



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.

■ Registrar

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

Directors' Report

The Directors are pleased to present the report together with the reviewed condensed interim financial information of your Company for the half year ended December 31, 2015.

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

SUMMARY OF FINANCIAL PERFORMANCE

	December 31, 2015	2014
	----- (Rupees in '000) -----	
Revenue	603,912	484,577
Gross profit	209,069	195,697
Gross profit as percentage of revenue	34.6%	40.4%
Operating expenses	91,348	81,644
Operating profit	117,721	114,053
Profit before taxation	120,451	115,188
Profit after taxation	100,412	101,478

During the first half of the fiscal year, your company performed much better as far as the revenue is concerned, which showed a significant growth of 24.6% over the same period of last year, this significant increase in sales is due to re-launching of products with new face and extensive promotional activities. The imposition of additional duty by the Government, increase in prices by the principal and depreciation of rupee against dollar have suppressed the profitability of the Company. Despite of slight increase in gross profit in absolute terms the profit after tax remained at the level of last year's profit for the same period.

FUTURE OUTLOOK

The management is optimistic in maintaining excellent results in the future as our sales force is continuously focusing on providing high quality premium products to all potential HealthCare Professionals. 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
February 18, 2016

Independent Auditors' Review Report to the Members on Review of Condensed Interim Financial Information

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of The **IBL HealthCare Limited** as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and selected explanatory notes to the condensed interim financial information for the half year ended (herein after referred to as the "condensed interim financial information"). Management of the Company is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the approved accounting standards applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan for the condensed interim financial information.

OTHER MATTER

The figures for the condensed interim profit and loss account for the quarters ended December 31, 2015 and December 31, 2014 have not been reviewed, as we are required to review only cumulative figures for the six-months period ended December 31, 2015.

Karachi
February 24, 2016



Grant Thornton Anjum Rahman
Chartered Accountants
Khaliq-ur-Rahman

Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Islamabad & Lahore

Condensed Interim Balance Sheet

As at December 31, 2015

		Un-audited December 31, 2015	Audited June 30, 2015
	Note	-----(Rupees in '000)-----	
ASSETS			
Non-current assets			
Property and equipment	5	830	815
Intangibles		<u>9,316</u>	<u>9,187</u>
		10,146	10,002
Investment property		123,588	123,588
Long-term loans		<u>87,432</u>	<u>98,256</u>
Total non-current assets		221,166	231,846
Current assets			
Stock-in-trade-net		163,425	205,081
Trade debts-net	6	285,497	218,370
Current portion of long term loans		11,019	344
Short term investments	7	117,740	126,929
Deposits and prepayments		5,379	4,257
Advances and other receivables		87,189	53,286
Taxation-net		4,230	4,720
Cash and bank balances	8	<u>67,490</u>	<u>16,836</u>
Total current assets		<u>741,969</u>	<u>629,823</u>
Total assets		<u>963,135</u>	<u>861,669</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (June 2015: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up share capital	9	358,800	299,000
Unappropriated profit		<u>346,139</u>	<u>365,327</u>
Total shareholders' equity		704,939	664,327
Advance against future issue of shares		46,918	-
Current liabilities			
Trade and other payables		<u>211,278</u>	<u>197,342</u>
Total current liabilities		<u>211,278</u>	<u>197,342</u>
Total liabilities		<u>211,278</u>	<u>197,342</u>
Contingencies and commitments			
Total equity and liabilities	10	<u>963,135</u>	<u>861,669</u>

The annexed selected notes from 1 to 15 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 six month period ended December 31, 2015

