 (2016: Rs. 3.68)

The revenue for the current financial year is Rs. 1.189 billion as compared to Rs. 1.156 billion for the same period last year with a positive growth of 3%.

DIVIDEND

The board of directors has recommended a cash dividend of 10% and a stock dividend of 10% for the year ended June 30, 2017 (2016: 10% cash and 15% stock dividend).

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Performance with integrity is central to operating at IBL HealthCare. The Board of Directors has adopted a statement of ethics and business practices. All employees are informed and aware of this and are required to observe these rules of conduct in relation to business and regulations.

MEETINGS OF THE BOARD OF DIRECTORS

During the year 2017, five Board meetings were held and attended as follows:

Directors	Meetings attended
Mr. Rashid Abdulla	4
Mr. Adnan Asdar Ali	5
Mr. S. Nadeem Ahmed	4
Mr. Mufti Zia ul Islam	5
Mr. Zubair Palwala	5
Mr. Shahid Abdulla	3
Mr. Arshad Anis	4
Mr. Ayaz Abdulla	5
Ms. Shaista Khaliq Rehman	4

AUDIT COMMITTEE

The Committee comprises of three members, two are non-executive Directors and the Chairman of the Committee is an independent director.

The terms of reference of the Committee have been determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations and advised to the Committee for compliance. During the year four Committee meetings were held.

An independent audit function reporting to the Board's audit committee reviews risks and controls across the organization. The Board has outsourced the Internal Audit function to Grant Thornton Anjum Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

During the year 2017, four audit committee meetings were held and attended as follows:

Members	Meetings attended
Ms. Shaista Khaliq Rehman – Chairperson	4
Mr. Zubair Palwala	4
Mr. Arshad Anis	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Committee comprises of three members, all of them are non-executive directors including the chairman of the Committee.

DIRECTORS' TRAINING PROGRAM

Board of Directors' training helps the board fulfil its role and make a real difference to a company's performance. It takes a practical and pragmatic approach because every board has a unique role in company oversight including duty to stakeholders. Therefore, keeping in mind following directors have attended the training program as required by the Code of Corporate Governance.

- 1. Mr. S. Nadeem Ahmed
- 2. Mr. Mufti Zia ul Islam
- 3. Mr. Zubair Palwala
- 4. Mr. Ayaz Abdulla
- 5. Ms. Shaista Khaliq Rehman

CORPORATE AND SOCIAL RESPONSIBILITY

At IBL HealthCare, our aim has always been to make useful contributions to the economy we operate in. One of the primary areas of focus has been the creation of employment opportunities to support

Directors' Report

sales workforce. The group operates in a socially responsible manner. Accordingly, the group's CSR program has a very wide scope encompassing initiative in the areas of health care, education, environment protection and other social welfare activities.

AUDITORS

The present auditors, A.F. Ferguson & Co, Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee after due consideration, recommended to the board for appointment of A.F. Ferguson & Co as auditors of the Company for the year ending June 30, 2018. The Board of Directors endorsed the recommendation of the Audit Committee for appointment of A.F. Ferguson & Co for the financial year ending June 30, 2018.

SUBSEQUENT EVENTS

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

VALUE OF INVESTMENTS OF PROVIDENT FUND

The value of investment of provident fund as per its draft financial statements at June 30, 2017 is Rs. 25.8 million (June 30, 2016 is Rs.24.2 million).

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

• The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The financial statements are prepared in accordance with International Financial Reporting Standards, as applicable in Pakistan.
- The Company maintains and implements a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. This has been formalized by the Board's Audit Committee and is updated as and when needed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Code of Corporate Governance as detailed in the listing regulations.

FUTURE OUTLOOK

The Management of your Company is optimistic for the continuous growth in IBL HealthCare. We are focused on enhancing current business and tapping new opportunities. We have finalized agreements with USA and UK based Principals for their wide range of products. Our sales force is strenuously focusing on providing high quality premium products to all health care professionals. Bedside enhancing coverage, addition of new products, will not only increase our market share in these categories, but will also result in an increase in the Company's sales growth and profitability. We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers. In accomplishing this, we would like to appreciate the enormous cooperation and support of our sales force, without which we will not be able to achieve these results.

We also take this opportunity to thank our employees for their continuing contribution in the achievement of Company's results. June 30, 2017 and other related information is set out on page 28 and 29.

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

SHAREHOLDING INFORMATION

The Company's shares are traded in Pakistan Stock Exchange. The pattern of shareholding as at

Karachi September 21, 2017

Mufti Zia ul Islam Chief Executive Officer

مستقبل پرایک نظر آپ کی کمپنی کی انتظامیہ آئی بی ایل ہیلتھ کیئر میں مستقل ترقی کیلئے پُرعزم ہے۔ہم اپنے موجودہ کاروبار پر توجہ دیتے ہوئے نئے مواقع تلاش کرتے رہتے ہیں۔ہم نے امریکہ اور برطانیہ میں موجود بڑے کاروباری اداروں کے ساتھ ان کی وسیع تر مصنوعات کے حوالے سے معاہدوں کو حتی شکل دی ہے۔ہماری سیز فورس مستقل طور پرتمام ہیلتھ کیئر پر وفیشنلز کے لئے اعلیٰ معیاری مصنوعات فراہم کرنے پر توجہ دے رہی ہے۔ اپن دائر ہِ کاروسیچ کرنے ،نئی مصنوعات میں اضافہ کے ساتھ نہ موجون ان کی طریز میں ہمارا مارکیٹ شیئر بڑ ھے گا بلکہ اس کے مثبت نہائی کی سیلز گروتھ اور منافع جات پر بھی پڑھیں گے۔

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

ہم اس موقع پراپنے ملاز مین کے بھی مشکور ہیں کیونکہ انہوں نے کمپنی کے بہتر نہائج کے حصول میں اپنا بھر پور کر دارا دا کیا۔

شيئر ہولڈنگ کی معلومات

سمپنی کے شیئرز کی پاکستان اسٹاک ایکیچینج میں تجارت ہوتی ہے۔ ملاجون ۲۷ء کے مطابق شیئر ہولڈنگ کا طریقہ کاراور دیگر متعلقہ معلومات صفحہ نمبر ۲۸ اور ۲۹ پر درج ہیں۔

سمپنی کے کوئی ڈائر یکٹرز ،ایگزیکٹوز اوران کے شریکِ حیات اور نابالغ بچوں نے اس مدت کے دوران کمپنی کے شیئر ز کی کوئی خرید دفر وخت نہیں کی ۔



کراچی ۲۱ ستمبر ۲**۱۰**۲ء

، آ ڈیٹرز

موجودہ آڈیٹرزاے۔ایف فرگوتن اینڈ کمپنی، چارٹرڈ اکاؤشینٹس سبکدوش ہورہے ہیں اوراہل ہونے کی بناء پرانہوں نے خودکودوبارہ تقرر کی کیلئے پیش کیا ہے۔ آڈٹ کمیٹی نے نوروخوض کے بعد بورڈ کو سفارش کی ہے کہ اے۔ایف فرگوتن اینڈ کمپنی کو سال مختمہ ۲۰۱۰ جون ۲۰۱۸ ء کیلئے کمپنی کے آڈیٹرز کی حیثیت سے تقرری دے دی جائے۔ بورڈ آف ڈائر کیٹرز نے آڈٹ کمیٹی کی سفار شات پر ۲۰ جون ۲۰۱۸ ء کوختم والے مالیاتی سال کیلئے اے۔ایف فرگوتن اینڈ کمپنی کی تقرری کی تو ثیق کردی ہے۔

بعدازاں ہونے والے واقعات

اس رپورٹ کی تاریخ اور کمپنی کے مالیاتی سال کے اختشام کے درمیان کمپنی کی مالیاتی حیثیت پراٹر انداز ہونے والی کوئی تبدیلی یا معاہد یے مل میں نہیں آئے۔

پراویڈنٹ فنڈ کی سرماییکاریوں کی مالیت

۳۰ جون ۱۷-۲ء پراس کے ڈرافٹ مالیاتی حسابات کے مطابق پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت ۸ء۲۵ملین روپے ہے(۳۰ جون ۲۰۱۶ءکو ۲ _۴۲۶ ملین روپے رہی)۔

- کار پوریٹ اور مالیاتی رپورٹنگ فریم ورک
- سستمینی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی حسابات اس کے تمام کا روباری امور، اس کے آپریشن کے نتائج، بہاؤاور اس کی ایکویٹ میں تبدیلی کو شفاف انداز میں پیش کرتے ہیں۔
- موزوں ترین اکاؤنٹنگ پالیسیاں مالیاتی حسابات اورا کاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پرلا گو کی جاتی ہیں اور یہ مناسب اور مختلط فیصلوں پر منحصر ہوتی ہیں۔
 - مالیاتی حسابات پاکستان میں نافذ العمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈ رز کے مطابق تیار کئے جاتے ہیں۔
- سستمینی ایک مشخکم اندرونی کنٹرول سسٹم کا حامل ہے جو کسی بھی غلط بیانی یا نقصان کے خلاف قابل قدر صانت فراہم کرتا ہے۔انٹرنل کنٹرول سسٹم کابا قاعدہ سے جائزہ لیاجا تاہے سے بورڈ کی آڈٹ کمیٹی کی جانب سے حتمی طور پر تیار کیا جا تا ہے اور جہاں ضرورت ہوا ہے بہتر بنایا جاتا ہے۔
 - اس امر میں کوئی شبخ ہیں کہ کمپنی میں ترقی کرنے کی بہترین صلاحت موجود ہے۔
 - کوڈ آف کار پوریٹ گورننس کے بہترین طریقہ کار سے قطعی روگردانی نہیں کی جاتی جیسا کہ سٹنگ ریگولیشنز میں درج ہے۔

سال ۲۰۱۷ء کے دوران آڈٹ کمیٹی کے جا راجلاس ہوئے اوران میں حاضری درج ذیل کے مطابق رہی۔

ارکان اجلاس میں حاضری مسما ة شائسة خالق رحمٰن - چیئر پرسن 4 جناب زیبر پال دالا 4 جناب ارشدا نیس **برومن ریسورس اینڈ ریمیو نریشن کمیٹی** بیر کمیٹی تین ممبران پر مشتمل ہے، تمام نان ۔ ایگز یکٹوڈ ائر یکٹر زیشمول کمیٹی کی چیئر پرسن ہیں۔ **ڈ ائر یکٹر زکا تربیتی پر دگرام**

بورڈ آف ڈائر کیٹرز کی تربیت بورڈ کواس کا کردارادا کرنے اور کمپنی کی کارکردگی میں نمایاں تبدیلی لانے میں معاون ثابت ہوتی ہے۔ یہ ایک عمل اور حقیقت پسندانہ نقطہ نظر کا حامل ہے کیونکہ ہر بورڈ کمپنی پرنظر رکھنے بشمول اسٹریک ہولڈرز کیلئے ڈیوٹی انجام دینے میں ایک منفر دکردار رکھتا ہے۔ لہٰذااس امرکو مدنظر رکھتے ہوئے درج ذیل ڈائر کیٹرز نے تربیتی پروگرم میں شرکت کی جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے۔

