

Dedicated to



IBL HealthCare Limited

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Company Information

Board of Directors

Mr. Rashid Abdulla	(Chairman)
Mr. Adnan Asdar Ali	(Director)
Mr. Syed Nadeem Ahmed	(Director)
Mr. Mufti Zia ul Islam	(Chief Executive Officer)
Mr. Zubair Razzak Palwala	(Director)
Mr. Shahid Abdulla	(Director)
Mr. Ayaz Abdulla	(Director)
Mr. Arshad Anis	(Director)
Ms. Shaista Khaliq Rehman	(Director)

Audit Committee

Ms. Shaista Khaliq Rehman	(Chairperson)
Mr. Zubair Razzak Palwala	Member
Mr. Arshad Anis	Member

Chief Financial Officer and Company Secretary

Mr. Muhammad Tariq

Auditors

Grant Thornton Anjum Rahman

Legal Advisor

Mohsin Tayabaly & Co.

Bankers

Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
Silkbank Limited
Soneri Bank Limited
National Bank of Pakistan
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
Shahra-e-Faisal, Karachi – 74400

Internal Auditors

BDO Ebrahim & Co.

Chief Internal Auditor

Mr. Muhammad Ali Rasheed

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, 2016.

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

SUMMARY OF FINANCIAL PERFORMANCE

	September 30, 2016	2015
	----- (Rupees in '000) -----	
Revenue	301,750	292,457
Gross profit	101,084	101,763
Gross profit as percentage of revenue	33.5%	34.8%
Operating expenses	51,511	47,920
Operating profit	49,573	53,843
Profit before taxation	57,995	54,598
Profit after taxation	47,723	46,934

The performance of your company for the first quarter of the fiscal year 2016-17 remained consistent and the sales has slightly improved compared to same period last year despite of tough competition and extensive promotion by key players in the market. The gross profit for the current quarter has declined due to imposition of regulatory duty by the Government and increase in price by the Principals. The net profit for the current quarter marginally improved as compared to last year.

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 Officer

Karachi
October 26, 2016

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز اپنی رپورٹ مع آپ کی کمپنی کے مجموعی مالیاتی حسابات برائے تین ماہ کی مدت تختہ ۳۰ ستمبر ۲۰۱۶ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

یہ مجموعی مالیاتی حسابات کمپنیز آرڈیننس ۱۹۸۲ کی دفعہ ۲۲۵ کے تحت جمع کرائے گئے ہیں۔

مالیاتی کارکردگی کا جائزہ

30 ستمبر		
2015	2016	
(روپے ہزاروں میں)		
292,457	301,750	ریونیو
101,763	101,084	مجموعی منافع جات
34.8 فیصد	33.5 فیصد	مجموعی منافع جات برطانیہ آمدنی کا فیصدی
47,920	51,511	آپریٹنگ اخراجات
53,843	49,573	آپریٹنگ منافع جات
54,598	57,995	قبل از ٹیکس منافع
46,934	47,723	بعد از ٹیکس منافع

مالی سال ۱۷-۲۰۱۶ء کی پہلی سہ ماہی کیلئے آپ کی کمپنی کی کارکردگی برقرار رہی اور فروخت گزشتہ سال کی اس مدت کے مقابلے میں انتہائی سخت مسابقت اور مارکیٹ میں موجود دوسرے اداروں کی موثر تشہیر سرگرمیوں کے باوجود قدرے بہتر ہوئی۔ رواں سہ ماہی کے لیے مجموعی منافع جات میں حکومت کی جانب سے ریگولیٹری ڈیوٹی کے نفاذ اور پرنسپلز کی جانب سے نرخوں میں اضافے کے باعث کمی ہوئی۔ رواں سہ ماہی کے لیے خالص منافع جات گزشتہ سال کے مقابلے میں کچھ بہتر رہے۔

مستقبل کا جائزہ

انتظامیہ مستقبل میں بہتر نتائج کی توقعات رکھتے ہوئے پر عزم ہے کیونکہ ہم نے نئی کاروباری حکمت عملیاں طے کی ہیں اور ہماری سیلز فورس تمام مستحکم ایلتھ ٹیکر پرفیشنل کو اعلیٰ معیار کی شاندار مصنوعات کی فراہمی پر مسلسل توجہ دے رہی ہے جن سے منافع جات کے ضمن میں بھی فائدہ حاصل ہوگا۔ ہم پر اعتماد ہیں کہ شیئر ہولڈرز کیلئے بہتر منافع جات کے ساتھ اپنے صارفین کو بہترین مصنوعات اور سروسز بھی فراہم کریں گے۔

