



Achieving **Wellness**





Contents

Company Information	2
Directors' Report to the Members	3
Directors' Report to the Members (Urdu)	4
Auditors' Report to the Members on Review of Interim Financial Information	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10

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. Mufti Zia ul Islam	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
AlBaraka Bank (Pakistan) 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 reviewed condensed interim financial information of your Company for the half year ended December 31, 2017.

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

SUMMARY OF FINANCIAL PERFORMANCE

	December 31, 2017	2016
	(Rupees in thousand)	
Revenue	644,033	593,108
Gross profit	198,312	198,968
Gross profit as percentage of revenue	30.8%	33.5%
Profit before taxation	106,785	124,588
Profit after taxation	75,001	99,362

During the first half of the fiscal year 2017-18, the sales has improved by 9% as compared to last year. Despite of tough competition due to introduction of economical brands by competitors and measures taken by the Punjab provincial government to restrict the infant formula promotion and mass awareness campaign to promote the breast feeding restricted the sales growth to single digit. The revenue for current period is Rs.644m whereas last year base was Rs.593m. The gross profit has declined in first six months due to increase in regulatory duty and additional customs duty by the government. Decline in gross profit and increase in expenses due to inflation restricted the profit after tax to Rs. 75m as compared to Rs.99m in the same period last year.

FUTURE OUTLOOK

The management is optimistic to recover the deficit in the next half of the fiscal year. The newly launched own products have started to establish in the market and showing consistent growth. Some of the new own products are in final stage of launching which will further enhance the revenue and profitability of the company. We are continuously exploring and focusing on the new opportunities in the healthcare sector to increase the revenue and profitability. Our sales force is also continuously approaching to all potential HealthCare Professionals and extending the coverage to ensure the continued growth. We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers.

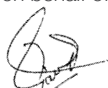
ACKNOWLEDGEMENT

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 20, 2018

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز اپنی رپورٹ مع آپ کی کمپنی کے جائزہ شدہ مجموعی عبوری مالیاتی حسابات برائے ششماہی کی مدت تختہ ۳۱ دسمبر ۲۰۱۷ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

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

مالیاتی کارکردگی کا جائزہ

31 دسمبر		
2016	2017	
(روپے ہزاروں میں)		
593,108	644,033	آمدنی
198,968	198,312	مجموعی منافع جات
33.5 فیصد	30.8 فیصد	مجموعی منافع جات برعاطق آمدنی کا فیصدی
124,588	106,785	قبل از ٹیکس منافع
99,362	75,001	بعد از ٹیکس منافع

مالی سال ۱۸-۲۰۱۷ء کی پہلی ششماہی کے دوران سیلز گزشتہ سال کے مقابلے میں ۹ فیصد تک بہتر ہو گئی۔ مسابقتی کمپنیوں کی جانب سے باکفایت برانڈز متعارف کرانے کے باعث سخت مسابقت کے باوجود اور پنجاب کی صوبائی حکومت کی جانب سے شیرخوار فارمولہ کی تشریح پر پابندی کے اقدامات اور ماں کے دودھ کے سلسلے میں چلائی جانے والی عوامی آگاہی مہم کے باوجود سیلز گزشتہ سال کے مقابلے میں ۹۳ ملین روپے تھیں۔ ریگولیٹری ڈیوٹی میں اضافے اور حکومت کی جانب سے اضافی کسٹمز ڈیوٹی کے سبب پہلے ۶ ماہ میں مجموعی منافع کم ہو گیا۔ مجموعی منافع جات میں کمی اور اخراجات میں اضافے کی وجہ سے افراتر نے منافع بعد از ٹیکس ۵۵ ملین روپے تک محدود کر دیا جبکہ یہ گزشتہ سال کی اس مدت میں ۹۹ ملین روپے تھا۔