> ا۔ جنابالیں۔ندیم احمد ۲۔ جناب مفتی ضیاءالاسلام ۳۔ جناب زبیر پال والا ۵ مسما ۃ شائستہ خالق رحمٰن

کار پوریٹ اور ساجی ذمہ داری

آئی بی ایل ہیلتھ کیئر میں ہماراعز ماس معیشت میں کارآ مدحصہ بٹانا ہے جس میں ہم کاروبار کررہے ہیں۔خصوصی توجہ کے بنیا دی شعبوں میں سے ایک روزگار کے مواقع پیدا کرنا ہے تا کہ سلز میں افرادی قوت کو معاونت فراہم کی جاسکے۔ یہ گروپ ایک ساجی ذمہ دارادار بے کی حیثیت سے کام کررہا ہے۔جس کے مطابق گروپ کاسی ایس آر پروگرام ایک انتہائی وسیع اسکوپ کا حامل ہے جس میں ہیلتھ کیئر تعلیم، ماحولیاتی تحفظ اور دیگر ساجی بہود کی سرگرمیوں بے حوالے سے مؤثر اقدامات کئے جارہے ہیں۔

ضابطهاخلاق اوركار وبإرى طريقة كاركااسيثمنت

کارکردگی کے ساتھ نظم وضبط آئی بی ایل ہیلتھ کیئر کمیٹر میں کام کرنے کے لئے مرکز می حیثیت کا حامل ہے۔ بورڈ آف ڈائر کیٹرز نے ضابطہ اخلاق اور کاروباری طریقہ کار کا ایک اسٹیٹنٹ تیار کررکھا ہے۔تمام ملاز مین کواس سے آگاہ کردیا گیا ہے اور وہ اس سے بخو بی واقف ہیں جبکہ کاروباراورضوابط سے متعلق ان اصولوں پر عملدر آمد کرنا ضروری ہے۔

بورد آف د انز يکٹرز کے اجلاس

سال ۲۰۱۷ء کے دوران بورڈ کے پانچ اجلاس ہوئے اوران میں حاضری درج ذیل کے مطابق رہی:

اجلاس میں حاضری

4	جناب <i>را شد عبدالل</i> د
5	جناب عدنان اسدرعلى
4	جناب اليس _نديم احمد
5	جناب مفتى ضياءالاسلام
5	جناب زبير پال والا
3	جناب شام <i>د عبد</i> اللد
4	جناب ارشدانيس
5	جناب اياز عبداللد
4	مسماة شائسته خالق رحمن

آ ڈٹ ^{کمیٹ}ی

ہیمیٹی تین ممبران پرمشمل ہے، دونان ۔ ایگزیکٹوڈ ائر یکڑ زاور کمیٹی کے چیئر پرتن ایک خود مختارڈ ائر یکٹر ہیں۔

سمیٹی کے ٹرمزآف ریفرنس کانعین بورڈ آف ڈائر یکٹر زکسٹنگ ریگولیشنز میں فراہم کردہ رہنما ہدایات کے مطابق کرتا ہے اوراس پرعملدرآ مدک لئے کمیٹی کو ہدایات دی جاتی ہیں سال کے دوران کمیٹی کے 6 اجلاس منعقد ہوئے۔

ایک خود محتار آ ڈٹ کا کام بورڈ کی آ ڈٹ کمیٹی کور پورٹ پیش کرنا ہے جو پورےادارے میں خد شات اور کنٹرول کا جائزہ لیتی ہے۔ بورڈ نے انٹرنل آ ڈٹ کاعمل بیرونی طور پرگرانٹ تھورنٹون انجم رحمٰن، چارٹرڈا کا دُنٹینٹس سے کرایا جوموز وں طور پراس مقصد کے لئے اہل اور نجر بہ کا رتصور کئے گئے اور کمپنی کی پالیسیوں اور طریقہ کار سے بھی بخو بی واقف ہیں۔

رواں مالی سال کیلئے آمدنی ۱۸۹ءابلین روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران اس کے مقابلہ میں آمدنی ۱۵۶ءابلین روپے رہی تھی اور اس طرح ۳ فیصد کی مثبت شرح نموظاہر ہوئی۔

فروخت (سیلز) کی فیصدی شرح کے طور پر مجموعی منافع جات رواں مالی سال کیلئے ۲۳۳ فیصد تک بڑھ گئے حالانکہ اس دوران پر سپل کی جانب سے نرخوں میں اضافہ اور حکومت کی جانب سے اضافی ریگولیٹری ڈیوٹی بھی عائد کی گئی جس کے بنتیج میں گزشتہ سال کے مقابلہ میں سیلز کے اخراجات بڑھ گئے۔سابقتی کمپنیوں کی تشہیری مہم اور نئے ادارے کی جانب سے با کفایت برانڈز متعارف کرانے کے اثرات کو کم کرنے کیلئے جارحانہ تشہیری حکمت عملیاں تشکیل دی گئیں جس کے بنتیج میں منافع بعد از ٹیکس میں مذہب گروتھ حاصل کی گئی جو ساز کا مقابلے میں گزشتہ سال کی اسی مدت میں بیشرح ۵ وافی حکومت

ہولڈنگ کمپنی

دی سرل کمپنی لمیٹڈ، آئی بی ایل ہیلتھ کیئر لمیٹڈ کی ہولڈنگ کمپنی ہے۔ •۲ جون ۲۷ء کے مطابق دی سرل کمپنی لمیٹڈ ہرایک •اروپے مالیت کے ۳۵، ۶۲۴،۵۳۳ شیئرز برقر اررہی۔

> **بنیادی آمدنی فی شیئر** بنیادی آمدنی فی شیئر ۲۰ - ۲۶ روپے رہی (۲۸ - ۲۴ روپے: ۲۰۱۲ -)۔



منافع منقسمه

بورڈ آف ڈائر یکٹرزنے ۲۰ جون ۱۷-۲ کوختم ہونے والے سال کے لئے ۱ فیصد نفذ منافع منقسمہ اور ۱ فیصداسٹاک منافع منقسمہ کی سفارش کی ہے۔(۲۰۱۲ء: ۱ فیصد نفذ اور ۱۵ فیصداسٹاک منافع منقسمہ)

ڈائر یکٹرز کی رپورٹ

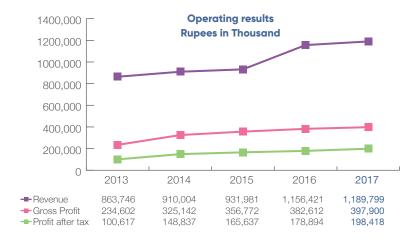
آئی بی ایل ہیلتھ کیئر کمیٹڈ (آئی بی ایل ایچ س) کے بورڈ آف ڈائر کیٹرز آپ کے سامنے ۲۰ جون ۲۰۱۷ء کوختم ہونے دالے مالی سال کے لئے سالا نہ رپورٹ مع اس کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

یہ ڈائر یکٹرز رپورٹ کمپنیز ایکٹ ۲۰۱۷ کی دفعہ ۲۲۷ اور کوڈ آف کارپوریٹ گور منس کی شق xvi کے نخت تیار کی گئی ہے۔ م

مالیاتی کارکردگی کاخلاصه

2016 2017

روں میں)	(روپے، ہزا	
1,156,421	1,189,799	آمدنى
382,612	397,900	مجموع منافع جات
33.1%	33.4%	مجموعی منافع جات کی شرح بد سبت آمدنی
223,059	253,970	آ پریٹنگ منافع جات
178,894	198,418	منافع بعداز ثيكس



آپ کی کمپنی کی کارکردگی اس مالیاتی سال کے دوران مجموعی طور پر اطمینان بخش رہی باوجود اس امر کے کہ بڑی تعداد میں نئی کمپنیاں مارکیٹ میں با کفایت برانڈز کے ساتھ داخل ہو کیں اور مارکیٹ کے بڑے اداروں کی جانب سے وسیع پیانے پر تشہیری سرگرمیاں بھی جاری رہیں۔

Wellness for Happiness

Support Child's Learning Moments

High quality milk supplement formulated for growing children. It contains essential nutrients to help them better able to achieve their optimal mental and physical development.





Operating & Financial Highlights

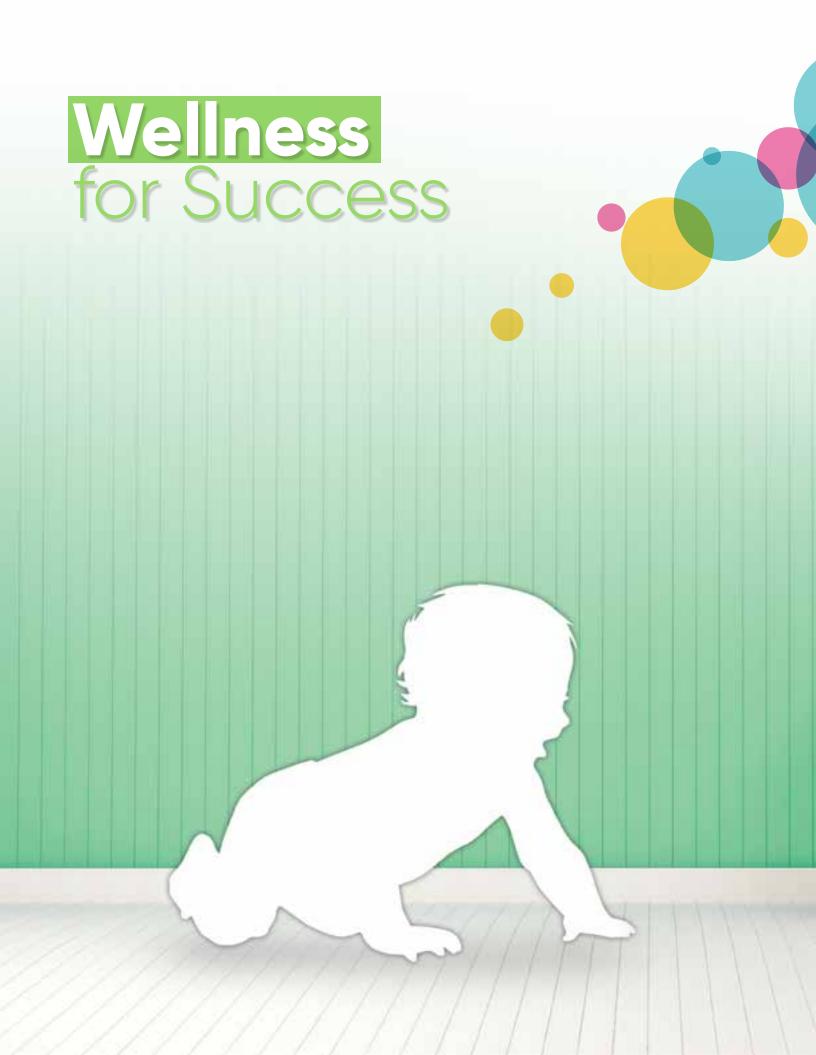
	Unit	2017	2016	2015	2014	2013	2012
FINANCIAL POSITION							
Balance Sheet							
Property and equipment Investment property Other non-current assets	Rs. in '000 Rs. in '000 Rs. in '000	115,603 123,588 56,428 56,428	1,527 123,588 150,753 150,753	815 123,588 147,443 147,443	1,545 123,588 14,507 14,507	7,529 123,588 35,249 35,249	7,475 120,952 44,043 44,043
Current assets Total assets	Rs. in '000 Rs. in '000	1,021,501 1,317,120	903,013 1,178,881	589,823 861,669	470,910 610,550	339,792 506,158	433,563 606,033
Share capital Unappropriated profit plus share premium Total equity	Rs. in '000 Rs. in '000 Rs. in '000	491,706 596,876 1,088,582	427,570 505,351 932,921	299,000 365,327 664,327	230,000 291,690 521,690	200,000 202,853 402,853	200,000 152,236 352,236
Non-current liabilities Current liabilities Total liabilities	Rs. in '000 Rs. in '000 Rs. in '000	- 228,538 228,538	- 245,960 245,960	- 197,342 197,342	- 88,860 88,860	1,096 102,209 103,305	14,866 238,931 253,797
Total equity and liabilities	Rs. in '000	1,317,120 1,317,120	1,178,881 1,178,881	861,669 861,669	610,550 610,550	506,158 506,158	606,033 606,033
Total net assets	Rs. in '000	1,088,582	932,921	664,327	521,690	402,853	352,236
OPERATING AND FINANCIAL TREND							
Profit and loss							
Revenue Cost of sales Gross profit Operating profit Finance cost Profit before taxation Profit after taxation	Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000 Rs. in '000	1,189,799 791,899 397,900 253,970 1,403 252,567 198,418	1,156,421 773,809 382,612 223,059 2,464 220,595 178,894	931,981 575,209 356,772 190,532 1,956 196,474 165,637	910,004 584,862 325,142 170,486 2,602 181,354 148,837	863,746 629,144 234,602 118,598 3,314 121,631 100,617	723,387 505,580 217,807 97,065 11,991 87,726 78,360
Cash flows							
Operating activities Investing activities Financing activities	Rs. in '000 Rs. in '000 Rs. in '000	144,506 (105,019) (41,570)	(120,244) 31,895 89,700	225,767 (211,291) (23,000)	70,611 (27,977) (32,413)	59,598 (2,660) (55,450)	128,665 (5,098) (51,069)
FINANCIAL POSITION							
Rate of return							
Pre tax return on equity Post tax return on equity Interest cover	% % times	23.20 18.23 181.02	23.65 16.43 90.53	29.57 24.93 97.41	34.76 28.53 65.52	30.19 24.98 35.79	24.91 22.25 8.09

