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Company Information

BOARD OF DIRECTORS

Mr. Rashid Abdulla	Chairman
Mr. Adnan Asdar Ali	Director
Mr. S. Nadeem Ahmed	Director
Mr. Mufti Zia ul Islam	Chief Executive Officer
Mr. Zubair Razzak Palwala	Director
Mr. Ayaz Abdulla	Director
Ms. Shaista Khaliq Rehman	Director

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

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, 2017.

This condensed interim financial information is submitted in accordance with section 227 of the Companies Act 2017.

SUMMARY OF FINANCIAL PERFORMANCE

	September 30,	
	2017	2016
	(Rupees in thousand)	
Revenue	318,565	301,750
Gross profit	101,180	101,084
Gross profit as percentage of revenue	31.8%	33.5%
Operating expenses	50,488	51,511
Operating profit	50,692	49,573
Profit before taxation	60,912	57,995
Profit after taxation	47,915	47,723

The performance of your company for the first quarter of the fiscal year 2017-18 remained consistent and the sales has improved by 6% as compared to same period last year despite of tough competition and extensive promotion by key players in the market. The gross profit as a percentage of sales for the current quarter has declined to 31.8% as compared to 33.5% for the same period last year. This decrease in gross profit is due to imposition of regulatory duty by the Government and increase in price by the Principal. The net profit for the current quarter marginally improved to Rs. 47.9m as compared to Rs.47.7m same period last year.

FUTURE OUTLOOK

The management is optimistic for better results in the future as we have planned to launch new products and searching new ventures for the top line growth and the profitability of the company. Our sales force is continuously focusing on providing high quality premium products to all potential HealthCare Professionals, which will also 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

Karachi
October 24, 2017



Mufti Zia ul Islam
Chief Executive

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز اپنی رپورٹ مع آپ کی کمپنی کے مجموعی عبوری مالیاتی حسابات برائے پہلی سہ ماہی کی مدت ختمہ ۳۰ ستمبر ۲۰۱۷ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

یہ مجموعی عبوری مالیاتی حسابات کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۲۷ کے تحت جمع کرائے گئے ہیں۔

مالیاتی کارکردگی کا جائزہ

30 ستمبر		
2016	2017	
(روپے ہزاروں میں)		
301,750	318,565	آمدنی
101,084	101,180	مجموعی منافع جات
33.5%	31.8%	مجموعی منافع جات برطابق آمدنی کا فیصدی
51,511	50,488	آپریٹنگ اخراجات
49,573	50,692	آپریٹنگ منافع جات
57,995	60,912	قبل از ٹیکس منافع
47,723	47,915	بعد از ٹیکس منافع

مالی سال ۲۰۱۷ء-۲۰۱۸ء کی پہلی سہ ماہی کیلئے آپ کی کمپنی کی کارکردگی میں تسلسل برقرار رہا اور فروخت میں انتہائی سخت مقابلے اور مارکیٹ میں موجود دیگر کمپنیوں کی جانب سے بڑے پیمانے پر سرگرمیوں کے باوجود گزشتہ سال کی اسی مدت کے مقابلے میں ۶ فیصد بہتری آئی۔ مجموعی منافع جات بطور فروخت کا فیصدی رواں سہ ماہی کیلئے ۳۱.۸ فیصد تک کم ہو گیا جو گزشتہ سال کی اسی مدت کیلئے مقابلتاً ۳۳.۵ فیصد پر تھا۔ مجموعی منافع جات میں یہ کمی حکومت کی جانب سے عائد کردہ ریگولیٹری ڈیوٹی اور پرنسپل کی جانب سے نرخوں میں اضافے کے باعث رونما ہوئی۔ رواہ سہ ماہی کیلئے خالص منافع جات قدرے بہتر ہو کر ۹.۷۲ ملین روپے ہو گئے جو گزشتہ سال کی اسی مدت میں ۷.۷۲ ملین روپے تھے۔

