



GROWING HEALTHY

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Company Information

■ Board of Directors

Mr. Rashid Abdulla (Chairman)
Mr. Adnan Asdar Ali
Mr. S. Nadeem Ahmed
Mr. Mufti Zia ul Islam (Chief Executive Officer)
Mr. Zubair Palwala
Mr. Munis Abdullah
Mr. Asad Abdulla
Mr. Ayaz Abdulla
Ms. Shaista Khaliq Rehman

■ Chief Financial Officer and Company Secretary

Mr. Muhammad Tariq

■ Audit Committee

Ms. Shaista Khaliq Rehman (Chairperson)
Mr. Zubair Palwala
Mr. Asad Abdulla

■ Human Resource and Remuneration Committee

Mr. Asad Abdulla (Chairman)
Mr. Mufti Zia ul Islam
Mr. Zubair Palwala

■ Chief Internal Auditor

Mr. Muhammad Ali Rasheed

■ External Auditors

Grant Thornton Anjum Rahman

■ Internal Auditors

BDO Ebrahim & Co.

■ Legal Advisors

Mohsin Tayebaly & Co.

■ Bankers

Habib Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
National Bank of Pakistan
Silk Bank Limited

■ Registered Office

9th Floor, N.I.C. Building, Abbasi Shaheed Road, Karachi.

■ Share Registrar

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B", S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi - 74400, Pakistan.

Directors' Report

The Directors are pleased to present the report together with the condensed interim financial information of your Company for the three months ended September 30, 2015.

This condensed interim financial information is submitted in accordance with section 245 of the Companies Ordinance, 1984.

SUMMARY OF FINANCIAL PERFORMANCE

	September 30, 2015	2014
	-----(Rupees in '000)-----	
Revenue	292,457	290,193
Gross profit	101,763	123,749
Gross profit as percentage of revenue	34.79%	42.6%
Operating expenses	47,920	38,844
Operating profit	53,843	84,905
Profit before taxation	54,598	84,689
Profit after taxation	46,934	78,793

The performance of your company for the first quarter of the fiscal year 2015-16 remained consistent and the sales have improved slightly as compared to same period last year. The gross profit for the current quarter has declined due to substantial depreciation of rupee against dollar and increase in price by the principals. The net profit for the current quarter as a percentage of sales is excellent. Further, the sale of the company remained under pressure due to tough competition and extensive promotion by key players in the market.

FUTURE OUTLOOK

The management is optimistic in maintaining excellent results in the future as we have planned to launch new business lines and our sales force is continuously focusing on providing high quality premium products to all potential HealthCare Professionals, which will contribute significantly towards profitability. We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers.

ACKNOWLEDGEMENT

We wish to thank the customers for their faith in our products, and their continuing patronage. Without their support we would not have been able to achieve these improved results.

We also take this opportunity to thank our suppliers, bankers and distributors for providing us with their valuable support throughout the period.

Finally we wish to thank our staff who remained committed to deliver towards the growth of your Company.

For and on behalf of the board



Mufti Zia ul Islam
Chief Executive

Karachi
October 15, 2015

Condensed Interim Balance Sheet

As at September 30, 2015

	Un-audited September 30, 2015	Audited June 30, 2015
Note	----- (Rupees in '000) -----	

ASSETS

Non-current assets

Fixed Assets			
Property and equipment	5	860	815
Intangibles		<u>7,981</u>	<u>9,187</u>
		8,841	10,002
Investment property		123,588	123,588
Long term loans and advances	6	<u>98,281</u>	<u>98,256</u>
Total non-current assets		<u>230,710</u>	<u>231,846</u>

Current assets

Stock-in-trade		135,457	205,081
Trade debts		240,939	218,370
Current portion of long term loans and advances		290	344
Short term investments	7	138,371	126,929
Deposits and prepayments		5,470	4,257
Advances and other receivables		52,935	53,286
Taxation-net		4,894	4,720
Cash and bank balances	8	65,055	16,836
Total current assets		<u>643,411</u>	<u>629,823</u>
Total assets		<u>874,121</u>	<u>861,669</u>

EQUITY AND LIABILITIES

Share capital and reserves			
Authorized share capital			
50,000,000 (June 2015: 50,000,000) ordinary		<u>500,000</u>	<u>500,000</u>
shares of Rs. 10 each			
Issued, subscribed and paid-up share capital	9	299,000	299,000
Unappropriated profit		<u>412,261</u>	<u>365,327</u>
Total shareholders' equity		<u>711,261</u>	<u>664,327</u>

Current liabilities

Trade and other payables		162,860	197,342
Total current liabilities		<u>162,860</u>	<u>197,342</u>

Total liabilities

162,860 197,342

Contingencies and commitments

10

Total equity and liabilities

874,121 861,669

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.