	Unit	2017	2016	2015	2014	2013	2012
Profitability							
Gross profit margin Pre tax profit to sales Post tax profit to sales	% % %	33.44 21.23 16.68	33.09 19.08 15.47	38.28 21.08 17.77	35.73 19.93 16.36	27.16 14.08 11.65	30.11 12.13 10.83
Liquidity							
Current ratio Quick ratio		4.47 2.18	3.67 1.53	2.99 1.84	5.30 2.75	3.32 1.63	1.81 0.80
Financial gathering							
Debt equity ratio		0.21	0.26	0.30	0.17	0.26	0.72
Capital efficiency Inventory							
Debtors turnover Inventory turnover Total assets turnover Property, plant equipment turnover	days days times times	98 103 1.11 10.29	82 124 1.02 757.32	86 130 0.92 1,143.53	71 130 0.67 589.00	64 89 0.59 114.72	60 160 0.84 96.77
Investment							
Earnings per share	Rs.	4.04	3.68	3.98	4.98	4.37	3.92

Pattern of Shareholding

No. of shareholders	Shareholdings Slab			Total Shares Held
0.400				
2496	1	to	100	68,816
1241	101	to	500	331,233
779	501	to	1000	522,276
244	1001	to	1500	299,993
135	1501	to	2000	240,089
99	2001	to	2500	223,723
63	2501	to	3000	173,540
40	3001	to	3500	129,728
28	3501	to	4000	105,714
23	4001	to	4500	96,903
31	4501	to	5000	150,329
14	5001	to	5500	73,347
17	5501	to	6000	98,043
14	6001	to	6500	86,786
12	6501	to	7000	81,905
10	7001	to	7500	72,477
9	7501	to	8000	70,052
6	8001	to	8500	49,413
2	8501	to	9000	17,786
6	9001	to	9500	54,892
13	9501	to	10000	128,674
31	10001	to	15000	377,569
14	15001	to	20000	245,936
12	20001	to	25000	274,475
30	25001	to	50000	1,141,959
11	50001	to	100000	746,288
4	100001	to	150000	510,211
4	150001	to	200000	706,428
4	200001	to	250000	928,890
3	250001	to	300000	811,128
2	300001	to	400000	764,013
1	400001	to	500000	415,256
3	500001	to	1500000	3,548,245
1	1500001	to	12000000	11,775,958
1	12000001	to	24000000	23,848,475
5403				49,170,550

Categories of Shareholders	Shareholders	Shares Held	Peercentage
Directors and their spouse(s) and minor children			
Rashid Abdulla	2	87,916	0.18%
Adnan Asdar Ali	1	1	0.00%
Syed Nadeem Ahmed	3	594	0.00%
Mufti Zia ul Islam	1	879	0.00%
Zubair Razzak Palwala	2	1,084	0.00%
Ayaz Abdulla	2	38,840	0.08%
Shaista Khaliq Rehman	1	19	0.00%
Shakila Rashid	1	382	0.00%
Associated Companies, undertakings and related parties			
The Searle Company Limited	3	35,624,533	72.45%
Trustee Searle Pakistan Limited Provident Fund	1	1,317,156	2.68%
International Brands Limited	1	158,443	0.32%
United Distributors Pakistan Limited	1	1,081,089	2.20%
Executives	-	-	0.00%
Public Sector Companies & Corporations	2	385,038	0.78%
Banks, develop finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	12	535,446	1.09%
Mutual Funds	4	14,735	0.03%
General Public			
a. Local	5302	8,695,186	17.68%
b. Foreign	27	432,452	0.88%
Others	37	796,757	1.62%
Total	5403	49,170,550	100.00%
Shareholders holding 5% or more			
The Searle Company Limited		<mark>35,</mark> 624,533	72.45%



Tailored Nutrition Encouraging Milestones

Formulated with DHA and ARA, specialty formula provide specialized nutrition as per need of infants.







Statement of Compliance with the Code of Corporate Governance

For the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of Listing Regulation of Pakistan Stock Exchange Limited for the purpose of establishing a frame work of good governance whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board of Directors includes:

Category Name of Director

Independent Director:	Ms. Shaista Khaliq Rehman
Executive Director:	Mr. Mufti Zia ul Islam
Non-Executive Directors:	Mr. Rashid Abdulla
	Mr. Ayaz Abdulla
	Mr. Zubair Razzak Palwala
	Mr. S. Nadeem Ahmed
	Mr. Adnan Asdar Ali

The independent director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

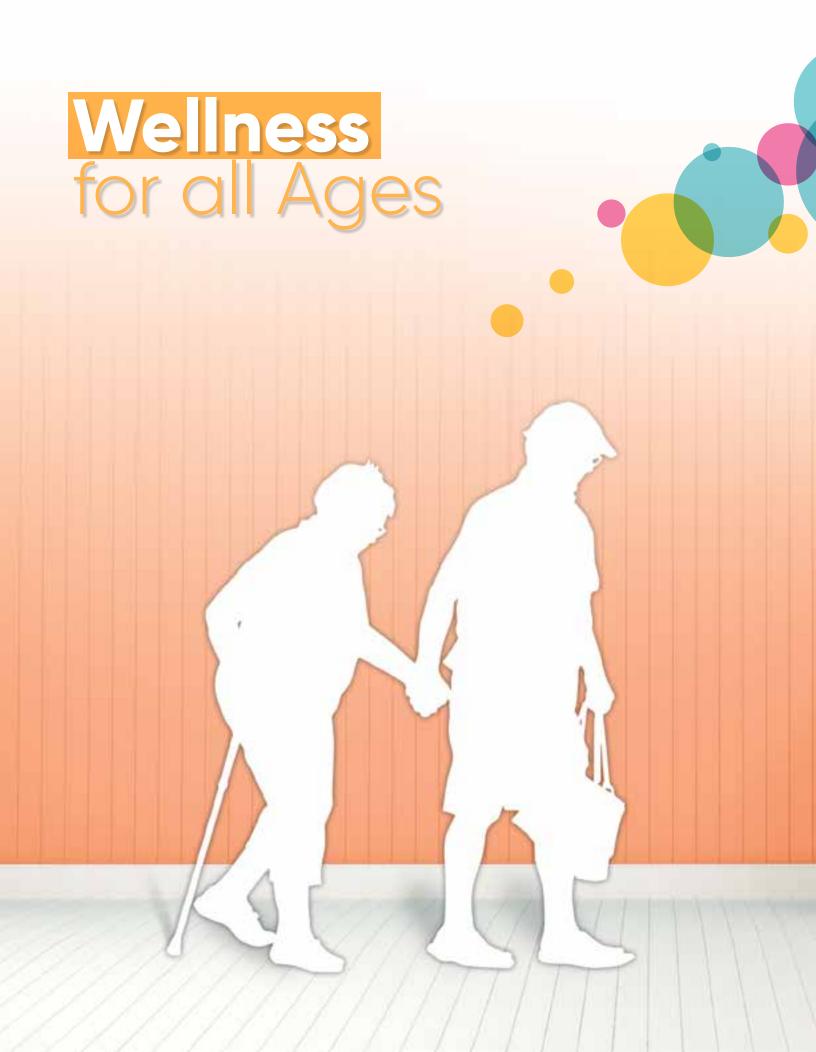
- 2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- 3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being broker of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4. No casual vacancy occurred on the board during the period.
- 5. 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.

- 6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment, remuneration and determination of terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
- 8. The meetings of the Board were presided over by the Chairman and, in his absence, by the Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9. All directors (except one) are either exempted or have attended the required training in prior years.
- 10. The Board has approved the appointment, remuneration and terms and conditions of employment of the CFO, who is also the Company Secretary. The terms and conditions of employment of head of internal audit has also been approved by the Board. The Head of Internal Audit is on parent company payroll and no remuneration is charged to the Company.
- 11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- 12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
- 13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

- 14. The Company has complied with all the Corporate and Financial Reporting requirements of CCG.
- 15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the Chairperson of the committee is an independent director.
- 16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- 17. The Board has formed an HR and Remuneration Committee. It comprises of three members, two of whom are non-executive directors and one is an independent director. The Chairman of the Committee is a non-executive director.
- 18. The Board has outsourced the internal audit function to Grant Thorton Anjum Rahman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 19. 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 (ICAP), that they or any of the Partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its Partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 20. The statutory auditors or the person associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

- 21. The 'closed period', prior to the announcement of interim / final results, and business decisions which may materially affect the market price of Company's securities was determined and intimated to directors, employees and stock exchanges.
- 22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
- 23. The company has complied with the requirements related to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24. The Chairperson of Audit Committee did not attend the Annual General Meeting of the Company.
- 25. We confirm that all other material principles enshrined in the CCG have been complied with.