مستقبل کا جائزہ

انتظامیہ مستقبل میں بہتر نتائج حاصل کرنے کیلئے پُر عزم ہے کیونکہ ہم نے نئی مصنوعات کو متعارف کرانے اور کمپنی کی ٹاپ لائن کیلئے نئے منصوبوں کو تلاش کرنے کے ساتھ منافع جات میں اضافے کی منصوبہ بندی کر رکھی ہے۔ ہماری بیلن فورس مستقل طور پر تمام محکمہ ہینڈل کیئر پرفیشنلز کو بہترین معیار کی پرفیٹمنگ مصنوعات کی فراہمی پر مستقل توجہ مرکوز کئے ہوئے ہے جو ہمارے منافع جات میں بھی نمایاں طور پر اضافے کا باعث ہے۔ ہم پُر اعتماد ہیں کہ ہم اپنے شیئر ہولڈرز کیلئے منافع میں اضافے اور اپنے صارفین کو بہترین مصنوعات اور سروسز کی فراہمی جاری رکھ سکیں گے۔

اظہار تشکر

ہم اپنی مصنوعات پر صارفین کے اعتماد کرنے پر ان کے مشکور ہیں اور ان کی جانب سے مستقل سرپرستی کئے 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 کئے 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
۲۳ اکتوبر ۲۰۱۷ء

Condensed Interim Balance Sheet

As at September 30, 2017

	Note	Un-audited September 30, 2017 ------(Rupees in '000)-----	Audited June 30, 2017
ASSETS			
Non-current assets			
Fixed assets			
Property and equipment	4	219,431	115,603
Intangible assets		4,378	4,242
		223,809	119,845
Investment property		123,588	123,588
Long term loans		50,990	52,186
Total non-current assets		398,387	295,619
Current assets			
Stock - in - trade		213,860	222,940
Trade debts - net	5	325,346	320,653
Loans and advances		257,835	279,296
Trade deposits and short-term prepayments		6,293	4,367
Interest accrued		12,111	6,743
Other receivables		6,099	4,985
Investments - at fair value through profit or loss	6	114,411	160,884
Refunds due from government - Sales tax		-	927
Taxation-payment less provision		6,591	4,602
Cash and bank balances	7	7,566	16,104
Total current assets		950,112	1,021,501
Total assets		1,348,499	1,317,120
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up share capital	8	491,706	491,706
Reserves		644,791	596,876
Total shareholders' equity		1,136,497	1,088,582
Current liabilities			
Trade and other payables		212,002	228,538
Total current liabilities		212,002	228,538
Total liabilities		212,002	228,538
CONTIGENCIES AND COMMITMENTS	9	-	-
Total equity and liabilities		1,348,499	1,317,120

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

Condensed Interim Profit And Loss Account (Un-Audited)

for the three months ended September 30, 2017

	Note	September 30, 2017	September 30, 2016
-----Rupees in '000-----			
Revenue		318,565	301,750
Cost of goods sold		(217,385)	(200,666)
Gross Profit		101,180	101,084
Distribution cost		(38,403)	(41,052)
Administrative expenses		(12,085)	(10,459)
		(50,488)	(51,511)
Operating Profit		50,692	49,573
Other income		10,569	8,797
Finance cost		(349)	(375)
		10,220	8,422
Profit before taxation		60,912	57,995
Taxation		(12,997)	(10,272)
Profit after taxation		47,915	47,723
Other comprehensive income		-	-
Total comprehensive income		47,915	47,723
Earnings per share - basis and diluted (Rupees)	10	0.97	(Re-stated) 0.97

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-Audited)

for the three months ended September 30, 2017

Issued, subscribed and paid-up share capital	Reserve for issue of bonus shares	Share Premium	Unappropriated profit	Total share holders' equity
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------(Rupees in '000)-----

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
	<u>427,570</u>	<u>-</u>	<u>119,600</u>	<u>433,474</u>	<u>980,644</u>
Balance as at July 01, 2017	491,706	-	119,600	477,276	1,088,582
Total comprehensive income for the period ended September 30, 2017	-	-	-	47,915	47,915
Balance as at September 30, 2017	491,706	-	119,600	525,191	1,136,497

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

for the three months ended September 30, 2017

September 30, 2017 September 30, 2016
-----Rupees in '000-----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	60,912	57,995
Adjustments for non-cash items:		
Depreciation	550	147
Amortization of intangible assets	8	1,096
Finance cost	349	375
Interest income	(5,368)	(5,562)
Realized gain on disposal of investments	(1,745)	(461)
Unrealised loss/(gain) on investments	1,218	(500)
	(4,988)	(4,905)
Profit before working capital changes	55,924	53,090