اتحادیہ تشکر

ہم اپنی مصنوعات پر صارفین کے اعتماد کرنے پر ان کے مشکور ہیں اور ان کی جانب سے مستقل سرپرستی کیے جانے پر ان کا شکریہ ادا کرتے ہیں کیونکہ ان کے تعاون کے بغیر ہم ان بہتر نتائج کے حصول کے اہل نہیں ہو سکتے تھے۔

ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے سپلائرز، بینکرز اور ڈسٹری بیوٹرز کا بھی اس پوری مدت کے دوران ان کی جانب سے کیے جانے والے تعاون پر شکریہ ادا کرنا چاہیں گے۔

آخر میں ہم اپنے عملے کا شکریہ ادا کرتے ہیں جو اپنی کمپنی کی ترقی میں ہر قدم ہمارے ساتھ رہے ہیں۔

برائے اور بورڈ کی جانب سے

مفتی ضیاء الاسلام
چیف ایگزیکٹو

کراچی
۲۶ اکتوبر ۲۰۱۶ء

Condensed Interim Balance Sheet

As at September 30, 2016

Note Un-audited Audited
September 30, June 30,
2016 2016
------(Rupees in '000)-----

ASSETS

Non-current assets

Fixed assets

Property and equipment	5	1,461	1,527
Intangible assets		7,502	8,570
		<u>8,963</u>	<u>10,097</u>
Investment property		123,588	123,588
Long term loans and advances		<u>155,235</u>	<u>142,183</u>
Total non-current assets		287,786	275,868

Current assets

Stock - in - trade	6	255,367	263,383
Trade debts - net		277,820	259,329
Loans and advances		229,655	228,649
Trade deposits and short-term prepayments		4,789	4,421
Interest accrued on loan to related party		8,607	3,045
Other receivables		6,147	16,649
Short term investments	7	106,472	99,593
Taxation-payment less provision		14,018	9,757
Cash and bank balances	8	9,196	18,187
Total current assets		912,072	903,013
Total assets		<u>1,199,858</u>	<u>1,178,881</u>

EQUITY AND LIABILITIES

Share capital and reserves

Authorised share capital		500,000	500,000
50,000,000 (June 2016: 50,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up share capital	9	427,570	427,570
Share Premium Account		119,600	119,600
Unappropriated profit		<u>433,474</u>	<u>385,751</u>
Total shareholders' equity		980,644	932,921

Current liabilities

Trade and other payables		219,214	245,960
Total current liabilities		219,214	245,960
Total liabilities		219,214	245,960

CONTINGENCIES AND COMMITMENTS

Total equity and liabilities		<u>1,199,858</u>	<u>1,178,881</u>
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The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Mufti Zia ul Islam
Chief Executive Officer



Syed Naqeeb Ahmed
Director

Condensed Interim Profit And Loss Account (Un-Audited)
For the three months ended September 30, 2016

	Note	September 30, 2016	September 30, 2015
		-----Rupees in '000-----	
SALES - NET		301,750	292,457
COST OF SALES		(200,666)	(190,694)
GROSS PROFIT		101,084	101,763
Selling and distribution expenses		(41,052)	(35,017)
Administrative expenses		(10,459)	(12,903)
		(51,511)	(47,920)
OPERATING PROFIT		49,573	53,843
Other income - net		8,797	3,761
Other expenses		-	(2,761)
Finance cost		(375)	(245)
		8,422	755
PROFIT BEFORE INCOME TAX		57,995	54,598
Income tax expense		(10,272)	(7,664)
PROFIT FOR THE PERIOD		47,723	46,934
			(Restated)
EARNINGS PER SHARE			
BASIC AND DILUTED (Rupees)	11	1.12	1.10

The annexed notes 1 to 14 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, 2016

	September 30, 2016 -----Rupees in '000-----	September 30, 2015 -----Rupees in '000-----
PROFIT FOR THE PERIOD	47,723	46,934
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>47,723</u>	<u>46,934</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

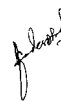
Condensed Interim Statement Of Changes In Equity (Un-Audited)
For the three months ended September 30, 2016

