

GENIX HEALTH CARE PRIVATE LIMITED.

Audited Financial Statements
For the Half Year ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of

GENIX HEALTH CARE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of GENIX HEALTH CARE PRIVATE LIMITED which comprise the statement of financial position as at DECEMBER 31, 2021 and the statement of profit or loss account, the statement of changes in equity and the statement of cash flows along with notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss account, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at DECEMBER 31, 2021 and of the loss for the half year then ended.

Basis for Opinion

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

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

Management is responsible for the other information. The other information comprises the director's report only.

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

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

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Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

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

Report on Other Legal and Regulatory Requirements

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

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

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

Place: Karachi

Date:

10 MAR 2022

10 March 2022

Rahim Jan & Company
Chartered Accountants

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GENIX HEALTH CARE PRIVATE LIMITED.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	NOTE	Dec-21 Rupees	Jun-21 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	5	66,266,240	65,154,000
CURRENT ASSETS			
Advance Tax	6	-	225,754
Income Tax Refundable		225,755	-
Cash and Bank Balances		741,472	16,353,210
		67,233,467	81,732,964
EQUITIES AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital 10,000,000 million shares of Rs. 100 each		100,000,000	100,000,000
Issued Subscribed & paid up 500,000 Shares of Rs.10/- each	7	5,000,000	5,000,000
Accumulated Loss		(1,807,517)	(1,503,992)
Share Deposit Money	8	50,000,000	49,200,000
		53,192,483	52,696,008
CURRENT LIABILITIES			
Accrued Liabilities		15,000	15,120
Withholding Tax Payable		8,343	12,036
Payable to Related Party	9	14,017,640	29,009,800
		14,040,983	29,036,956
CONTINGENCIES AND COMMITMENTS	10		-
NET EQUITIES AND LIABILITIES		67,233,467	81,732,964

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CHIEF EXECUTIVE

DIRECTOR

GENIX HEALTH CARE PRIVATE LIMITED.
STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Dec-21 Rupees	Jun-21 Rupees
Administrative Expenses	11	(303,525)	(456,567)
Loss before Taxation		<u>(303,525)</u>	<u>(456,567)</u>
Taxation			
Loss for the year		<u><u>(303,525)</u></u>	<u><u>(456,567)</u></u>

~~CHIEF EXECUTIVE~~

~~DIRECTOR~~

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GENIX HEALTH CARE PRIVATE LIMITED.
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Accumulated Loss	Share Capital	Share Deposit Money	Total Equity
Loss for the Period	(554,120)	-	-	(554,120)
Total Comprehensive Loss for the Period	(554,120)	-	-	(554,120)
Balance as at June 30, 2017	(554,120)	-	-	(554,120)
Loss for the Year	(344,565)	-	-	(344,565)
Balance as at June 30, 2018	(898,685)	-	-	(898,685)
Loss for the Year	(133,620)	-	-	(133,620)
Balance as at June 30, 2019	(1,032,305)	-	-	(1,032,305)
Loss for the Year	(15,120)	-	-	(15,120)
Balance as at June 30, 2020	(1,047,425)	-	-	(1,047,425)
Loss for the Year	(456,567)	5,000,000	49,200,000	53,743,433
Balance as at June 30, 2021	(1,503,992)	5,000,000	49,200,000	52,696,008
Loss for the Year	(303,525)	5,000,000	50,000,000	54,696,475
Balance as at Dec. 31, 2021	(1,807,517)	5,000,000	50,000,000	53,192,483



CHIEF EXECUTIVE



DIRECTOR

GENIX HEALTH CARE PRIVATE LIMITED.

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Dec-21 Rupees	Jun-21 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(303,525)	(456,567)
Changes in working capital:-		
Increase/ (decrease) in accrued expense:	(120)	(30,240)
Increase/ (decrease) in WHT payable	(3,693)	5,836
Increase/ (decrease) in Payable to Related Party	(14,992,160)	28,013,935
	(14,995,973)	27,989,531
Tax Paid	-	(225,754)
Net Cash Flow from Operating Activity	<u>(15,299,498)</u>	<u>27,307,210</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Land	(1,112,240)	(65,154,000)
Subscription Money received	-	5,000,000
Share Deposit Money Received	(800,000)	49,200,000
Net Cash Flow used in Investing Activities	<u>(312,240)</u>	<u>(10,954,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase / (decrease) in cash and cash equivalents	(15,611,738)	16,353,210
Cash and Cash Equivalent at the Beginning of the Year	16,353,211	-
Cash and Cash Equivalent at the end of the Year	<u><u>741,472</u></u>	<u><u>16,353,210</u></u>


CHIEF EXECUTIVE


DIRECTOR



GENIX HEALTH CARE PRIVATE LIMITED.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. THE COMPANY AND ITS OPERATIONS

Genix Health Care (Private) Limited (the Company) was incorporated in Pakistan as a private limited company on 28 March, 2017 under the repealed Companies Ordinance, 1984. The primary activity of the Company is the manufacturing and marketing of nutraceutical, herbal, body care and other allied products. The registered office of the Company is situated at 44-45/B, Korangi Creek Road, Korangi, Karachi.

2. SIGNIFICANT TRANSACTIONS AND EVENTS THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND FINANCIAL PERFORMANCE

There was no significant transaction during the year as company has not commenced its operations yet.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

3.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except for certain financial and non financial assets which are measured at fair value.

3.3 Critical judgments and accounting estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the

- Useful lives, residual values and depreciation method of property, plant and equipment -Note 4.1.