	Six month period ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
NET SALES	603,912	484,577	311,455	194,384
COST OF SALES	(394,843)	(288,880)	(204,149)	(122,436)
GROSS PROFIT	209,069	195,697	107,306	71,948
Selling and distribution expenses	(64,099)	(59,686)	(29,082)	(31,130)
Administrative expenses	(24,837)	(19,512)	(13,140)	(10,447)
Amortization of intangibles	(2,412)	(2,446)	(1,206)	(1,223)
	(91,348)	(81,644)	(43,428)	(42,800)
OPERATING PROFIT	117,721	114,053	63,878	29,148
Other income	8,882	6,486	5,121	3,116
Other expenses	(5,545)	(4,483)	(2,784)	(1,343)
Financial cost	(607)	(868)	(362)	(422)
	2,730	1,135	1,975	1,351
PROFIT BEFORE INCOME TAX	120,451	115,188	65,853	30,499
Income tax expense	(20,039)	(13,710)	(12,375)	(7,814)
PROFIT FOR THE PERIOD	100,412	101,478	53,478	22,685
	(Rupees)		(Rupees)	
EARNINGS PER SHARE - BASIC AND DILUTED	2.80	2.83	1.49	0.63

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The annexed selected notes from 1 to 15 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 six month period ended December 31, 2015

	Six month period ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
PROFIT FOR THE PERIOD	100,412	101,478	53,478	22,685
Other comprehensive income				
Items that may be reclassified to profit and loss account subsequently	-	-	-	-
Items that will not be reclassified to profit and loss account	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	100,412	101,478	53,478	22,685

The annexed selected notes from 1 to 15 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 six month period ended December 31, 2015

December 31, 2015 December 31, 2014
Note -----(Rupees in '000)-----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before income tax	120,451	115,188
Adjustments for non-cash items:		
Depreciation	245	272
Gain on disposal of property and equipment	-	(1,365)
Unrealized gain on investments	(3,036)	(1,798)
Realized gain on sale of investments	(1,189)	(853)
Amortization of intangibles	2,412	2,446
	118,883	113,890
Increase/(Decrease) in working capital		
Stock in trade	41,656	22,042
Trade debts	(67,127)	(73,585)
Loans - current maturity	(10,675)	(218)
Deposits and prepayments	(1,122)	-
Advances, deposits and other receivables	(33,903)	(15,957)
Trade and other payables	13,982	59,610
	(57,189)	(8,108)
Cash generated from operations	61,694	105,782
Income tax paid	(19,549)	(13,925)
Net cash flows from operating activities	42,145	91,857

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(260)	(239)
Purchase of intangibles	(2,540)	-
Short term investments made	(95,000)	(104,000)
Proceeds from redemption of investments	108,413	45,119
Proceeds from disposal of property and equipment	-	1,805
Net cash flows generated from/(used) in investing activities	10,613	(57,315)

CASH FLOWS FROM FINANCING ACTIVITIES

Advance against future issue of shares	46,918	-
Long term loans	10,824	325
Gratuity paid	(46)	(126)
Dividend paid	(59,800)	(23,000)
Net cash flows used in financing activities	(2,104)	(22,801)
Net increase in cash and cash equivalents	50,654	11,741

Cash and cash equivalents at the beginning of the period 16,836 25,360

Cash and cash equivalents at the end of the period 12 **67,490** **37,101**

The annexed selected notes from 1 to 15 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 six month period ended December 31, 2015

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

Balance as at July 1, 2014 230,000 - 291,690 521,690

Total comprehensive income for the six month - - 101,478 101,478

Transactions with owners

Transfer to reserve for issue of bonus shares

Bonus shares issued @ 30% in the ratio of
30 shares for every 100 shares held

Cash dividend paid for the year ended
June 30, 2014 @ Re. 1 per share

-	69,000	(69,000)	-
69,000	(69,000)	-	-
-	-	(23,000)	(23,000)
69,000	-	(92,000)	(23,000)
299,000	-	301,168	600,168

Balance as at December 31, 2014

Balance as at July 01, 2015 299,000 - 365,327 664,327

Total comprehensive income for the six month - - 100,412 100,412

Transactions with owners

Transfer to reserve for issue of bonus shares

Advance against future issue of shares

Bonus shares issued @ 20% in the ratio of
20 shares for every 100 shares held

Cash dividend paid for the year ended
June 30, 2015 @ Rs. 2 per share

-	59,800	(59,800)	-
-	-	-	-
59,800	(59,800)	-	-
-	-	(59,800)	(59,800)
59,800	-	(119,600)	(59,800)
358,800	-	346,139	704,939

Balance as at December 31, 2015

The annexed selected notes from 1 to 15 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 six month period ended December 31, 2015

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. Its shares are quoted on Karachi Stock Exchange (On January 12, 2016 all three exchanges have been amalgamated to form Pakistan 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 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 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, 2015.

