

Health comes First



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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 Asim Shahid 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 Shakra-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 nine months ended March 31, 2015.

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

SUMMARY OF FINANCIAL PERFORMANCE

	March 31,	
	2015	2014
	------(Rupees in '000)-----	
Revenue	700,137	707,366
Gross profit	273,628	250,923
Gross profit as percentage of revenue	39.08%	35.47%
Operating expenses	122,524	102,112
Operating profit	151,104	148,811
Profit before taxation	154,846	155,440
Profit after taxation	133,579	127,322

The financial performance of your company during the nine month of the current fiscal year remained good in difficult economic condition of the country. Although the sales remained under pressure, the gross profit has shown an increase of 9.05% over last corresponding period. The profit after tax also grew by 4.9% in the nine months of this fiscal year. The increase in PAT is due to improvement in gross profit to 39.08% as compared to 35.47% in the same period last year. Your company has focused on extensive marketing to enhance sales and the profitability as well.

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



Karachi
April 15, 2015

Mufti Zia ul Islam
Chief Executive

Condensed Interim Balance Sheet (Unaudited)

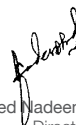
As at March 31, 2015

		Un-audited March 31, 2015	Audited June 30, 2014
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	823	1,545
Intangible assets		10,462	14,131
Investment property		123,588	123,588
Long term loans and advances	6	128,092	376
Total non-current assets		262,965	139,640
Current assets			
Stock-in-trade		183,058	207,676
Trade debts		225,105	177,571
Current portion of long term loans and advances		627	631
Short term investments	7	68,861	41,042
Advances, deposits and other receivables		15,351	13,997
Advance Tax		4,655	4,633
Cash and bank balances		19,086	25,360
Total current assets		516,743	470,910
Total assets		779,708	610,550
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (June 2014: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up share capital	8	299,000	230,000
Unappropriated profit		333,269	291,690
Total shareholders' equity		632,269	521,690
Current liabilities			
Trade and other payables		147,439	88,860
Total current liabilities		147,439	88,860
Total liabilities		147,439	88,860
Contingencies and commitments	9		
Total equity and liabilities		779,708	610,550

The annexed selected notes from 1 to 12 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 (Unaudited)

For the nine months ended March 31, 2015

	Quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	------(Rupees in '000)-----			
NET SALES	215,560	218,876	700,137	707,366
COST OF SALES	(137,629)	(139,685)	(426,509)	(456,443)
GROSS PROFIT	77,931	79,191	273,628	250,923
Selling and distribution expenses	(30,176)	(28,481)	(89,862)	(77,232)
Administrative expenses	(9,481)	(8,692)	(28,993)	(17,985)
Amortization of intangible assets	(1,223)	(2,377)	(3,669)	(6,895)
	(40,880)	(39,550)	(122,524)	(102,112)
OPERATING PROFIT	37,051	39,641	151,104	148,811
Other income	6,598	11,246	10,985	11,945
Financial costs	(3,215)	(896)	(4,083)	(3,172)
Workers' welfare fund	(776)	(990)	(3,160)	(2,144)
	2,607	9,360	3,742	6,629
PROFIT BEFORE INCOME TAX	39,658	49,001	154,846	155,440
Income tax expense	(7,557)	(10,225)	(21,267)	(28,118)
PROFIT FOR THE PERIOD	32,101	38,776	133,579	127,322
	------(Rupees)-----			
EARNINGS PER SHARE - BASIC AND DILUTED	1.07	1.30	4.47	4.26

The annexed selected notes from 1 to 12 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 (Unaudited)

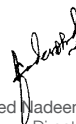
For the nine months ended March 31, 2015

	Quarter ended		Nine months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	------(Rupees in '000)-----			
PROFIT FOR THE PERIOD	32,101	38,776	133,579	127,322
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>32,101</u>	<u>38,776</u>	<u>133,579</u>	<u>127,322</u>

The annexed selected notes from 1 to 12 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 (Unaudited)

For the nine months ended March 31, 2015

	March 31, 2015	March 31, 2014
Note	-----(Rupees in '000)----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	154,846	155,440
Adjustments for non-cash items:		
Depreciation	361	1,605
Gain on disposal of property and equipment	(1,932)	(6,489)
Unrealized gain on investments	(1,847)	-
Realized gain on sale of investments	(2,224)	-
Amortization of intangible assets	3,669	6,895
Exchange loss	2,786	-
Provision for staff retirement gratuity	-	(6,302)
	<u>155,659</u>	<u>151,149</u>
Increase/Decrease in working capital		
Stock in trade	24,618	(114,299)
Trade debts	(47,534)	(65,824)
Current portion of long term loans and advances	4	188
Advances, deposits and other receivables	(1,354)	4,452
Trade and other payables	58,705	72,391
	<u>34,439</u>	<u>(103,092)</u>
Cash generated from operations	<u>190,098</u>	<u>48,057</u>
Income tax paid	(21,289)	(28,794)
Net cash flows from operating activities	<u>168,809</u>	<u>19,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(425)	(821)
Additions to intangible assets	-	(181)
Short term investments made	(129,000)	-
Proceeds from redemption of investments	105,252	-
Proceeds from disposal of property and equipment	2,718	8,356
	<u>(21,455)</u>	<u>7,354</u>
Net cash (used) in/flows generated from operating activities	<u>(21,455)</u>	<u>7,354</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease	-	(1,466)
Long term loans and advances	(127,716)	(738)
Gratuity paid	(126)	-
Dividends paid	(23,000)	(30,000)
Net cash flows used in financing activities	<u>(150,842)</u>	<u>(32,204)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(3,488)</u>	<u>(5,587)</u>
Cash and cash equivalents at the beginning of the period	25,360	15,139
Effects of exchange rate changes on cash and cash equivalents	(2,786)	-
Cash and cash equivalents at the end of the period	<u>19,086</u>	<u>9,552</u>