The revisions to accounting estimates (if any) are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.4 Presentation and functional currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

4.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment, if any.

Depreciation is charged to statement of profit or loss and other comprehensive income applying the straight line method, at the rates disclosed in note 5, which are considered appropriate to write off the cost of the assets over their useful lives. Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss account and other comprehensive income during the financial year in which they are incurred.

benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the assets (calculated as difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss and other comprehensive income.

Gains and losses on disposal of fixed assets are taken to the statement of profit or loss and other comprehensive income.

4.2 Financial assets

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognized at trade date, which is the date the Company commits to purchase or sell the investment.

Investments are derecognized when the right to receive cash flows from the investments have expired or investments have been realized or transferred, and the Company has transferred substantially all the risks and rewards of ownership.

The investment portfolio of the Company is categorized below:

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Financial assets at fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates, these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognized directly in the statement of profit or loss and other comprehensive income.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivables and cash and bank balances in statement of financial position.

4.3 Financial Liabilities

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

Financial liabilities are recognized initially at fair value less directly attributable transaction costs, if any, and subsequently measured at amortized cost using effective interest rate method, where applicable. The Company derecognizes the financial liabilities when it ceases to be a party to the contractual provisions of such instruments.

4.4 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and at banks.

4.5 Accrued and other liabilities

Liabilities for amounts payable are carried at cost which is the fair value of the consideration to be paid in future for services received, whether or not billed to the Company.

4.6 Taxation

Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credit and rebates available, if any, or minimum turnover tax or alternate corporate tax whichever is higher in accordance with provision of the Income Tax Ordinance, 2001. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

4.7 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.8 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

4.9 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument: the particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The Company de-recognizes the financial asset and liabilities when it ceases to be a party to such contractual provisions of the instruments. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

4.10 Offsetting

A financial asset and a financial liability are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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5 Property Plant & Equipment

PARTICULARS	C O S T			D E P R E C I A T I O N			WRITTEN D O W N V A L U E A S O N 31-12-2021
	A S O N 30-06-2021	A D D I T I O N (D E L E T I O N)	A S O N 31-12-2021	R A T E %	F O R T H E H A L F Y E A R	A S O N 31-12-2021	
Leasehold Land	65,154,000	1,112,240	66,266,240	-	-	-	66,266,240
TOTAL 31-12-2021	65,154,000	1,112,240	66,266,240	-	-	-	66,266,240

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		Dec-21 Rupees	Jun-21 Rupees
6	ADVANCE TAX		
	Income Tax Deducted	6.1 <u> -</u>	<u> 225,754</u>
	Income Tax Refundable Due From Government	6.2 <u> 225,755</u>	<u> -</u>
6.1	This amount represents Income tax deducted on Bank withdrawals		
7	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
	Each of the two sponsors / directors have subscribed 250000 shares of Rs. 10/- each through Memorandum of Association of the company.	<u> 5,000,000</u>	<u> 5,000,000</u>
8	SHARE DEPOSIT MONEY	<u> 50,000,000</u>	<u> 49,200,000</u>
	This represents amount received as advance against issuance of shares.		
9	PAYABLE TO RELATED PARTY		
	Loan From Related Party	9.1 <u> 14,017,640</u>	<u> 29,009,800</u>
		<u> 14,017,640</u>	<u> 29,009,800</u>
9.1	Represents amount payable to a related party Genix Pharma (Pvt.) Ltd. In respect of various expenses incurred & Land Acquired on behalf of the Company. This amount is interest free and repayable on demand.		
10	CONTINGENCIES AND COMMITMENTS		
	There are no contingencies and commitments as at statement of financial position date.		
11	ADMINISTRATIVE EXPENSES		
	Legal and Professional Charges	288,327	359,278
	Auditors Remuneration	15,000	15,120
	Bank Charges	198	249
	General expenses	-	81,920
		<u> 303,525</u>	<u> 456,567</u>
12	REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES		
	No amount has been paid or is payable by the Company on account of remuneration to Chief Executive and Director for the period.		

Handwritten signature/initials

13 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies having common directors. Amounts due from and due to related parties and directors are disclosed in the relevant notes. Other material transactions with related parties are given below:

Relationship with the Company	Nature of transactions	Dec-21 Rupees	Jun-21 Rupees
<u>Associated Company- Common Directorship</u>			
Genix Pharma (Pvt.) Ltd.	Auditors Remuneration	15,000	15,000
	Land Purchased	-	32,579,000
	Loan Repaid	(15,000,000)	(5,000,000)
	Advertisement	-	80,000
	Legal Documentation	7,840	354,315
	Subscription Money	-	2,720
	Income Tax Deducted	-	(2,100)

14 FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSETS

Cash and Bank Balances	<u>741,472</u>	<u>16,353,210</u>
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FINANCIAL LIABILITIES

Financial liabilities measured at amortized cost

Accrued and other liabilities	<u>63,232,760</u>	<u>29,055,160</u>
	<u>63,232,760</u>	<u>29,055,160</u>

15 NUMBER OF EMPLOYEES

AVERAGE NUMBER OF EMPLOYEES

Average number of employees during the period
Number of employees as at December 31, 2021

Dec-21	Jun-21
No. of Employees	
-	1
-	1

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16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 10 MAR 2022 by the Board of Directors of the Company.

17 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise mentioned.

~~CHIEF EXECUTIVE~~

~~DIRECTOR~~

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