مستقبل کا جائزہ

مینجمنٹ پُر عزم ہے کہ مالی سال کے آئندہ ششماہی میں خسارے پر قابو پالے گی۔ نئی متعارف کردہ ذاتی پروڈکٹس مارکیٹ میں اپنی جگہ بنا رہی ہیں اور مستقل طور پر بہتری کی جانب گامزن ہیں۔ ہماری چند نئی ذاتی مصنوعات متعارف کرائے جانے کے حتمی مرحلے میں ہیں جس سے کمپنی کی آمدنی اور منافع جات میں مزید اضافہ ممکن ہو سکے گا۔ ہم مستقل طور پر آمدنی اور منافع جات میں اضافے کیلئے ہیلتھ کیئر سیکٹر میں نئے مواقعوں کی تلاش اور ان پر خصوصی توجہ دے رہے ہیں۔ ہماری سیلز فورس بھی مستقل طور پر تمام مستحکم ہیلتھ کیئر پروفیشنلوں سے رابطے میں ہے اور ترقی کا یہ سفر جاری رکھنے کو یقینی بنانے کیلئے دائرہ کار کو وسعت دے رہی ہے۔ ہم انتہائی پُر امید ہیں کہ ہم اپنے شیئر ہولڈرز کیلئے منافع جات میں اضافے کے ساتھ اپنے صارفین کو بہترین مصنوعات اور خدمات فراہم کر سکتے ہیں۔

اظہار 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 بہترین نتائج کے حصول کے اہل نہیں ہو سکتے تھے۔

ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے سپلائرز، مینکوز 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
۲۰ فروری ۲۰۱۸ء

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

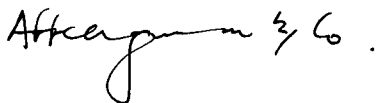
We have reviewed the accompanying condensed interim balance sheet of IBL HealthCare Limited as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants
Karachi

Dated: February 26, 2018

Engagement Partner: Syed Fahim ul Hasan

Condensed Interim Balance Sheet

As at December 31, 2017

	Note	(Unaudited) December 31, 2017	(Audited) June 30, 2017
Rupees '000			
ASSETS			
Non-current assets			
Property and equipment	5	220,702	115,603
Investment property		123,588	123,588
Intangibles	6	4,371	4,242
Long term loans and advances	7	38,628	52,186
		387,289	295,619
Current assets			
Stock-in-trade		252,364	222,940
Trade debts	8	338,643	320,653
Loans and advances	9	276,620	279,296
Trade deposits and short-term prepayments		8,079	4,367
Interest accrued		6,316	6,743
Other receivables	10	8,206	4,985
Investments - at fair value through profit or loss	11	66,376	160,884
Refunds due from government - Sales tax		-	927
Taxation - payments less provisions		10,598	4,602
Cash and bank balances	12	17,662	16,104
		984,864	1,021,501
Total assets		1,372,153	1,317,120
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	13	540,877	491,706
Reserves		573,535	596,876
		1,114,412	1,088,582
Liabilities			
Current liabilities			
Trade and other payables		257,741	228,538
Contingencies and commitments	14		
Total equity and liabilities		1,372,153	1,317,120

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Profit And Loss Account

for the half year ended December 31, 2017 - UNAUDITED

		Quarter ended		Half year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		-----Rupees '000-----			
Revenue	15	325,468	291,358	644,033	593,108
Cost of sales		(228,336)	(193,474)	(445,721)	(394,140)
Gross profit		97,132	97,884	198,312	198,968
Distribution cost		(39,804)	(27,875)	(78,207)	(68,927)
Administrative expenses		(19,032)	(14,408)	(31,117)	(24,867)
Other income	16	7,768	11,234	18,337	20,031
Operating profit		46,064	66,835	107,325	125,205
Finance cost		(191)	(242)	(540)	(617)
Profit before taxation		45,873	66,593	106,785	124,588
Income tax expense		(18,787)	(14,954)	(31,784)	(25,226)
Profit after taxation		27,086	51,639	75,001	99,362
Other comprehensive income		-	-	-	-
Total comprehensive income		27,086	51,639	75,001	99,362
Earnings per share - basic and diluted (Rupees)		0.50	(Restated) 0.95	1.39	(Restated) 1.84