Mufti Zia ul Islam Chief Executive Officer



Nutritional Care for all Ages

Resource Optimum is a nutritionally complete, oral supplement specifically formulated for older adults to help support immune function and enhance recovery.

Resource Diabetes is a complete and balanced nutritional formula for people with Diabetes.

Beneprotein is a concentrated source of high quality Whey protein. It can be added to food and beverages without compromising taste and texture.









A. F. FERGUSON & CO.

Review Report to the Members

On Statement of Compliance With The Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices containe in the Code of Corporate Governance (the Code) prepared by the Board of Directors of IBL HealthCare Limited for the year ended June 30, 2017 to comply with the requirements of Regulation No. 5.19 of the Pakistan Stock Exchange Limited Regulations where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the company for the year ended June 30, 2017.

Further, we highlight below instance of non-compliance with the requirements of the Code as reflected in the note reference where this is stated in the Statement of Compliance:

S. No. Note Reference

(i)

Description

25 The Chairperson of Audit Committee did not attend the Annual General Meeting of the Company.

Chartered Accountants Karachi Dated: October 05, 2017



A. F. FERGUSON & CO.



To the Members of IBL HealthCare Limited

We have audited the annexed balance sheet of IBL HealthCare Limited as at June 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

in our opinion:

the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

the expenditure incurred during the year was for the purpose of the Company's business; and

the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and

in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements for the year ended June 30, 2016 were audited by another firm of Chartered Accountants whose report dated September 26, 2016, expressed an unmodified opinion thereon.

Chartered Accountants Karachi Dated: October 05, 2017 Name of the engagement partner: Farrukh Rehman

New Product Range

Prepup baby cereal is an ideal choice to fulfill the needs of growing babies as it is iron, calcium and vitamins fortified.

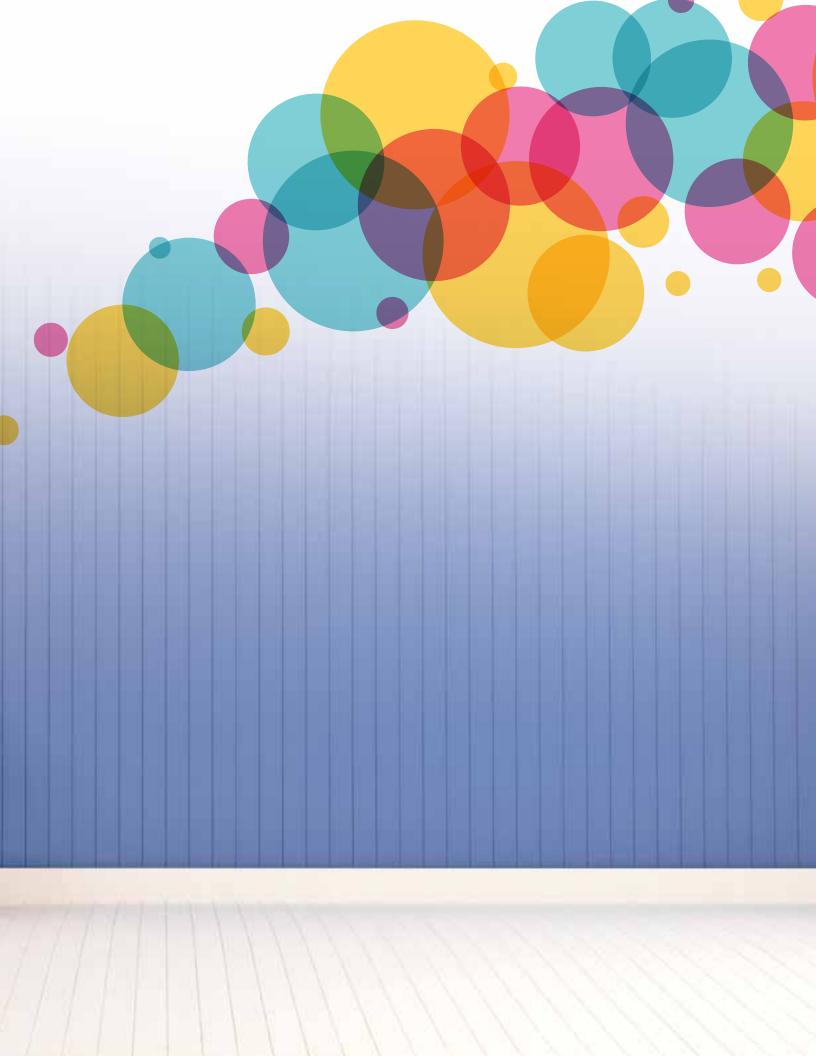


Pregna Essential

Multivitamin & mineral tablets, tailored for the needs of Pre-conception , throughout pregnancy and Lactation.



Financial Statements



Balance Sheet As at June 30, 2017

	Note	2017 Rupees	2016 in '000
ASSETS			
Non-current assets			
Property and equipment Investment property Intangibles Long term loans and advances	3 4 5 6	115,603 123,588 4,242 52,186 295,619	1,527 123,588 8,570 <u>142,183</u> 275,868
Current assets			
Stock-in-trade Trade debts Loans and advances Trade deposits and short-term prepayments Interest accrued Other receivables Investments - at fair value through profit or loss Refunds due from government - Sales tax Taxation-payment less provision Cash and bank balances Total assets EQUITY AND LIABILITIES	7 8 9 10 11 12 13	222,940 320,653 279,296 4,367 6,743 4,985 160,884 927 4,602 16,104 1,021,501 1,317,120	263,383 259,329 228,649 4,421 3,045 16,649 99,593 - 9,757 18,187 903,013 1,178,881
Share capital and reserves			
Share capital Reserves	14	491,706 596,876 1,088,582	427,570 505,351 932,921
Current liabilities Trade and other payables	15	228,538	245,960
Contingency and commitments	16		
Total equity and liabilities		1,317,120	1,178,881

Chief Executive

Just

Director

Chief Financial Officer

Prof it and Loss Account For the year ended June 30, 2017

Note Rupees in '000 Revenue 17 1,189,799 1,156,421 Cost of sales 18 (791,899) (773,809) Gross profit 397,900 382,612 Distribution cost 19 (147,752) (136,726) Administrative expenses 20 (45,621) (39,268) Other operating expenses 20 (45,621) (39,268) Other income 21 49,443 19,606 Operating profit 253,970 223,059 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 23 (54,149) 178,894 Other comprehensive income 23			2017	2016
Cost of sales 18 (791,899) (773,809) Gross profit 397,900 382,612 Distribution cost 19 (147,752) (136,726) Administrative expenses 20 (45,621) (39,268) Other operating expenses 20 (45,621) (39,268) Other income 21 49,443 19,606 Operating profit 253,970 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 23 (54,149) 178,894		Note	Rupees	s in '000
Cost of sales 18 (791,899) (773,809) Gross profit 397,900 382,612 Distribution cost 19 (147,752) (136,726) Administrative expenses 20 (45,621) (39,268) Other operating expenses 20 (45,621) (39,268) Other income 21 49,443 19,606 Operating profit 253,970 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 23 (54,149) 178,894				
Gross profit 397,900 382,612 Distribution cost 19 (147,752) (136,726) Administrative expenses 20 (45,621) (39,268) Other operating expenses 20 (45,621) (39,268) Other operating expenses 20 (44,621) (3,165) Other income 21 49,443 19,606 Operating profit 253,970 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 23 198,418 178,894	Revenue	17	1,189,799	1,156,421
Distribution cost 19 (147,752) (136,726) Administrative expenses 20 (45,621) (39,268) Other operating expenses 21 49,443 19,606 Other income 21 49,443 19,606 Operating profit 253,970 223,059 Finance cost 21 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Cost of sales	18	(791,899)	(773,809)
Administrative expenses 20 (45,621) (39,268) Other operating expenses 21 49,443 19,606 Operating profit 253,970 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Gross profit		397,900	382,612
Other operating expenses (3,165) Other income 19,606 Operating profit 253,970 Finance cost (1,403) Profit before taxation (2,464) Taxation (3,165) Profit after taxation (3,165)	Distribution cost	19	(147,752)	(136,726)
Other income 21 49,443 19,606 Operating profit 253,970 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Administrative expenses	20	(45,621)	(39,268)
Operating profit 253,970 223,059 Finance cost 22 (1,403) (2,464) Profit before taxation 252,567 220,595 Taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Other operating expenses			(3,165)
Finance cost 22 (1,403) (2,464) Profit before taxation 252,567 220,595 Taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Other income	21	49,443	19,606
Profit before taxation 252,567 220,595 Taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Operating profit		253,970	223,059
Profit before taxation 252,567 220,595 Taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894				
Taxation 23 (54,149) (41,701) Profit after taxation 198,418 178,894	Finance cost	22	(1,403)	(2,464)
Profit after taxation 198,418 178,894	Profit before taxation		252,567	220,595
Profit after taxation 198,418 178,894				
	Taxation	23	(54,149)	(41,701)
Other comprehensive income	Profit after taxation		198,418	178,894
	Other comprehensive income		-	-
Total comprehensive income198,418178,894	Total comprehensive income		198,418	178,894
Earnings per share - basic and diluted (Rupees) 24 4.04 3.68	Earnings per share - basic and diluted (Rupees)	24	4.04	3.68