Effect on cash flow due to working capital changes

Decrease/(Increase) in working capital		
Stock - in - trade	9,080	8,016
Trade debts - net	(4,693)	(18,491)
Loans and advances	21,462	(1,006)
Trade deposits and short-term prepayments	(1,926)	(368)
Other receivables	(1,114)	10,502
Refunds due from government - Sales tax	927	-
Trade and other payables	(16,536)	(26,746)
	7,200	(28,093)
Cash generated from operations	63,124	24,997
Finance cost paid	(349)	(375)
Income tax paid	(14,986)	(14,533)
Decrease/(increase) in long-term loans & advances	1,196	(13,052)
Net cash generated from / (used in) operating activities	48,985	(2,963)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(104,378)	(81)
Purchase of intangibles	(145)	(29)
Short term investments made	(70,000)	(69,000)
Proceeds from redemption of investments	117,000	63,082
Net cash used in investing activities	(57,523)	(6,028)

CASH FLOWS FROM FINANCING ACTIVITIES

Net cash generated/(used) in financing activities	-	-
Net (decrease) in cash and cash equivalents	(8,538)	(8,991)
Cash and cash equivalents at the beginning of the period	16,104	18,187
Cash and cash equivalents at the end of the period	7,566	9,196

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

Notes To The Condensed Interim Financial Information

for the three months ended September 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.

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, 2017.

3. 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, 2017.

		Un-audited September 30, 2017	Audited June 30, 2017
4. PROPERTY AND EQUIPMENT	Note	-----Rupees in '000-----	
Operating fixed assets	4.1	<u>219,431</u>	<u>115,603</u>

4.1 Details of additions and disposals to operating fixed assets during the period ended September 30, 2017 are as follows:

	Additions at cost	Deletions at net book value
	-----Rupees in '000-----	
Office Equipments	<u>104,378</u>	-
September 30, 2017	<u>104,378</u>	-
June 30, 2017	<u>77,342</u>	<u>65</u>

Notes To The Condensed Interim Financial Information

for the three months ended September 30, 2017

		Un-audited September 30, 2017	Audited June 30, 2017
5. TRADE DEBTS - UNSECURED	Note	-----Rupees in '000-----	
Considered good			
Due from related party	5.1	293,321	290,335
Others		32,025	30,318
		<u>325,346</u>	<u>320,653</u>

5.1. As at September 30, 2017, amount due from IBL Operations (Private) Limited stood at Rs. 293.12 million.

		Un-audited September 30, 2017	Audited June 30, 2017
6. SHORT TERM INVESTMENTS		-----Rupees in '000-----	
Investments at fair value through profit or loss			
Meezan Sovereign fund		17,774	17,774
Meezan Islamic Income Fund		15,000	15,000
Meezan Cash Fund		70,000	-
NAFA Islamic Income Fund		11,270	126,525
Add: unrealized gain on revaluation of investment		366	1,584
		<u>114,411</u>	<u>160,884</u>

Number of units

Meezan Sovereign fund		345,910	345,910
Meezan Islamic Income Fund		291,942	291,942
Meezan Cash Fund		1,374,398	-
NAFA Islamic Income Fund		1,200,410	13,469,704
		<u>3,212,660</u>	<u>14,107,556</u>

6.1. Short term investments include investment in Meezan Sovereign Fund (MSF), Meezan Islamic Income Fund (MIIF), Meezan Cash Fund (MCF) and NAFA Islamic Income Fund. The rating of the MSF is 'AA(f)', MIIF is 'A-(f)' and MCF is 'AA(f)' as per the credit rating agency JCR-VIS and that of NAFA Fund is 'A-(f)' as per PACRA. The investments have been classified as "financial assets at fair value through profit or loss".