Mufti Zia ul Islam
 Chief Executive Officer


Syed Nadeem Ahmed
 Director

Condensed Interim Profit And Loss Account (Un-audited)

For the three months ended September 30, 2015

Note	September 30, 2015	September 30, 2014
	------(Rupees in '000)-----	
NET SALES	292,457	290,193
COST OF SALES	<u>(190,694)</u>	<u>(166,444)</u>
GROSS PROFIT	101,763	123,749
Selling and distribution expenses	<u>(35,017)</u>	<u>(28,556)</u>
Administrative expenses	<u>(11,697)</u>	<u>(9,065)</u>
Amortization of intangibles	<u>(1,206)</u>	<u>(1,223)</u>
	<u>(47,920)</u>	<u>(38,844)</u>
OPERATING PROFIT	53,843	84,905
Other income - net	<u>3,761</u>	<u>1,271</u>
Other expenses	<u>(2,761)</u>	<u>(1,041)</u>
Financial cost	<u>(245)</u>	<u>(446)</u>
	<u>755</u>	<u>(216)</u>
PROFIT BEFORE INCOME TAX	54,598	84,689
Taxation	<u>(7,664)</u>	<u>(5,896)</u>
PROFIT FOR THE PERIOD	<u>46,934</u>	<u>78,793</u>
EARNINGS PER SHARE - (Rupees)	<u>1.57</u>	(Re-stated) 2.64

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.


Mufti Zia ul Islam
 Chief Executive Officer


Syed Nadeem Ahmed
 Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months ended September 30, 2015

	September 30, 2015	September 30, 2014
	----- (Rupees in '000) -----	
PROFIT FOR THE PERIOD	46,934	78,793
Other comprehensive income		
Items that will not be reclassified to profit and loss account	-	-
Items that may be reclassified to profit and loss account	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	46,934	78,793

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months ended September 30, 2015

Note	September 30, 2015	September 30, 2014
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	54,598	84,689
Adjustments for non-cash items:		
Depreciation	118	124
Gain on disposal of property and equipment	-	(739)
Unrealized gain on investments	(1,407)	(857)
Realized gain on sale of investments	(94)	-
Amortization of intangible assets	1,206	1,223
Impairment of intangibles	-	673
	54,421	85,113
Increase/Decrease in working capital		
Stock in trade	69,624	13,805
Trade debts	(22,569)	(78,183)
Current portion of long term loans and advances	54	(137)
Deposits and prepayments	(1,213)	-
Advances, deposits and other receivables	351	(5,237)
Trade and other payables	(34,482)	73,479
	11,765	3,727
Cash generated from operations	66,186	88,840
Income tax paid	(7,838)	(6,027)
Net cash flows from operating activities	58,348	82,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(163)	(98)
Short term investments made	(35,000)	(74,000)
Proceeds from redemption of investments	25,059	-
Proceeds from disposal of property and equipment	-	1,147
Net cash used in investing activities	(10,104)	(72,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans and advances	(25)	355
Gratuity paid	-	(126)
Net cash (used) in/flows generated from financing activities	(25)	229
Net increase in cash and cash equivalents	48,219	10,091
Cash and cash equivalents at the beginning of the period	16,836	25,360
Cash and cash equivalents at the end of the period	65,055	35,451

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.


Mufti Zia ul Islam
 Chief Executive Officer


Syed Nadeem Ahmed
 Director

Condensed Interim Statement of Changes In Equity (Un-audited)

For the three months ended September 30, 2015

	Issued, subscribed and paid-up share capital	Reserve for issue of bonus shares	Unappropriated profit	Share holders' equity
	----- Rupees in '000' -----			
Balance as at July 1, 2014	230,000	-	291,690	521,690
Total comprehensive income for the period	-	-	78,793	78,793
Balance as at September 30, 2014	<u>230,000</u>	<u>-</u>	<u>370,483</u>	<u>600,483</u>
Balance as at July 01, 2015	299,000	-	365,327	664,327
Total comprehensive income for the period	-	-	46,934	46,934
Balance as at September 30, 2015	<u>299,000</u>	<u>-</u>	<u>412,261</u>	<u>711,261</u>

The annexed selected notes from 1 to 13 form an integral part of this condensed interim financial information.


Mufti Zia ul Islam
 Chief Executive Officer


Syed Nadeem Ahmed
 Director

Selected Notes to the Condensed Interim Financial Information

For the three months ended September 30, 2015

1 LEGAL STATUS AND OPERATIONS

IBL HealthCare (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. Its shares are quoted on Karachi Stock Exchange. The principal business activities of the Company are marketing, selling and distribution of healthcare products. The address of its registered office is 9th Floor, N.I.C. Building, Abbasi Shaheed Road, Karachi.

The Company is a subsidiary of The Searle Company Limited, which holds more than 51% shares in the Company.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This un-audited condensed interim financial information constitutes separate condensed interim financial statements of the Company and are being presented and submitted to the shareholders as required by Listing Regulations of Karachi Stock Exchange and under Section 245 of the Companies Ordinance, 1984. The condensed interim financial information do not include all information and disclosures required in the financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2015.

3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and method of computations adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgments and associated assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the financial statements of the Company for the year ended June 30, 2015.