The condensed interim financial information is un-audited, however limited scope review has been performed by the statutory auditors as required by the Listing Regulations of Karachi Stock Exchange where the Company is listed.

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.

		Un-audited December 31, 2015	Audited June 30, 2015
		----- (Rupees in '000) -----	
5 PROPERTY AND EQUIPMENT	Note		
Operating fixed assets	5.1	<u>830</u>	<u>815</u>

Selected Notes to the Condensed Interim Financial Information

For the six month period ended December 31, 2015

- 5.1** Details of additions and disposals to operating assets during the period ended December 31, 2015 are as follows:

	Additions at cost	Deletions at net book value
	----- (Rupees in '000) -----	
Owned assets		
Office equipments	164	-
Furniture and fixtures	96	-
December 31, 2015	260	-
June 30, 2015	544	(786)

		Un-audited December 31, 2015	Audited June 30, 2015
		----- (Rupees in '000) -----	
6 TRADE DEBTS - UNSECURED	Note		
Considered good			
Due from related party	6.1	257,083	194,597
Others		30,079	25,438
		287,162	220,035
Less: Provision for doubtful debts	6.2	(1,665)	(1,665)
		285,497	218,370

- 6.1** As at December 31, 2015, trade debts from related parties of the Company stood as follows:

	Un-audited December 31, 2015	Audited June 30, 2015
	----- (Rupees in '000) -----	
IBL Operations (Private) Limited	257,005	194,483
The Searle Company Limited	78	114
	257,083	194,597

- 6.2** As at December 31, 2015, trade debts aggregating Rs. 1.665 million (June 2015: Rs. 1.665 million) were deemed to have been impaired. These balances are outstanding for more than 3 years. The movement of provision for doubtful debts is as follows:

	Un-audited December 31, 2015	Audited June 30, 2015
	----- (Rupees in '000) -----	
Balance at the beginning of the period	1,665	1,665
Provision made	-	-
Balance at the end of the period	1,665	1,665

Selected Notes to the Condensed Interim Financial Information

For the six month period ended December 31, 2015

7 SHORT TERM INVESTMENTS

Number of units			Un-audited December 31, 2015	Audited June 30, 2015
December 31, 2015	June 30, 2015			
837,107	1,791,408	Meezan Sovereign Fund - at cost	42,525	89,734
7,536,331	3,925,360	NAFA Islamic Aggressive Income Fund - at cost	72,179	37,179
			3,036	16
		Unrealised gain on revaluation of units		
8,373,438	5,716,768	Closing balance	117,740	126,929

- 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+' as per the credit rating agency 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 CASH AND BANK BALANCES

	Un-audited December 31, 2015	Audited June 30, 2015
	------(Rupees in '000)-----	
Cash in hand	-	49
Cash with banks in:		
- deposit accounts	3	3
- current accounts	20,569	16,784
- right subscription account	46,918	-
	67,490	16,836

9 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

(Number of shares)				
December 31, 2015	June 30, 2015			
20,000,000	20,000,000	Ordinary shares of Rs. 10 each fully paid in cash	200,000	200,000
15,880,000	9,900,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	158,800	99,000
35,880,000	29,900,000		358,800	299,000

9.1 Movement in number of shares

	No of Shares in '000'	
Number of shares at beginning of the period	29,900	23,000
Bonus shares issued during the period	5,980	6,900
Number of shares at end of the period	35,880	29,900