		Un-audited September 30, 2017	Audited June 30, 2017
7. CASH AND BANK BALANCES	Note	-----Rupees in '000-----	
Cash in hand		94	94
Cheques in hand		-	1,358
Cash with banks in:			
-current accounts		7,472	14,652
		<u>7,566</u>	<u>16,104</u>

Notes To The Condensed Interim Financial Information

for the three months ended September 30, 2017

	Un-audited September 30, 2017	Audited June 30, 2017	
			-----Rupees in '000-----
8. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
	September 30, 2017	June 30, 2017	
	Number of shares		
	<u>49,170,550</u>	49,170,550	
	<u>49,170,550</u>	<u>49,170,550</u>	
		Ordinary shares of Rs. 10 each fully paid in cash.	
			Un-audited September 30, 2017
			Audited June 30, 2017
			-----Rupees in '000-----
			<u>491,706</u>
			<u>491,706</u>

9. CONTINGENCIES AND COMMITMENTS

Letter of credit outstanding	<u>138,221</u>	<u>147,054</u>
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- 9.1. The facility for opening Letters of Credit (LCs) acceptances and guarantees as at September 30, 2017 amounted to Rs. 283 million (June 2017: Rs. 265 million) of which the amount remained unutilized as at balance sheet date was Rs. 144.8 million (2017: Rs. 110.9 million).

	Un-audited September 30, 2017	Un-Audited September 30, 2016
	-----Rupees in '000-----	
10. EARNINGS PER SHARE		
Basic earnings per share		
Profit for the period (rupees in thousands)	<u>47,915</u>	<u>47,723</u>
Weighted average number of shares	<u>49,171</u>	<u>49,171</u>
		(Re-stated)
Earnings per share (Rupees)	<u>0.97</u>	<u>0.97</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.

Notes To The Condensed Interim Financial Information

for the three months ended September 30, 2017

11. RELATED PARTY TRANSACTIONS

The Company is controlled by The Searle Company Limited, which owns 72.45% of the Company's shares and International Brands Limited holds 0.32% shares in the Company. The remaining 27.23% shares are widely held.

Related Party	Nature of relationship	Nature of transaction / balance	Un-audited	Audited
			September 30, 2017	June 30, 2017
			-----Rs. in '000-----	
The Searle Company Limited	Holding	Sale of goods	<u>40</u>	111
		Purchase of goods	<u>238</u>	2,365
International Brands Limited	Associate	Interest on loan	<u>5,368</u>	22,834
		Interest receivable on loan	<u>12,111</u>	6,743
IBL Operations (Private) Limited	Associate	Sale of goods	<u>234,766</u>	894,697
		Warehouse rent	<u>709</u>	2,827
		Current account balance - payable	<u>3,234</u>	3,010
IBL Identity (Private) Limited	Associate	Rent income	<u>1,320</u>	4,960
		Rent Receivable	<u>880</u>	880

12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 24, 2017 by the Board of Directors of the Company.



Chief Executive

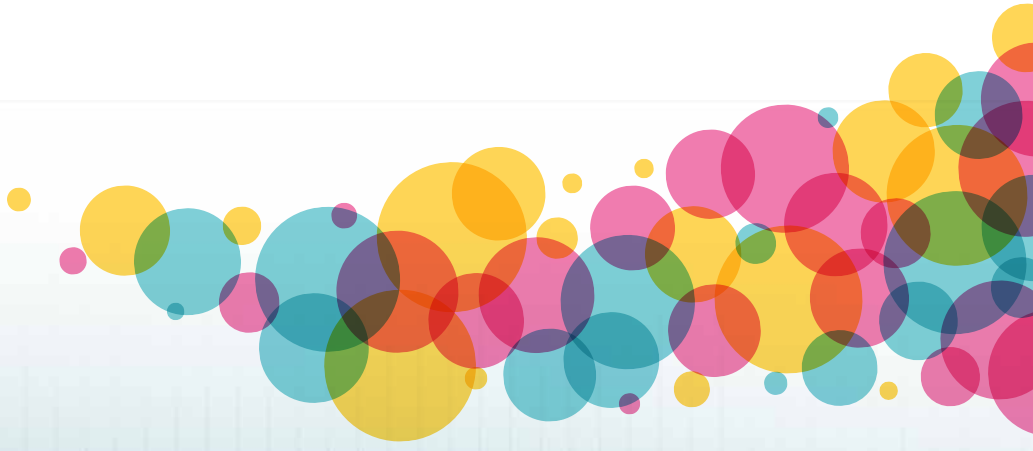


Director



Chief Financial Officer





IBL HealthCare Limited

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www.iblhc.com