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Cash Flow Statement

for the half year ended December 31, 2017 - UNAUDITED

		December 31, 2017	December 31, 2016
	Note	Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	73,317	101,765
Interest income received		10,902	7,258
Income tax paid		(37,780)	(20,627)
Finance cost paid		(540)	(617)
Decrease in long term loans and advances		13,558	11,451
Net cash generated from operating activities		59,457	99,230
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(106,197)	(17,724)
Purchase of intangibles		(144)	(66)
Dividend received		6	-
Additions to investments - at fair value through profit or loss		(120,082)	(169,000)
Proceeds from redemption of investments - at fair value through profit or loss		215,705	129,830
Net cash used in investing activities		(10,712)	(56,960)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(47,187)	(40,927)
Net increase in cash and cash equivalents		1,558	1,343
Cash and cash equivalents at beginning of the period		16,104	18,187
Cash and cash equivalents at end of the period	18	17,662	19,530

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Changes in Equity

for the half year ended December 31, 2017 - UNAUDITED

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserve	Total reserves	Total
		Share Premium	Issue of bonus shares	Unappropri- ated profit		
----- Rupees '000 -----						
Balance as at July 01, 2016	427,570	119,600	-	385,751	505,351	932,921
Total comprehensive income for the period	-	-	-	99,362	99,362	99,362
Transaction with owners						
Transfer to reserve for issuance of bonus shares	-	-	64,136	(64,136)	-	-
Bonus shares issued during the period in the ratio of 15 shares for every 100 shares held	64,136	-	(64,136)	-	(64,136)	-
Final dividend for the year ended June 30, 2016 @ Re. 1 per share	-	-	-	(42,757)	(42,757)	(42,757)
	64,136	-	-	(106,893)	(106,893)	(42,757)
Balance at December 31, 2016	<u>491,706</u>	<u>119,600</u>	<u>-</u>	<u>378,220</u>	<u>497,820</u>	<u>989,526</u>
Balance as at July 01, 2017	491,706	119,600	-	477,276	596,876	1,088,582
Total comprehensive income for the period	-	-	-	75,001	75,001	75,001
Transaction with owners						
Transfer to reserve for issuance of bonus shares	-	-	49,171	(49,171)	-	-
Bonus shares issued during the period in the ratio of 10 shares for every 100 shares held	49,171	-	(49,171)	-	(49,171)	-
Final dividend for the year ended June 30, 2017 @ Re. 1 per share	-	-	-	(49,171)	(49,171)	(49,171)
	49,171	-	-	(98,342)	(98,342)	(49,171)
Balance as at December 31, 2017	<u>540,877</u>	<u>119,600</u>	<u>-</u>	<u>453,935</u>	<u>573,535</u>	<u>1,114,412</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

1. THE COMPANY AND ITS 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 include marketing, selling and distribution of health-care products. The registered office of the Company is situated 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.

The Company is the sole distributor for the products of Mead Johnson Nutrition in Pakistan. During the year ended June 30, 2017, Mead Johnson Nutrition was globally acquired by Reckitt Benckiser plc, UK. However, there is no change in the distribution arrangement in Pakistan.

2. BASIS OF PREPARATION

As per the requirements of circular no. CLD/CCD/PR(11)/2017 dated October 4, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), where the financial year, including quarterly and other interim periods, of a company closes on or before December 31, 2017, the financial statements, including interim financial statements shall be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, this condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2017.

2.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2017 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers by an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

In addition to the foregoing, the Companies Act 2017 which is not effective on these financial statements, has added certain disclosure requirements which will be applicable in future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2017.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2017.

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	Rupees '000	
5. PROPERTY AND EQUIPMENT		
Operating assets - note 5.1	220,702	77,551
Capital work in progress	-	38,052
	<u>220,702</u>	<u>115,603</u>
5.1 Details of additions in operating assets including transfers from capital work in progress during the period are as follows:		
	(Unaudited) December 31, 2017	(Unaudited) December 31, 2016
	Rupees '000	
Leasehold land - note 5.1.1	142,937	70,000
Office equipments	162	672
Furniture and fixtures	1,150	-
	<u>144,249</u>	<u>70,672</u>
5.1.1 This represents addition of land measuring 1,004 square yards situated at Tipu Sultan Road, Karachi.		
	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	Rupees '000	
6. INTANGIBLES		
Computer software	107	122
Capital work in progress - at cost - note 6.1	4,264	4,120
	<u>4,371</u>	<u>4,242</u>
6.1 The amount represents the cost of implementation of SAP in collaboration with IBL Unisys Pakistan (Private) Limited, a related party.		