Chief Executive

Just Director

ТИ

Chief Financial Officer

Cash Flow Statement For the year ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIESCash generated from / (used in) operations25151,770(76,570)Interest income received19,1369,455Income tax paid(1,403)(2,464)Decrease / (increase) in long term loans and advances23,997(3,927)Net cash generated from / (used in) operating activities144,506(120,244)CASH FLOWS FROM INVESTING ACTIVITIESPurchase of property and equipment(49,394)(1,279)Purchase of property and equipment(67)(4,208)Proceeds from redemption of investments(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESCASH FLOWS FROM FINANCING ACTIVITIESMet cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESMet cash (used in) / generated from financing activities(115,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESAdvance against issue of right shares(115,019)31,895Dividends paid(41,570)(59,800)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836Cash and cash equivalents at the end of the year16,10418,187		Note	2017 Rupees ir	2016 י ו'000
Interest income received19,1369,455Income tax paid(48,994)(46,738)Finance cost paid(1,403)(2,464)Decrease / (increase) in long term loans and advances23,997(3,927)Net cash generated from / (used in) operating activities144,506(120,244)CASH FLOWS FROM INVESTING ACTIVITIESPurchase of property and equipment(49,394)(1,279)Purchase of intangibles(456,814)(481,465)Short term investments made(456,814)(481,465)Proceeds from redemption of investments(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIES(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIES(115,701)(59,800)Net cash (used in) / generated from financing activities-149,500Dividends paid(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	CASH FLOWS FROM OPERATING ACTIVITIES			
Finance cost paid(1,403)(2,464)Decrease / (increase) in long term loans and advances23,997(3,927)Net cash generated from / (used in) operating activities144,506(120,244)CASH FLOWS FROM INVESTING ACTIVITIESPurchase of property and equipment(49,394)(1,279)Purchase of intangibles(67)(4,208)Short term investments made(456,814)(481,465)Proceeds from redemption of investments12274Net cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIES401,24412274Advance against issue of right shares-149,500(59,800)Dividends paid(41,570)(59,800)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836		25		
Decrease / (increase) in long term loans and advances23,997(3,927)Net cash generated from / (used in) operating activities144,506(120,244)CASH FLOWS FROM INVESTING ACTIVITIESPurchase of property and equipment(49,394)(1,279)Purchase of intangibles(67)(4,208)Short term investments made(456,814)(481,465)Proceeds from redemption of investments12274Net cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIES4dvance against issue of right shares149,500Dividends paid-149,500(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	-			
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of property and equipment Purchase of intangibles Short term investments made Proceeds from redemption of investments Proceeds from disposal of property and equipment Net cash (used in) / generated from investing activities CASH FLOWS FROM FINANCING ACTIVITIES Advance against issue of right shares Dividends paid Net cash flows (used in) / generated from financing activities Outlends paid Net cash flows (used in) / generated from financing activities Outlends paid Net cash flows (used in) / generated from financing activities Outlends paid Net cash flows (used in) / generated from financing activities (41,570) 89,700 Net (decrease) / increase in cash and cash equivalents (2,083) 1,351 Cash and cash equivalents at the beginning of the year 18,187 16,836				
Purchase of property and equipment(49,394)(1,279)Purchase of intangibles(67)(4208)Short term investments made(456,814)(456,814)Proceeds from redemption of investments401,244518,573Proceeds from disposal of property and equipment12274Net cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESAdvance against issue of right shares-149,500Dividends paid(41,570)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	Net cash generated from / (used in) operating activities		144,506	(120,244)
Purchase of intangibles(67)(4,208)Short term investments made(456,814)(481,465)Proceeds from redemption of investments401,244518,573Proceeds from disposal of property and equipment12274Net cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESAdvance against issue of right shares-149,500Dividends paid(41,570)(59,800)Net cash flows (used in) / generated from financing activities(41,570)Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	CASH FLOWS FROM INVESTING ACTIVITIES			
Short term investments made(456,814)(481,465)Proceeds from redemption of investments401,244518,573Proceeds from disposal of property and equipment12274Net cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESAdvance against issue of right shares-149,500Dividends paid(41,570)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836				
Proceeds from redemption of investments 401,244 518,573 Proceeds from disposal of property and equipment 12 274 Net cash (used in) / generated from investing activities (105,019) 31,895 CASH FLOWS FROM FINANCING ACTIVITIES Advance against issue of right shares - 149,500 Dividends paid (41,570) (59,800) Net cash flows (used in) / generated from financing activities (41,570) 89,700 Net (decrease) / increase in cash and cash equivalents (2,083) 1,351 Cash and cash equivalents at the beginning of the year 18,187 16,836	0			
Proceeds from disposal of property and equipment12274Net cash (used in) / generated from investing activities(105,019)31,895CASH FLOWS FROM FINANCING ACTIVITIESAdvance against issue of right shares-149,500Dividends paid(41,570)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836				
Net cash (used in) / generated from investing activities (105,019) 31,895 CASH FLOWS FROM FINANCING ACTIVITIES - 149,500 Advance against issue of right shares - 149,500 Dividends paid (41,570) (59,800) Net cash flows (used in) / generated from financing activities (41,570) 89,700 Net (decrease) / increase in cash and cash equivalents (2,083) 1,351 Cash and cash equivalents at the beginning of the year 18,187 16,836	•		-	
Advance against issue of right shares-149,500Dividends paid(41,570)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836				
Dividends paid(41,570)(59,800)Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows (used in) / generated from financing activities(41,570)89,700Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	Advance against issue of right shares		-	149,500
Net (decrease) / increase in cash and cash equivalents(2,083)1,351Cash and cash equivalents at the beginning of the year18,18716,836	Dividends paid		(41,570)	(59,800)
Cash and cash equivalents at the beginning of the year 18,187 16,836	Net cash flows (used in) / generated from financing activities		(41,570)	89,700
	Net (decrease) / increase in cash and cash equivalents		(2,083)	1,351
Cash and cash equivalents at the end of the year16,10418,187	Cash and cash equivalents at the beginning of the year		18,187	16,836
	Cash and cash equivalents at the end of the year		16,104	18,187

Chief Executive

Just

Director

Chief Financial Officer

Statement of Changes in Equity For the year ended June 30, 2017

	lssued, subscribed	Capita	apital reserve Reve		Capital reserve		Total reserves	Total
	and paid-up capital	Share Premium	Issue of bonus shares	Unappropri- ated profit				
Balance as at July 01, 2015	299,000	-	Rupee -	365,327	365,327	664,327		
Total comprehensive income for the year ended June 30, 2016	-	-	-	178,894	178,894	178,894		
Transaction with owners								
Transfer to reserve for issuance of bonus shares	-	-	98,670	(98,670)	-	-		
Bonus shares issued during the year in the ratio of 20 shares for every 100 shares held	59,800	-	(59,800)	-	(59,800)	-		
Right shares issued during the year in the ratio of 10 shares for every 100 shares held	29,900	119,600	-	-	119,600	149,500		
Interim bonus shares issued during the year in the ratio of 10 shares for every 100 shares held	38,870	-	(38,870)	-	(38,870)	_		
Final dividend for the year ended June 30, 2015 @ Rs. 2 per share	-	-	-	(59,800)	(59,800)	(59,800)		
	128,570	119,600	-	(158,470)	(38,870)	89,700		
Balance at June 30, 2016	427,570	119,600		385,751	505,351	932,921		
Balance as at July 01, 2016	427,570	119,600	-	385,751	505,351	932,921		
Total comprehensive income for the year ended June 30, 2017	-	-	-	198,418	198,418	198,418		
Transaction with owners								
Transfer to reserve for issuance of bonus shares	-	-	64,136	(64,136)	-	-		
Bonus shares issued during the year in the ratio of 15 shares for every 100 shares held	64,136	-	(64,136)	-	(64,136)	-		
Final dividend for the year ended June 30, 2016 @ Rs. 1 per share	_	-	-	(42,757)	(42,757)	(42,757)		
	64,136	-	-	(106,893)	(106,893)	(42,757)		
Balance at June 30, 2017	491,706	119,600	-	477,276	596,876	1,088,582		

Chief Executive

Director

71

Chief Financial Officer

For the year ended June 30, 2017

1. LEGAL STATUS AND OPERATIONS

IBL HealthCare Limited (the Company) was incorporated in Pakistan as a private limited company on July 14, 1997. In November 2008 the Company was converted into a public limited company with its liability limited by shares. The shares of the Company are quoted on Pakistan Stock Exchange. The principal business activities of the Company includes marketing, selling and distribution of health-care products. The registered office of the Company is located at 9th Floor, N.I.C. Building, Abbasi Shaheed Road, Karachi.

The Company is a subsidiary of The Searle Company Limited and International Brands Limited is the Company's ultimate parent.

1.1 The Company is the sole distributor of Mead Johnson products in Pakistan. During the year, Mead Johnson has been globally acquired by Reckitt Benckiser Group plc. However, there is no change in the distribution arrangement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.1.2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There were no critical estimates, assumptions and judgements made by the management that would have significant effect in preparation of these financial statements.

2.2 Changes in accounting standards, interpretations and pronouncements

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

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on number of issues, including:

For the year ended June 30, 2017

- Materiality an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes confirmation that the notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) arising from investments accounted for under the equity method the share of the OCI arising from equity accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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

There are other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are considered not to be relevant for company's financial statements and hence have not been detailed here.

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

'IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

2.4 Fixed Assets - property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any) except for capital work-in-progress which are stated at cost. Depreciation on assets is charged to profit and loss account applying the straight-line method whereby the depreciable cost of an asset is written off over its useful life. Same basis and estimates for depreciation are applied to owned assets.

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

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



2.5 Investment property

The Company carries investment properties at their respective costs under the cost model in accordance with IAS 40 - 'Investment Property'. The fair values are determined by the independent valuation experts and such valuations are carried out every year to determine the recoverable amount.

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

2.6 Intangibles

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

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

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

2.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost is determined using the First-In-First Out (FIFO) basis. Cost of stock in transit comprises of invoice value plus other charges accumulated to the balance sheet date.

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

2.8 Loans and advances

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

Interest free loans to employees are stated at amortised cost and are recovered in equal monthly deductions through salary of the employees.

2.9 Trade debts and other receivables

Trade debts and other receivables are valued at invoice value, being the fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Provision for impairment of trade debts and other receivables are established when there is an objective evidence that the Company will not be able to collect all or any amounts due according to the original terms of receivables.

2.10 Investments - at fair value through profit or loss

Investments held for trading are classified at fair value through profit or loss account. These are measured at fair value which is re-assessed at each reporting date. In case of investments in open ended mutual funds, fair value is determined on the basis of period end Net Asset Value (NAV) as announced by the Asset Management Company. Changes in fair value are recognised in profit and loss account.

For the year ended June 30, 2017

2.11 Cash and bank balances

Cash and bank balances are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, balance with banks on current and savings accounts.

2.12 Financial instruments

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

Financial assets and liabilities are off set and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Foreign currencies

Transactions in foreign currencies are recorded in Pakistan Rupee at the rates of exchange approximating those prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rates approximating those prevailing at the balance sheet date. Exchange differences are included in income currently.

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

2.14 Taxation

Current

Provision for current taxation is based on final tax regime applicable to the Company based on tax withheld at import stage which is deemed to be full and final discharge of tax liability and provision of tax other than final tax regime is calculated at the current rates of taxation in accordance with the prevailing law for taxation of income.

2.15 Employee benefits

Defined contribution plan

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

2.16 Trade and other payables

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



2.17 Provisions

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

2.18 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts, returns and sales tax. Sales are recorded when the goods are dispatched to the customer.

2.19 Other income

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

Profit from saving accounts are accounted for as income on an accrual basis.

Rent income is recognised as income on an accrual basis.

2.20 Dividend

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

3.	PROPERTY AND EQUIPMENT	2017 Rupees	2016 ain '000
	Operating assets - note 3.1 Capital work in progress - note 3.2	77,551 38,052 115,603	1,527

For the year ended June 30, 2017

3.1 Operating assets

4.