5 PROPERTY AND EQUIPMENT

		Un-audited September 30, 2015	Audited June 30, 2015
	Note	----(Rupees in '000)----	
Operating fixed assets	5.1	<u>860</u>	<u>815</u>

Selected Notes to the Condensed Interim Financial Information

For the three months ended September 30, 2015

- 5.1** Details of additions and disposals to operating assets during the period ended September 30, 2015 are as follows:

	Additions at cost	Deletions at net book value
Owned assets	---(Rupees in '000)---	
Office equipments	126	-
Furniture & Fixtures	37	-
September 30, 2015	163	-
June 30, 2015	544	(787)

- 6** This includes loan to International Brands Limited (the associated company) amounting to Rs. 98 million. The tenure of the loan is 5 years with a grace period of 1 year payable in equal bi-annual installments. The rate of mark-up is 12 months KIBOR+1%.

- 7** **SHORT TERM INVESTMENTS**
- Un-audited
September
30, 2015** Audited
June
30, 2015
---(Rupees in '000)---

Number of units				
September 2015	June 2015			
1,674,157	1,791,408	Meezan Sovereign Fund - at cost	84,790	89,734
5,483,364	3,925,360	NAFA Islamic Aggressive Income Fund - at cost	52,179	37,179
		Unrealised gain on revaluation of units	1,402	16
7,157,521	5,716,768	Closing balance	138,371	126,929

- 7.1** Short term investment comprises of investment in Meezan Sovereign Fund and NAFA Islamic Aggressive Income Fund, open end mutual funds. The rating of the Meezan Fund is 'AA+' and the credit rating agency is JCR-VIS and that of NAFA Fund is 'A-' and the credit rating agency is PACRA. The Investments have been classified as "financial assets at fair value through profit and loss".

- 8** This includes cheques in hand amounting to Rs. 50.55 million.

9 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

September 30, 2015	June 30, 2015		September 30, 2015	June 30, 2015
---(Number of shares)---			---(Rupees in '000)---	
29,900,000	29,900,000	Ordinary shares of Rs. 10 each fully paid in cash	299,000	299,000
29,900,000	29,900,000		299,000	299,000

Selected Notes to the Condensed Interim Financial Information

For the three months ended September 30, 2015

10	CONTINGENCIES AND COMMITMENTS	Un-audited September 30, 2015	Audited June 30, 2015
		------(Rupees in '000)-----	
	Letter of credit outstanding	<u>129,786</u>	<u>100,357</u>

The facility for opening Letters of Credit (LCs) acceptances and guarantees as at September 30, 2015 amounted to Rs. 265 million (June 30, 2015: Rs. 265 million) of which the amount remaining unutilized as at that date was Rs. 135.214 million (June 30, 2015: Rs. 164.643 million).

11	CASH AND CASH EQUIVALENTS	Un-audited September 30, 2015	Audited June 30, 2015
		------(Rupees in '000)-----	
	Cash and bank balances	<u>65,055</u>	<u>16,836</u>

12 RELATED PARTY TRANSACTIONS

The Company is controlled by The Searle Company Limited, which owns 51% of the Company's shares and International Brands Limited holds 23% shares in the Company. The remaining 26% shares are widely held. IBL Operations (Private) Limited is an associated company on the basis of common directorship.

Related Party	Nature of relation- ship	Nature of balance	Un-audited September 30, 2015	Audited June 30, 2014
			(Rupees in '000)	
The Searle Company Limited	Holding	Current account balance - receivable	<u>1,432</u>	<u>1,432</u>
		Customer Account Balance	<u>77</u>	<u>114</u>
IBL Operations (Private) Limited	Associate	Current account balance - payable	<u>(2,666)</u>	<u>(1,901)</u>
		Customer Account Balance	<u>212,385</u>	<u>194,483</u>
		Advance for acquisition of Land	<u>40,000</u>	<u>40,000</u>
Habitt	Associate	Current account balance - receivable	<u>2,082</u>	<u>2,082</u>
International Brands Limited	Associate	Long term loan	<u>98,000</u>	<u>98,000</u>
		Interest on loan	<u>1,603</u>	<u>4,478</u>

Selected Notes to the Condensed Interim Financial Information

For the three months ended September 30, 2015

Related Party	Nature of relationship	Nature of transaction	Un-audited September 30, 2015 (Rupees in '000)	Un-audited September 30, 2014 (Rupees in '000)
The Searle Company Limited	Holding	Share of employees costs and expenses	-	75
		Sale of goods	130	132
IBL Operations (Private) Limited	Associate	Sale of goods	231,765	236,556
		Warehouse rent	765	539
International Brands Limited	Associate	Interest on loan	2,196	-
Habitt	Associate	Rental income	-	1,307
Dunkin Donuts	Associate	Rental income	-	145

13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 15, 2015 by the Board of Directors of the Company.


Mufti Zia ul Islam
 Chief Executive Officer


Syed Nadeem Ahmed
 Director

IBL HealthCare Limited

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