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

(Unaudited)
December 31,
2017
Rupees '000

(Audited)
June 30,
2017

7. LONG TERM LOANS AND ADVANCES - unsecured

Loans - considered good

- Related party - note 7.1

Less: current portion of long term loan

- Employee - note 7.2

Less: current portion of employee loan

62,750	75,076
(24,174)	(22,972)
38,576	52,104
112	142
(60)	(60)
52	82
38,628	52,186

7.1 This represents loan to International Brands Limited, the ultimate holding company. The said loan was approved in the extra ordinary general meeting held on January 14, 2015 as per the requirements of section 208 of the repealed Companies Ordinance, 1984. The tenure of this loan is 5 years maturing on January 20, 2020 with a grace period of 1 year payable in equal semi-annual installments. The rate of mark-up is 12 months KIBOR+1% per annum.

7.2 Long-term loan to employee represents interest-free loan given to an employee for purchase of motor vehicle, repayable in equal monthly installments over a term of five years. The loan is repayable by November, 2019.

8. TRADE DEBTS

This includes receivable from related parties amounting to Rs 305.72 million (June 30, 2017: Rs 290.34 million).

(Unaudited)
December 31,
2017
Rupees '000

(Audited)
June 30,
2017

9. LOANS AND ADVANCES

Loans to International Brands Limited

- Current portion of long term loan - note 7

- Short term loan - note 9.1

24,174	22,972
200,000	200,000
224,174	222,972

Current portion of employee loan

60	60
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Advances

- To employees

- To suppliers

- Against imports - note 9.2

1,453	1,983
535	-
50,398	54,281
52,386	56,264
276,620	279,296

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

9.1 This loan is repayable within 1 year and carries mark-up at the rate of 12 months KIBOR + 2% per annum. The said loan was approved in the extra ordinary general meeting held on May 18, 2016 as per the requirements of section 208 of the repealed Companies Ordinance, 1984. The loan has been further extended for a period of one year effective July 01, 2017 with maturity on June 30, 2018.

9.2 These advances are kept with scheduled banks in accordance with the requirement of the State Bank of Pakistan, requiring 100% cash margin on the import of specified items.

10. OTHER RECEIVABLES

This includes receivable from related party amounting to Rs 0.44 million (June 30, 2017: Rs 0.88 million) in respect of rent.

11. INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

(Unaudited) December 31, 2017 Number of units	(Audited) June 30, 2017		(Unaudited) December 31, 2017 Rupees '000	(Audited) June 30, 2017
-	291,942	Meezan Islamic Income Fund	-	15,003
-	345,910	Meezan Sovereign Fund	-	17,780
-	13,469,704	NAFA Islamic Aggressive Income Fund	-	128,101
1,290,103	-	Meezan Cash Fund	66,376	-
1,290,103	14,107,556		66,376	160,884

11.1 The rating of Meezan Cash Fund is 'AA(f)' as per the credit rating agency JCR-VIS.

11.2 The fair value of these investments is the Net Asset Value (NAV) as assessed by the respective Asset Management Company.

12. CASH AND BANK BALANCES

	(Unaudited) December 31, 2017 Rupees '000	(Audited) June 30, 2017
Cash at bank - current accounts	17,562	14,652
Cash in hand	100	94
Cheques in hand	-	1,358
	17,662	16,104

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

13. SHARE CAPITAL

Authorised share capital

(Unaudited) December 31, 2017	(Audited) June 30, 2017		(Unaudited) December 31, 2017	(Audited) June 30, 2017
				Rupees '000
75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000

Issued, subscribed and paid up capital

(Unaudited) December 31, 2017	(Audited) June 30, 2017			
22,990,000	22,990,000	Shares allotted for consideration paid in cash	229,900	229,900
31,097,605	26,180,550	Shares allotted as bonus shares	310,977	261,806
54,087,605	49,170,550		540,877	491,706

13.1 Movement in issued, subscribed and paid-up capital

(Unaudited) December 31, 2017	(Audited) June 30, 2017		(Unaudited) December 31, 2017	(Audited) June 30, 2017
				Rupees '000
49,170,550	42,757,000	Opening shares outstanding	491,706	427,570
4,917,055	6,413,550	Shares allotted as bonus shares	49,171	64,136
54,087,605	49,170,550		540,877	491,706

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1 There has been no significant change in the status of contingency as reported in the annual audited financial statements of the Company for the year ended June 30, 2017.