Particulars	Leasehold Land	Office Equipment	Motor vehicles	Furniture and fittings	Total
Year ended 30 June 2017		F	Rupees in '000		
Opening net book value	-	934	-	593	1,527
Additions - at cost - note 3.3	74,552	2,790	-	-	77,342
Disposals Cost Accumulated depreciation	-	(65) 54	- -	-	(65) 54
Amortisation / Depreciation charge	(518)	(11) (727)	-	(62)	(11) (1,307)
Closing net book value	74,034	2,986	-	531	77,551
At 30 June 2017					
Cost Accumulated ammortisation / depreciation	74,552 (518)	7,553 (4,567)	-	1,228 (697)	83,333 (5,782)
Net book value	74,034	2,986	-	531	77,551
Year ended 30 June 2016					
Opening net book value	-	683	132	-	815
Additions - at cost	-	658	-	621	1,279
Disposals Cost Accumulated depreciation		- - -	(556) 491 (65)	-	(556) 491 (65)
Depreciation charge	-	(407)	(67)	(28)	(502)
Closing net book value		934	0	593	1,527
At 30 June 2016					
Cost Accumulated depreciation	-	4,828 (3,894)	-	1,228 (635)	6,056 (4,529)
Net book value	-	934	-	593	1,527
Depreciation rates	1.45%	10% - 33%	20%	10%	

- 3.2 This represents 29% advance paid for acquisition of property situated at Tipu Sultan Road, Karachi, measuring 1,004 square yards.
- 3.3 This represents land purchased from IBL Operations (Private) Limited an associated company situated at S.I.T.E. Area, Karachi, measuring 0.46 acres. Purchase of land was approved in the extra ordinary general meeting held on January 14, 2015.

	2017	2016
	Rupees	in '000
INVESTMENT PROPERTY	123,588	123,588

4.1 The valuation has been carried out by M/s. PEE DEE & Associates, an independent valuer engaged by the Company. Market value of investment property as at June 30, 2017 is Rs. 161.92 million (2016: Rs. 151.99 million).

2017	2016
Rupees	in '000

5. INTANGIBLES

Operating intangible assets - note 5.1	122	4,450
Capital work in progress - at cost - note 5.2	4,120	4,120
	4,242	8,570

5.1 Operating intangible assets

	Distribution rights F	Computer software Rupees in '000-	Total
Year ended 30 June 2017 Opening net book value Additions during the year Amortisation charge for the year Closing net book value	4,363 - (4,363) -	87 67 (32) 122	4,450 67 (4,395) 122
At 30 June 2017 Cost Accumulated amortisation Accumulated impairment Net book value	192,200 (180,071) 	633 (511) - 122	192,833 (180,582) (12,129) 122
Year ended 30 June 2016 Opening net book value Additions during the year Amortisation charge for the year Closing net book value	9,187 (4,824) 4,363	- 88 (1) 87	9,187 88 (4,825) 4,450
At 30 June 2016 Cost Accumulated amortisation Accumulated impairment Net book value	192,200 (175,708) (12,129) 4,363	566 (479) - 87	192,766 (176,187) (12,129) 4,450
Amortization rates	20%	20%	

5.2 The amount represents the cost of implementation and license of SAP in collaboration with IBL Unisys (Private) Limited.

		2017	2016
6.	LONG TERM LOANS AND ADVANCES - unsecured	Rupees	in '000
	Loans - considered good:		

- Related party - note 6.1	75,076	98,000
Less: current portion of long term loans	(22,972)	(22,184)
	52,104	75,816
- Employees - note 6.2	142	367
Less: current portion of employee loan	(60)	-
	82	367
- Advance against land		66,000
	52,186	142,183

For the year ended June 30, 2017

- 6.1 This represent loan to International Brands Limited. The tenure of this loan is 5 years with a grace period of 1 year payable in equal semi-annual installments. The rate of mark-up is 12 months KIBOR+1%. The said loan was approved in an extra ordinary meeting held on January 14, 2015 as per the requirements of section 208 of the repealed Companies Ordinance, 1984.
- 6.2 Long-term loans to employees represent interest-free loans given to employees for purchase of motor cars and motorcycles, repayable in equal monthly installments over a term of five years.

		2017	2016
7.	STOCK-IN-TRADE	Rupees i	n '000
	Stock in hand Stock in transit	164,229 58,711	177,394 88,869
	Provision for slow moving stock-in-trade - note 7.1	222,940 - 222,940	266,263 (2,880) 263,383
7.1	Provision for slow moving stock-in-trade		
	Opening balance Charge for the year	2,880 1,572	1,301 1,579
	Written off during the year Closing balance	4,452 (4,452) -	2,880 - 2,880
8.	TRADE DEBTS - considered good		
	Unsecured Due from related parties - note 8.1 Others	290,335 30,318 320,653	233,088 26,241 259,329
	Considered doubtful Less: Provision for doubtful debts - note 8.2	-	1,665 (1,665)
		320,653	259,329
8.1	As at June 30, 2017, trade debts due from related parties of the Company ar	e as follows:	
		2017 Rupees i	2016 n '000
	IBL Operations (Private) Limited (an associated company) The Searle Company Limited (the holding company)	290,239 96	232,959 129

8.2 Provision for doubtful debts

Opening balance	1,665	1,665
Provision made during the year	1,109	-
Written off during the year	(2,774)	-
Closing balance		1,665

233,088

290,335



8.3 As at June 30, 2017, the age analysis of these trade debts is as follows:

	2017 Rupees	2016 in '000
Not yet due Past due but not yet impaired	138,125	125,559
 - 1 to 3 months - 3 to 6 months - 6 to 12 months - older than 12 months 	106,324 72,891 1,294 2,019	91,471 30,412 6,775 5,112
	320,653	259,329
LOANS AND ADVANCES		
Loans to International Brands Limited - Current portion of long term loan - note 6 - Short term loan - note 9.1	22,972 200,000 222,972	22,184 200,000 222,184
Current portion of employee loan	60	-
Advances		
- To employees - Against imports - note 9.2	1,983 54,281	1,711 4,754
	56,264	6,465
	279,296	228,649

- 9.1 This loan is repayable within 1 year and carries mark-up at the rate of 12 months KIBOR + 2%. The said loan was approved in the extra ordinary general meeting held on May 18, 2016 as per the requirements of section 208 of the repealed Companies Ordinance, 1984. The loan has been further extended for a period of one year effective July 01, 2017.
- 9.2 This includes Rs. 49 million amount kept with scheduled banks in accordance with the requirement of Circular No. 02 of 2017 of Banking Policy & Regulations Department issued by the State Bank of Pakistan, requiring 100% cash margin on the import of specified items.

		2017 Rupees	2016 in '000
10.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS	·	
	Deposits - Trade - Others	3,614 753	3,519 753
	Prepayments	4,367	4,272
	- Insurance	-	149
		4,367	4,421

9.

For the year ended June 30, 2017

11.	OTHER RECEIVABLES	2017 Rupees	2016 s in '000
	Receivables from related parties		
	- Habitt against rent - International Brands Limited against corporate expenses - IBL Identity (Private) Limited against rent	- - 880 880	2,082 8,000 1,200 11,282
	Claim from suppliers - note 11.1	4,105	5,367

11.1 This represents amount claimed from Nestle Health Sciences in respect of certain expenses related to trade.

12. INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

2017	2016		2017	2016
Number	of units		Rupees	in '000
291,942	-	Meezan Islamic Income Fund	15,003	-
345,910	1,536,775	Meezan Sovereign Fund	17,780	78,068
13,469,704	2,269,207	NAFA Islamic Aggressive Income Fund	128,101	21,525
14,107,556	3,805,982		160,884	99,593

- 12.1 The rating of Meezan Soverign Fund is 'AA+' and Meezan Islamic Income Fund and NAFA Islamic Aggressive Income Fund is 'A-' as per the credit rating agency JCR-VIS and PACRA respectively.
- 12.2 The fair value of these investments is the Net Asset Value (NAV) as assessed by the respective Asset Management Company.

		2017	2016
13.	CASH AND BANK BALANCES	Rupees	in '000
	Cash at bank:		
	- current accounts	14,652	18,015
	 savings account 	-	8
	Cash in hand	94	164
	Cheques in hand	1,358	-
		16,104	18,187

4,985

16,649



14. SHARE CAPITAL

Authorised share	e capital			
2017 Number	2016 of shares		2017 Rupees i	2016 n '000
75,000,000	50,000,000	Ordinary shares of Rs. 10 each	750,000	500,000
Issued, subscrib	ed and paid up	capital		
2017 Number	2016 of shares			
22,990,000	22,990,000	Shares alloted for consideration paid in cash	229,900	229,900
26,180,550	19,767,000	Shares allotted as bonus shares	261,806	197,670
49,170,550	42,757,000		491,706	427,570

14.1 During the year, the Company increased its authorised share capital for ordinary shares from Rs. 500 million to Rs. 750 million in its annual general meeting held on October 28, 2016.

14.2 Movement in issued, subscribed and paid-up capital

2017 Number	2016 of shares		2017 Rupees	2016 in '000
42,757,000 6,413,550 -	29,900,000 9,867,000 2,990,000	Opening shares outstanding Shares alloted as bonus shares Shares alloted as right shares	427,570 64,136 -	299,000 98,670 29,900
49,170,550	42,757,000		491,706	427,570
TRADE AND OT	HER PAYABLE	S	2017 Rupees	2016 in '000
Creditors Accrued liabilities Advance from cu Workers' Welfare Due to IBL Opera Unclaimed divide Staff retirement b Other liabilities	stomers Fund ations (Private) L nd	174,801 25,511 8,884 9,395 3,010 5,287 - 1,650 228,538	168,926 36,575 8,884 9,395 13,864 4,100 2,566 1,650 245,960	

15.

For the year ended June 30, 2017

16. CONTINGENCY AND COMMITMENTS

16.1 Contingency

16.1.1 The Company has challenged the levy of Sindh Sales Tax on services of renting of immovable property which has been categorised as renting services by the SRB. The Company has impugned the levy on constitutional grounds taking the stance that renting of immovable property is not a "service" and therefore does not fall within the competence of SRB to tax through the Sindh Sales Tax on Services Act, 2011. Further, the Company has also taken the stance that the collection mechanism is ultra vires the Act 2011 and therefore no coercive measures can be adopted against the Company for the collection of the impugned levy.

The Honorable Sindh High Court, on the basis of the representations made, has been pleased to grant an interim order to the Company restraining the defendants from taking any coercive action against the Company. The matter is presently pending on hearing of the case. Further, the impact of this levy on these financial statements of the Company is Rs. 0.84 million.

16.2 Commitments

18.

The facility for opening letter of credit and letter of guarantees as at June 30, 2017 amounted to Rs. 258 million (2016: Rs. 265 million) of which the amount remaining unutilised at the end of year was Rs. 111.6 million (2016: Rs. 98.87 million).