Selected Notes to the Condensed Interim Financial Information

For the six month period ended December 31, 2015

	Un-audited December 31, 2015	Audited June 30, 2015
	----- (Rupees in '000) -----	
10 CONTINGENCIES AND COMMITMENTS		
Letter of credit outstanding	<u>171,369</u>	<u>100,357</u>
The facility for opening Letters of Credit (LCs) acceptances and guarantees as at December 31, 2015 amounted to Rs. 265 million (June 30, 2015: Rs. 265 million) of which the amount remaining unutilized as at that date was Rs. 93.631 million (June 30, 2015: Rs. 164.643 million).		
	Un-audited December 31, 2015	Un-audited December 31, 2014
11 EARNINGS PER SHARE - Basic and Diluted		
Basic earnings per share		
Profit for the period (Rupees in thousands)	<u>100,412</u>	<u>101,478</u>
Weighted average number of shares (Restated)	<u>35,880,000</u>	<u>35,880,000</u>
Earnings per share (Rupees)	<u>2.80</u>	<u>2.83</u>
11.1	The board of directors of the Company through its resolution dated September 29, 2015 approved the issue of 2,990,000 ordinary shares by way of right issue at a premium of Rs. 40 per share in the ratio of ten shares for every hundred shares registered in the name of respective shareholders as at the close of the business on October 22, 2015. The company obtained approval of the Karachi Stock Exchange for the issuance of right shares on November 17, 2015. The entire process of allotment of right shares was completed on January 29, 2016. Had the shares been issued before the balance sheet date, earning per share for the period would have been decreased by Rs. 0.12 (2014: Rs. 0.12) due to bonus element in right issue.	
11.2 Diluted earning per share		
There is no dilution effect on the basic earning per share of the Company as the Company has no such commitments.		
	Un-audited December 31, 2015	Un-audited December 31, 2014
	----- (Rupees in '000) -----	
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>67,490</u>	<u>37,101</u>
13 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.		

Selected Notes to the Condensed Interim Financial Information

For the six month period ended December 31, 2015

Related Party	Nature of relation-ship	Nature of balance	Un-audited Dec 31, 2015 ------(Rupees in '000)-----	Audited Jun 30, 2015
The Searle Company Limited	Holding	Current account balance - receivable	<u>1,432</u>	1,432
IBL Operations (Private) Limited	Associate	Current account balance - payable	<u>(4,951)</u>	(1,901)
		Current account balance - receivable	<u>257,005</u>	194,483
International Brands Limited	Associate	Interest receivable on laon	<u>3,651</u>	4,478
		Corporate expense payable	<u>1,000</u>	-
Habitt	Associate	Current account balance - receivable	<u>2,082</u>	2,082
Related Party	Nature of relation-ship	Nature of transaction	Un-audited Dec 31, 2015 ------(Rupees in '000)-----	Un-audited Dec 31, 2014
The Searle Company Limited	Holding	Share of employees costs and expenses charged to the Searle Company Limited	<u>-</u>	90
		Sale of goods	<u>182</u>	-
IBL Operations (Private) Limited	Associate	Sale of goods	<u>478,206</u>	352,758
		Warehouse rent	<u>1,531</u>	908
International Brands Limited	Associate	Corporate Expenses	<u>6,000</u>	-
		Interest income on loan	<u>4,245</u>	-
Habitt	Associate	Rental income	<u>-</u>	2,178
International Franchise (Private) Limited	Associate	Rental income	<u>-</u>	194

Selected Notes to the Condensed Interim Financial Information

For the six month period ended December 31, 2015

14 EVENT AFTER THE BALANCE SHEET

The Board of Directors of the Company in the meeting held on February 18, 2016 has approved the following appropriation:

Un-audited December, 31 2015	Un-audited December, 31 2014
----- (Rupees in '000) -----	

Issue of bonus shares 10% (December 31, 2014: Nil) in the ratio of 10 shares (December 31, 2014: Nil) for every 100 shares held.

38,870

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15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 18, 2016 by the Board of Directors of the Company.


Mufti Zia ul Islam
 Chief Executive Officer


Syed Nadeem Ahmed
 Director

NOTES

[illegible]

IBL HealthCare Limited

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