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

14.2 Commitments

The facilities for opening letter of credit as at December 31, 2017 amounted to Rs. 283 million (June 30, 2017: Rs. 258 million) of which the amount remaining unutilised at the end of period was Rs. 113.35 million (June 30, 2017: Rs. 111.6 million).

The above facilities are secured by way of first pari passu hypothecation charge over all present and future stocks and receivables of the Company.

	December 31, 2017	December 31, 2016
	Rupees '000	
15. REVENUE		
Gross sales	733,797	662,382
Sales tax	(2,034)	(1,859)
	731,763	660,523
Less:		
Sales discount	74,357	66,140
Sales return	13,373	1,275
	87,730	67,415
	644,033	593,108
16. OTHER INCOME		
Income from financial assets		
Realised gain on investments - at fair value through profit or loss	500	379
Unrealised gain on investments - at fair value through profit or loss	615	2,035
Interest on loan to International Brands Limited	10,475	11,473
Dividend income	6	-
	11,596	13,887
Income from non - financial assets		
Scrap sales	35	347
Exchange (loss) / gain	(3,167)	736
Rental income from investment property	8,914	4,600
Insurance claim	959	-
Others	-	461
	6,741	6,144
	18,337	20,031

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

	December 31, 2017	December 31, 2016
	Rupees '000	
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation	106,785	124,588
Add / (Less): Adjustment for non-cash charges and other items		
Depreciation	1,098	306
Amortisation	15	4,378
Finance cost	540	617
Interest income	(10,475)	(11,473)
Dividend Income	(6)	-
Realised gain on investments - at fair value through profit or loss	(500)	(379)
Unrealised gain on investments - at fair value through profit or loss	(615)	(2,035)
	<u>(9,943)</u>	<u>(8,586)</u>
Profit before changes in working capital	96,842	116,002
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stock-in-trade	(29,424)	63,014
Trade debts	(17,990)	(20,690)
Loans and advances	2,676	(5,774)
Trade deposits and short-term prepayments	(3,712)	(146)
Refunds due from government - sales tax	927	-
Other receivables	(3,221)	11,275
	<u>(50,744)</u>	<u>47,679</u>
Increase / (decrease) in trade and other payables	27,219	(61,916)
Cash generated from operations	<u>73,317</u>	<u>101,765</u>
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,662	19,530

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

Financial risk factors

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

Notes To The Condensed Interim Financial Information

for the half year ended December 31, 2017 - UNAUDITED

Fair value estimation and hierarchy

As at December 31, 2017 all financial assets and financial liabilities are carried at amortised cost except investments in mutual funds which are carried at their fair values.

The valuation techniques and fair value hierarchy of the financial assets of the Company are consistent with those given in the financial statements for the year ended June 30, 2017.

20. TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties during the period:

Nature of relationship	Nature of transactions	December 31, 2017	December 31, 2016
		Rupees '000	
i. Ultimate holding company	- Dividend paid	135	121
	- Share of expenses	5,400	-
	- Interest income	10,475	11,473
ii. Holding company	- Dividend paid	30,281	31,181
	- Share of expenses	541	140
	- Sale of goods	87	37
	- Purchase of goods	992	1,756
iii. Associated companies	- Sale of goods	478,616	452,151
	- Share of expenses	1,446	1,377
	- Payment made for SAP implementation	144	-
	- Rental income	2,640	2,400
iv. Employees' Provident Fund	Contribution paid	1,807	1,365
v. Key Management Personnel	- Salaries and other employee benefits	8,224	7,520
	- Directors' fee	400	300

21. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on February 20, 2018



Chief Financial Officer



Chief Executive



Director

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[illegible]



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