		2017	2016	
		Rupees	Rupees in '000	
17.	REVENUE			
	Gross sales	1,345,169	1,288,414	
	Sales tax	(3,897)	(401)	
		1,341,272	1,288,013	
	Less:			
	Sales returns	(20,656)	(25,335)	
	Sales discount	(130,817)	(106,257)	
		(151,473)	(131,592)	
		1,189,799	1,156,421	

17.1 Net sales includes Rs. 894.81 million (2016: Rs. 903.03 million) which represents sales to related parties.

	COST OF SALES	2017 Rupees	2016 in '000
1	OUCH OF CALLO		
	Opening stock	174,514	159,246
	Add: Purchases	784,398	802,528
		958,912	961,774
	Less: Cost of samples	(2,784)	(9,185)
	Less: Stock written off	-	(4,266)
	Less: Closing stock	(164,229)	(174,514)
		791,899	773,809

	904 58,196 356 33,226
Advertisement and trade promotion39,Cartage and freight5,Travelling17,Provision for claim2,Depreciation1,Amortisation4,Rent, rates and taxes5,Vehicle running expenses3,Utilities3,Communications1,Printing and stationery1,InsuranceRepairs and maintenanceFee and subscriptionLegal and professional chargesSecurity chargesTraining	235 5,078 392 11,725 528 7,500 129 452 393 4,343 178 5,340 614 4,623 491 833 322 1,181 397 374 934 1,021 614 763 207 472 296 470 432 40 470 831

19.1 Salaries, wages and other benefits include Rs. 1.69 million (2016: Rs. 1.62 million) in respect of charge for contributory provident fund.

		2017	2016
20.	ADMINISTRATIVE EXPENSES	Rupees	in '000
	Salaries, wages and other benefits - note 20.1	28,095	25,806
	Travelling	811	419
	Depreciation	178	50
	Amortisation	2	482
	Rent, rates and taxes	584	396
	Vehicle running expenses	1,443	1,109
	Utilities	403	823
	Auditors' remuneration - note 20.2	1,787	1,429
	Legal and professional charges	1,989	1,306
	Communications	697	847
	Printing and stationery	2,295	1,256
	Fee and subscription	5,056	3,696
	Repairs and maintenance	772	192
	Provision against doubtful debts	1,109	-
	Security charges	-	31
	Training	-	229
	Others	400	1,197
		45,621	39,268

20.1 Salaries, wages and other benefits include Rs. 1.12 million (2016: Rs. 0.97 million) in respect of charge for contributory provident fund.

Notes to the Financial Statements For the year ended June 30, 2017

		2017 Rupees i	2016 n '000
20.2	Auditors' remuneration	1 apoor 1	
	Audit fee - Annual audit - Half yearly review - Certification fee - Taxation service - Out of pocket expenses	800 350 200 245 192 1,787	600 221 448 - 160 1,429
21.	OTHER INCOME		
	Income from financial assets Realised gain on investments - at fair value through profit or loss Unrealised gain on investments - at fair value through profit or loss Exchange gain Interest on loan from International Brands Limited	5,424 297 1,418 <u>22,834</u> 29,973	9,776 - 153 8,022 17,951
	Income from non-financial assets Rental income from investment property Gain on disposal of property and equipment Scrap sales	10,460 1 498 10,959	1,200 209 151 1,560
	Others Insurance claim Liabilities no longer payable written back	- 8,511 8,511 49,443	95 - 95 19,606
22.	FINANCE COST		
	Bank charges	1,403	2,464
23.	TAXATION		
	Current year - note 23.1 Prior year	56,055 (1,906) 54,149	39,788 <u>1,913</u> 41,701
23.1	Relationship between current tax expenses and accounting profit		
	Accounting profit before taxation	252,567	220,595
	Tax at the applicable tax rate of 31% (2016: 32%) Effect of applicability of final tax Income chargeable at other rates Expenses allowed for tax purpose - net Effect of prior year tax Effect of income subject to separate rate of tax Effect of temporary differences Prior year (reversal) / charge	78,296 (23,274) - - (343) 1,376 (1,906)	70,590 (31,042) - - (684) 924 1,913
	Tax expense for the year	54,149	41,701

24.	EARNINGS PER SHARE - BASIC AND DILUTED	2017 Rupees	2016 s in '000	
24.1	Basic earnings per share			
	Profit after taxation attributable to ordinary shareholders	198,418	178,894	
	Weighted average number of outstanding shares at the end of year (in thousand) - note 14.2	49,171	48,646	
	Earnings per share - Basic and diluted (Rupees) - note 24.2	4.04	3.68	

24.2 Diluted earning per share

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.

		2017 Rupees	2016 in '000
25.	CASH GENERATED FROM OPERATIONS	·	
	Profit before taxation Adjustments:	252,567	220,595
	Depreciation Amortisation	1,307 4,395	502 4,825
	Finance cost Interest income	1,403 (22,834)	2,464 (8,022)
	Gain on disposal of property and equipment Realised gain on investments - at fair value through profit or loss Unrealised (gain) / loss on investments - at fair value through profit or loss	(1) (5,424) (297)	(209) (9,776) 4
	Profit before changes in working capital	(21,451) 231,116	(10,212) 210,383
	Effect on cash flow due to working capital changes		
	(Increase) / decrease in current assets:		
	Stock-in-trade Trade debts	40,443 (61,324)	(58,302) (40,959)
	Loans and advances	(50,647)	(226,462)
	Trade deposits and short-term prepayments	54	(164)
	Refunds due from government - Sales tax Other receivables	(927) 11,664	(9,684)
	Other receivables	(60,737)	(335,571)
	(Decrease) / increase in trade and other payables	(18,609)	48,618
	Cash generated from / (used in) operations	151,770	(76,570)

For the year ended June 30, 2017

26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

- 26.1 The Company's activities expose it to variety of financial risks namely market risks (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's oveall risk management programme focuses on having cost effective funding as well as manage financial risk to minimise earnings volatility and provide maximum return to shareholders.
- 26.2 Financial assets and liabilities by category and their respective maturities

	M	Interest / larkup beari	ng		Non-interest -mark up be		
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
			Ru	pees in '000'			
Financial assets							
Loans and advances	222,972	52,104	275,076	56,324	82	56,406	331,482
Trade debts	-	-	-	320,653	-	320,653	320,653
Trade deposits	-	-	-	4,367	-	4,367	4,367
Interest accrued	6,743	-	6,743	-	-	-	6,743
Other receivables	-	-	-	4,985	-	4,985	4,985
Investments - at fair value							
through profit or loss	-	-	-	160,884	-	160,884	160,884
Refunds due from government							
Sales tax							
Cash and bank balances	-	-	-	16,104	-	16,104	16,104
June 30, 2017	229,715	52,104	281,819	563,317	82	563,399	845,218
June 30, 2016	225,237	75,816	301,053	404,487	66,367	470,854	771,908
Financial liabilities							
Trade and other payables	-	-	-	210,259	-	210,259	210,259
June 30, 2017	-	-	-	210,259	-	210,259	210,259
June 30, 2016	-	-	-	227,681	-	227,681	227,681
On balance sheet gap						,	,
June 30, 2017	229,715	52,104	281,819	353,058	82	353,140	634,959
June 30, 2016	225,237	75,816	301,053	176,806	66,367	243,173	544,227

(a) Market risk

(i) Interest rate risk

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

At June 30, 2017, the Company had variable interest bearing financial assets of Rs. 281.82 million (2016: Rs. 301.05 million), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before tax for the year would have been approximately Rs. 0.56 million (2016: 0.60 million) lower / higher, mainly as a result of higher / lower interest income on floating rate loans.



(ii) Currency risk

Currency risk is the risk that the fair value or future cash flow of the financial instruments, will fluctuate because of changes in foreign currency rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions. The Company is exposed to currency risk on payables in respect of imported stock denominated in US Dollar (USD). The total foreign currency risk exposure as at June 30, 2017 is Rs. 170.69 million (2016: Rs. 163.54 million).

As at June 30, 2017, if the Pakistan Rupee had weakened / strengthened by 2% against US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 3.4 million (2016: Rs. 3.27 million), as a result of foreign exchange gains / losses on translation of US Dollar denominated trade and other payables.

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

(iii) Price risk

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

The company limits price risk by maintaining a diversified portfolio and by continuous monitoring of developments in open ended income funds. In addition, the company actively monitors the key factors that affect the open ended income funds. The maximum exposure to price risk as at June 30, 2017 amounts to Rs. 160.88 million (2016: Rs. 99.59 million).

(b) Credit risk

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

As at June 30, 2017 trade debt of Rs. 182.53 million (2016: Rs. 133.78 million) were passed due but not impaired. The carrying amount of trade debts relate to number of independent customers for whom there is no history of default.

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

The fair value through profit and loss investments represent investments in open end mutual funds. The Company manages its credit and price risk by investing in income based diversified mutual funds.

The cash and bank balances represent low credit risk as these are placed with banks having good credit rating assigned by credit rating agencies.

(c) Liquidity risk

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

For the year ended June 30, 2017

(d) Fair value of financial instruments

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

As at June 30, 2017, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds which are carried at their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

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

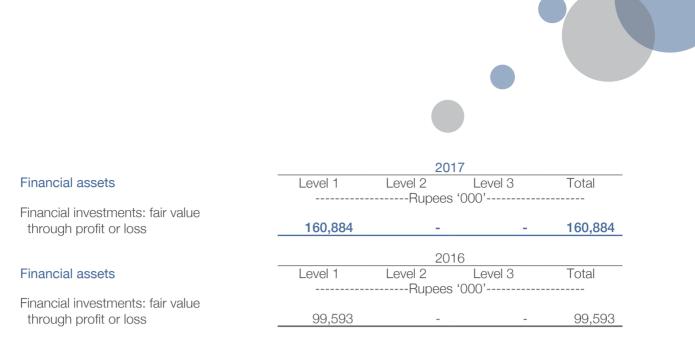
There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2017:



26.3 CAPITAL RISK MANAGEMENT

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

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

27. RELATED PARTY TRANSACTIONS

	Nature of relationship	Nature of transaction	2017 Rupees ir	2016 1 '000
i.	Ultimate parent	- Interest income	22,834	8,022
ii.	Holding company	- Dividend paid - Share of expenses - Sale of goods - Purchase of goods	31,181 604 111 2,365	43,610 182 407
iii.	Associated companies	- Sale of goods - Shared costs - Rental income	894,697 2,827 4,960	902,619 2,822 1,200
iv.	Employees' Provident Fund	- Contribution paid	2,809	2,591
V.	Key Management Personne	el - Salaries and other employee benefits - Director's fee	10,691 530	9,852 500

27.1 The status of outstanding balances with related parties as at June 30, 2017 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.

For the year ended June 30, 2017

28. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVES

	2017 Chief Execu	2016 utive Officer	2017 Exect	2016 utives
		Rupee	es '000	
Managerial remuneration Bonus and incentives	4,083 3,501	3,429 3,813	13,034 4,114	8,621 3,915
Leave fare assistance and leave encashment Staff retirement benefits	454 408	381 343	1,160 1,303	771 794
House rent allowence	1,837	1,543	5,865	4,110
Utilities allowence	408 10,691	<u> </u>	<u> </u>	<u>913</u> <u>19,124</u>
Number of persons	1	1	16	10

29. Employees' Provident Fund

The following information is based on latest financial statements of the Fund:

	2017 (Unaudited) Rupees	2016 (Audited) in '000
- Size of the fund - Total assets	27,295	25,083
- Fair value of investments	25,854	24,281
- Percentage of investments made to total assets	95%	97%

- 29.1 The cost of above investments amounted to Rs. 24.01 million (2016: Rs. 23.79 million).
- **29.2** The breakup of the fair value of investments is as follow:

	2017	2016	2017	2016
	Percer	ntage	Rupees	in '000
- Investment in Government securities	81 %	79%	20,826	19,300
 Investment in mutual fund 	19%	21%	5,028	4,981
	100%	100%	25,854	24,281

29.3 The investments out of provident fund have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

30.	NUMBER OF EMPLOYEES	2017	2016
	Number of employees at year end	96	83
	Average number of employees during the year	90	78



31. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on September 21, 2017 has approved the following appropriation:

		2017 (Rupees in	2016 '000)
	0 bonus shares for every 100 shares , 2016: 15 bonus shares for every 100 shares) held	49,171	64,136
- Cash divid	lend of Re. 1 (June 30, 2016: Re. 1) per share	49,171	42,757

These would be recognised in the Company's financial statements in the year in which such dividend and distribution are approved.