Note	Issued, subscribed and paid-up share capital	Reserve for issue of bonus shares	Share Premium	Unappropriated profit	Total share holders' equity
------(Rupees in '000)-----					
Balance as at July 01, 2015	299,000	-	-	365,327	664,327
Total comprehensive income for the period ended September 30, 2015	-	-		46,934	46,934
	<u>299,000</u>	<u>-</u>	<u>-</u>	<u>412,261</u>	<u>711,261</u>
Balance as at July 01, 2016	427,570		119,600	385,751	932,921
Total comprehensive income for the period ended September 30, 2016	-	-	-	47,723	47,723
Balance as at September 30, 2016	<u>427,570</u>	<u>-</u>	<u>119,600</u>	<u>433,474</u>	<u>980,644</u>

The annexed notes 1 to 14 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, 2016

Note September 30, September 30,
2016 2015
-----Rupees in '000-----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	57,995	54,598
Adjustments for non-cash items:		
Depreciation	147	118
Amortization of intangible assets	1,096	1,206
Interest on loan	(5,562)	-
Gain on disposal of investment	(461)	(94)
Unrealized gain on investments	(500)	(1,407)
	<u>52,715</u>	<u>54,421</u>
<i>Decrease/(Increase) in working capital</i>		
Stock - in - trade	8,016	69,624
Trade debts - net	(18,491)	(22,569)
Loans and advances	(1,006)	54
Trade deposits and short-term prepayments	(368)	(1,213)
Other receivables	10,502	351
Trade and other payables	(26,746)	(34,482)
	<u>(28,093)</u>	<u>11,765</u>
Cash generated from operations	24,622	66,186
Income tax paid	(14,533)	(7,838)
Net cash flows generated from operating activities	10,089	58,348

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(81)	(163)
Purchase of intangibles	(29)	-
Long term advance	(13,052)	(25)
Short term investments made	(69,000)	(35,000)
Proceeds from redemption of investments	63,082	25,059
Net cash used in investing activities	(19,080)	(10,129)

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(8,991)	48,219
Cash and cash equivalents at the beginning of the period	18,187	16,836
Cash and cash equivalents at the end of the period	9,196	65,055



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

Notes To The Condensed Interim Financial Information

For the three months ended September 30, 2016

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

The Company is a subsidiary of 'The Searle Company Limited', which holds 73% shares in the Company.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company has been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where the 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 information of the Company and are being presented and submitted to the shareholders as required by the Listing Regulations of the Pakistan Stock Exchange and under section 245 of the Companies Ordinance, 1984. The condensed interim financial information does 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, 2016.

3. SIGNIFICANT ACCOUNTING 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, 2016.

4. SIGNIFICANT ACCOUNTING POLICIES

The estimates/judgements 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, 2016.

	Un-audited September 30, 2016	Audited June 30, 2016
Note	-----Rupees in '000-----	

5. PROPERTY AND EQUIPMENT

Operating fixed assets	5.1	<u>1,461</u>	<u>1,527</u>
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5.1 Details of additions and disposals to operating fixed assets during the period ended September 30, 2016 are as follows:

	Additions at cost	Deletions at net book value
	-----Rupees in '000-----	
Office Equipments	<u>81</u>	<u>-</u>
September 30, 2016	<u>81</u>	<u>-</u>
June 30, 2016	<u>1,279</u>	<u>491</u>

Notes To The Condensed Interim Financial Information

For the three months ended September 30, 2016

		Un-audited September 30, 2016	Audited June 30, 2016
	Note	-----Rupees in '000-----	
6.	TRADE DEBTS - UNSECURED		
	Considered good		
	Due from related party	6.1 244,379	232,959
	Others	35,106	28,035
		<u>279,485</u>	<u>260,994</u>
	Less: Provision for doubtful debts	6.2 (1,665)	(1,665)
		<u>277,820</u>	<u>259,329</u>

6.1. As at September 30, 2016, amount due from IBL Operations (Private) Limited stood at Rs. 244.3 million.

6.2. As at September 30, 2016, trade debts aggregating Rs. 1.665 million (June 2016: Rs. 1.665 million) were deemed to have been impaired. These balances are outstanding for more than three years. The movement for provision for doubtful debts is as follows:

	Un-audited September 30, 2016	Audited June 30, 2016
	-----Rupees in '000-----	
Balance at the beginning of the period	1,665	1,665
Provision made	-	-
Balance at the end of the period	<u>1,665</u>	<u>1,665</u>

7. SHORT TERM INVESTMENTS

Investments at fair value through profit and loss

Meezan Sovereign fund	84,449	78,077
NAFA Islamic Aggressive Income Fund	21,523	21,520
Add: unrealized gain/(loss) on revaluation of investment	500	(4)
	<u>106,472</u>	<u>99,593</u>

Number of units

Meezan Sovereign fund	1,641,507	1,536,775
NAFA Islamic Aggressive Income Fund	2,269,207	2,269,207
	<u>3,910,714</u>	<u>3,805,982</u>

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

Notes To The Condensed Interim Financial Information

For the three months ended September 30, 2016

		Un-audited September 30, 2016	Audited June 30, 2016
	Note	-----Rupees in '000-----	
8.	CASH AND BANK BALANCES		
	Cash in hand	249	164
	Cash with banks in:		
	-saving account	8	8
	-current accounts	8,939	18,015
		<u>9,196</u>	<u>18,187</u>
9.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	September 30, 2016	June 30, 2016	
	Number of shares		
	42,757,000	42,757,000	427,570
	<u>42,757,000</u>	<u>42,757,000</u>	<u>427,570</u>
10.	CONTINGENCIES AND COMMITMENTS		
	Letter of credit outstanding	<u>132,527</u>	<u>166,126</u>
10.1.	The facility for opening Letters of Credit (LCs) acceptances and guarantees as at September 30, 2016 amounted to Rs. 265 million (June 2016: Rs. 265 million) of which the amount remained unutilized as at balance sheet date was Rs. 132.473 million (2016: Rs. 98.874 million).		
11.	EARNINGS PER SHARE	Un-audited September 30, 2016	Un-Audited September 30, 2015
	Note		
	Basic earnings per share		
	Profit for the year (Rupees in thousands)	<u>47,723</u>	<u>46,934</u>
	Weighted average number of shares	<u>42,757</u>	<u>29,900</u>
	Earnings per share (Rupees)	<u>1.12</u>	<u>1.10</u>
	Diluted earning per share		
	There is no dilution effect on the basic earning per share of the Company as the Company has no convertible dilutive potential ordinary shares.		
12.	CASH AND CASH EQUIVALENTS	Un-audited September 30, 2016	Audited June 30, 2016
	Note	-----Rupees in '000-----	
	Cash and bank balances	<u>9,196</u>	<u>18,187</u>

Notes To The Condensed Interim Financial Information

For the three months ended September 30, 2016

13. RELATED PARTY TRANSACTION

The Company is controlled by The Searle Company Limited, which owns 73% of the Company's shares and International Brands Limited holds 0.3% shares in the Company. The remaining 26.7% shares are widely held. IBL Operations (Private) Limited is an associated company on the basis of common directorship.

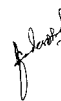
Related Party	Nature of relationship	Nature of balance	Un-audited Sep 30, 2016 -----(Rupees in '000)----	Audited Jun 30, 2015 -----
The Searle Company Limited	Holding	Sale of goods	<u>19</u>	<u>407</u>
International Brands Limited	Associate	Interest on loan	<u>5,562</u>	<u>8,022</u>
		Interest receivable on loan	<u>8,607</u>	<u>3,045</u>
		Other receivable	<u>-</u>	<u>8,000</u>
IBL Operations (Private) Limited	Associate	Sale of goods	<u>232,982</u>	<u>902,619</u>
		Warehouse rent	<u>646</u>	<u>2,822</u>
		Current account balance - payable	<u>(7,054)</u>	<u>(6,364)</u>
Habitt	Associate	Current account balance - receivable	<u>2,082</u>	<u>2,082</u>
IBL Identity (Private) Limited	Associate	Rent income	<u>1,200</u>	<u>1,200</u>
		Rent Receivable	<u>1,200</u>	<u>1,200</u>

14. Date Of Authorization For Issue

This condensed interim financial information was authorized for issue on **October 26, 2016** by the Board of Directors of the Company.



Mufti Zia ul Islam
Chief Executive Officer



Syed Naadeem Ahmed
Director

NOTES

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IBL HealthCare Limited

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

Off: Shahrah-e-Faisal, Karachi-75530

www.iblhc.com