32. DATE OF AUTHORISATION FOR ISSUE

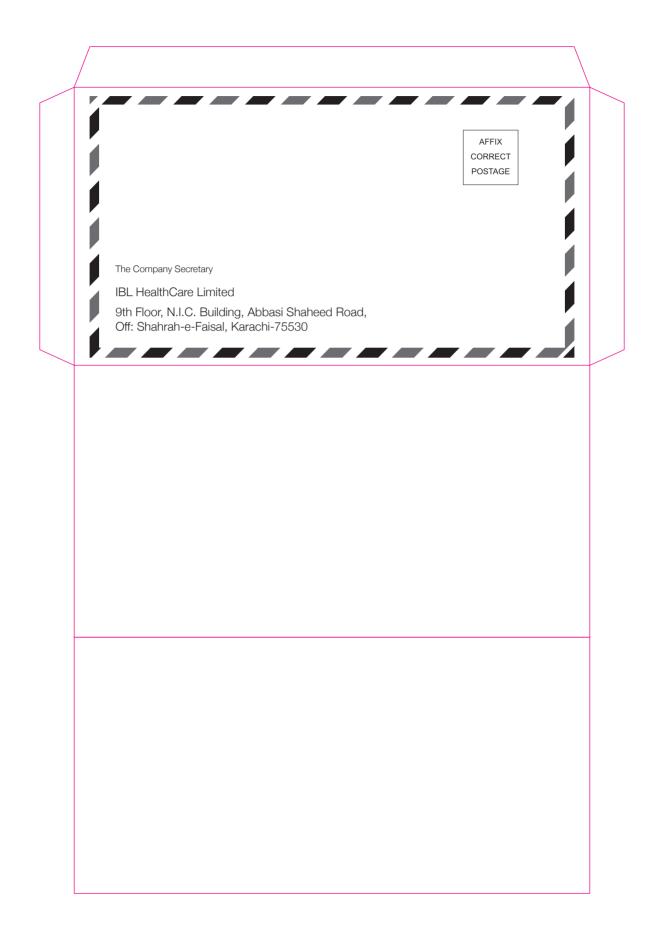
These financial statements were approved and authorised for issue by the Board of Directors of the Company on September 21, 2017.



Junt Director

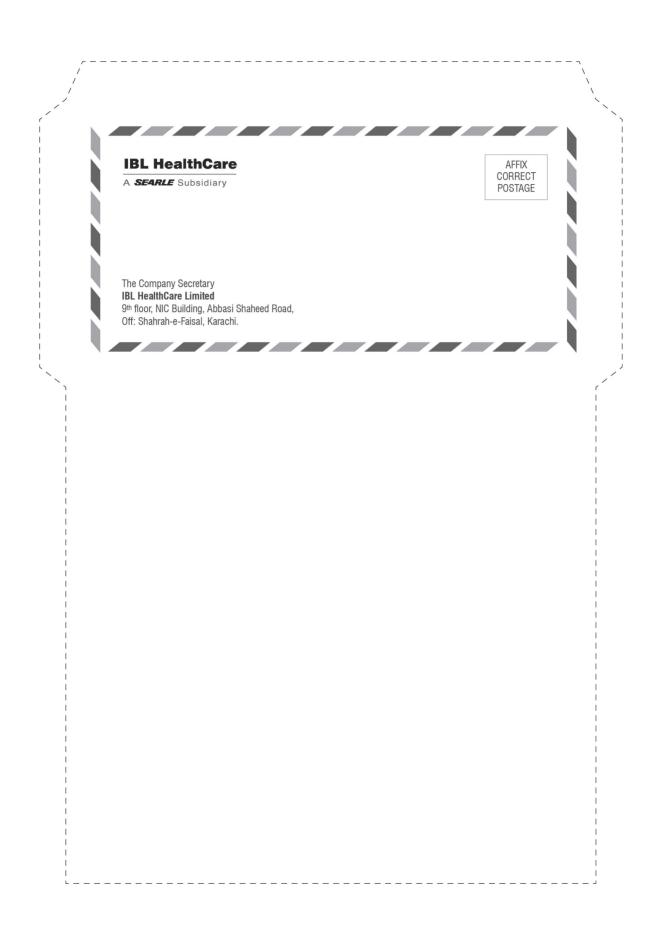
Chief Financial Officer

P	Proxy Form
IBI 9ti	e Secretary L HealthCare Limited n Floor, N.I.C. Building, Abbasi Shaheed Road, f: Shahrah-e-Faisal, Karachi-75530
sh pro No / u	We son / daughter / wife / husband of areholder of IBL HealthCare Limited, holding ordinary shares hereby appoir who is my [state relationship (if any) with the oxy; required by Government regulations] and the son / daughter / wife / husband of , (holding ordinary shares in the Company under Foli o) [required by Government] as my / our proxy, to attend and vote for m us and on my / our behalf at the Annual General Meeting of the Company to be held o ctober 27, 2017 and / or any adjournment thereof.
Się	gned thisday of2017.
Wi	itness:
1.	Rs. 5/- Revenue Stamp
2.	Signature of Member(s) Shareholders Folio No and / or CDC Participation I.D. No and Sub-Account No
No	ote:
1.	The member is requested:
I.	To affix revenue stamp of Rs. 5/- at the place indicated above.
١١.	To sign across the revenue stamp in the same style of signature as is registered with th Company.
.	To write down their Folio Number.
2.	In order to be valid, this proxy must be received at the registered office of the Company at least 48 hours before the time fixed for the Meeting, duly completed in all respects.



ېراكسى فارم

سیکر یثری	
ل ميلية ميتركونية . ب الميلية ميتركونية .	
نزل، این آئی ی بلڈنگ، عباسی شہیدروڈ 	
ممل، کراچی-	
(
<i>را</i> ز <i>وچ</i> اخادند	
نَى بِي ايل بيلة <i>ه كِيرَ ل</i> مُدْيَدُ حامل	
	کاتقرر کرتا ہوں اکرتے میں
	(اگرکونی ہو) مع پرانسی تحکاف عیت بیان کریں (اگرکونی ہو) مع پرانسی تکونتی ضوالط کے
نىرورى)ادر پسر ادخر از دجها خادند	حامل حامل کمپنی کے عمومی شیئرز
() کر کن ک	نت) [حکومت کی جانب _درکار] لبطور میرا/ بهارا پراکسی کمپنی کے مورخہ ۲۷ اکتوبر ۲۰۱۷ کومنعقد ہونے والے
ن پروز بتاریخ کا۲۰	۵ روپے کاریو نیواسٹیرپ
	A-121 11
:(ڪ	<i>مارو چ</i> ور يرپو
انک <i>ت</i> الپاسپورٹ نمبر: 	
	وستخط عبر (ممبران)
:((
	شیئر تولذر (یولڈرز) فولیونمبراور / میں بر میں میں میں در ز
	ى ۋى ي پارنىيىن آئى ۋى نىبراو
	ى ۋى ي پارنىيىن آئى ۋى نىبراو
اَکْی کی/پاسپورٹ نجمر: ت: ان ے درخواست ہے کہ:	ى ڈى تى پايۇسىيىشن آئى ڈى نمبراد ذيلى اكا ئەنىشە نمبر
الی ی/پاسپورٹ نمبر: ۲ی: ان سے درخواست ہے کہ: جس مذکورہ بالا جگہ پرنشاند ہی کی گئی ہے وہاں-اھ روپے کاریو نیواسٹمپ چیپاں کریں۔	ى ڈى تى پايۇسىيىشن آئى ڈى نمبراد ذيلى اكا ئەنىشە نمبر
انی کی/پاسپورٹ نمبر: ۳: ان سے در خواست ہے کہ: جس مذکورہ بالا جگہ پر نشاندہ ی گی گئی ہے وہاں-اہرو پے کاریو نیواسٹیپ چیپاں کریں۔ ریو یواسٹیپ پرای طرح د متخط کریں جس طرز میں کمپنی کے پاس رجھڑ ڈہو۔	ى ڈى تى پايۇسىيىشن آئى ڈى نمبراد ذيلى اكا ئەنىشە نمبر
الی ی) پاسپورٹ نیمر: سے: این سے درخواست ہے کہ: جس فدکورہ بالا جگہ پر نشاندی کی گئی ہے وہاں-اہ روپے کاریو نیواسٹیمپ چیپاں کریں۔ ریو ینواسٹیمپ پرای طرح دینیو کریں، مس طرز میں کپنی کے پاس رجمٹر ڈہو۔ . اس کا فولیونیر دردی کریں۔	ى ۋى كى پارلىشىنىش تا ئى ۋى نىبرو د يلى اكاۋىنە نىبر
ا کَی کی ایا سپورٹ نمبر: ت: ان سے در خواست ہے کہ: جس ند کورہ بالا جگہ پر نشاندہ کی گئی ہے وہاں -اھردو پے کاریو ٹیواسٹیپ چیپاں کریں۔ ریو ینواسٹیپ پرای طرح دینی کریں جس طرز میں کمپنی کے پاس رجمٹر ڈہو۔ . اس کا فولیونبر دردج کریں۔	ی ڈی تی پارٹیسیشن آئی ڈی نمبراو ذیلی اکاؤنٹ نمبر بی- میں اجلاس کے لئے طےشدہ دفت سے کم از کم ۲۸ گلیفتر کل موصول ہوجائے۔
ا کَی کی ایا سپورٹ نمبر: ت: ان سے در خواست ہے کہ: جس ند کورہ بالا جگہ پر نشاندہ کی گئی ہے وہاں -اھردو پے کاریو ٹیواسٹیپ چیپاں کریں۔ ریو ینواسٹیپ پرای طرح دینی کریں جس طرز میں کمپنی کے پاس رجمٹر ڈہو۔ . اس کا فولیونبر دردج کریں۔	ى ۋى كى پارلىشىنىش تا ئى ۋى نىبرو د يلى اكاۋىنە نىبر



www.jamapunji.pk





Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- m Scam meter*
- 🞮 Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- ??? FAQs Answered



Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan Stock trading simulator (based on live feed from KSE)

- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

IBL HealthCare Limited

9th Floor, N.I.C. Building, Abbasi Shaheed Road, Off: Shahrah-e-Faisal, Karachi-75530 www.iblhc.com