The annexed selected notes from 1 to 12 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 (Unaudited)

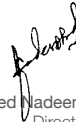
For the nine months ended March 31, 2015

	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, 2013	200,000	-	172,610	372,610
Total comprehensive income for the nine months	-	-	127,322	127,322
Transactions with owners				
Transfer to reserve for issue of bonus shares	-	30,000	(30,000)	-
Bonus shares issued @ 15% in the ratio of 15 shares for every 100 shares held	30,000	(30,000)	-	-
Cash dividend paid for the year ended June 30, 2013 @ Re. 1.5 per share	-	-	(30,000)	(30,000)
	30,000	-	(60,000)	(30,000)
Balance as at March 31, 2014	230,000	-	239,932	469,932
Balance as at July 01, 2014	230,000	-	291,690	521,690
Total comprehensive income for the nine months	-	-	133,579	133,579
Transactions with owners				
Transfer to reserve for issue of bonus shares	-	69,000	(69,000)	-
Bonus shares issued @ 30% in the ratio of 30 shares for every 100 shares held	69,000	(69,000)	-	-
Cash dividend paid for the year ended June 30, 2014 @ Re. 1 per share	-	-	(23,000)	(23,000)
	69,000	-	(92,000)	(23,000)
Balance as at March 31, 2015	299,000	-	333,269	632,269

The annexed selected notes from 1 to 12 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 nine months ended March 31, 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 50% 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, 2014.

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, 2014.

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, 2014.

		Un-audited March 31, 2015	Audited June 30, 2014
5	PROPERTY, PLANT AND EQUIPMENT	Note -----(Rupees in '000)----	
	Operating fixed assets	5.1 <u>823</u>	<u>1,545</u>

Selected Notes to the Condensed Interim Financial Information

For the nine months ended March 31, 2015

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

	Additions at cost	Deletions at net book value
Owned assets	---(Rupees in '000)---	
Office equipments	425	(33)
Owned vehicles	-	(754)
March 31, 2015	425	(787)
June 30, 2014	409	(5,050)

- 6 This includes loan to International Brands Limited amounting to Rs. 98 million. The tenor of the loan is 5 years with a grace period of 1 year payable in equal semi annual installments. The rate of mark-up is 6 months KIBOR+1%.

	Un-audited March 31, 2015	Audited June 30, 2014
7 SHORT TERM INVESTMENTS	---(Rupees in '000)---	

Number of units				
March 31, 2015	June 30, 2014			
605,004	892,126	Meezan Sovereign Fund - at	30,000	41,000
3,693,143	-	cost NAFA Islamic Aggressive	35,000	-
		Income Fund - at cost		
		Unrealised gain on	3,861	42
		revaluation of units		
4,298,147	892,126	Closing balance	68,861	41,042

- 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 are made during the year and are classified as "financial assets at fair value through profit and loss".

8 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

March 31, 2015	June 30, 2014		March 31, 2015	June 30, 2014
---(Number of shares)---			---(Rupees in '000)---	
23,000,000	20,000,000	Ordinary shares of Rs. 10 each fully paid in cash	230,000	200,000
6,900,000	3,000,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	69,000	30,000
29,900,000	23,000,000		299,000	230,000

Selected Notes to the Condensed Interim Financial Information

For the nine months ended March 31, 2015

	Un-audited March 31, 2015	Audited June 30, 2014
8.1 Movement in number of shares	No of Shares in '000'	
Number of shares at beginning of the period	23,000	20,000
Bonus shares issued during the period	6,900	3,000
Number of shares at end of the period	29,900	23,000

9 CONTINGENCIES AND COMMITMENTS

----- (Rupees in '000) -----

Letter of credit outstanding	82,925	53,857
------------------------------	--------	--------

The facility for opening Letters of Credit (LCs) acceptances and guarantees as at March 31, 2015 amounted to Rs. 265 million (June 30, 2014: Rs. 265 million) of which the amount remaining unutilized as at that date was Rs. 182.08 million (June 30, 2014: Rs. 211.143 million).

	Un-audited March 31, 2015	Un-audited March 31, 2014
10 CASH AND CASH EQUIVALENTS	----- (Rupees in '000) -----	
Cash and bank balances	19,086	9,552

11 RELATED PARTY TRANSACTIONS

The Company is controlled by The Searle Company Limited, which owns more than 50% of the Company's shares. The remaining shares are widely held. IBL Operations (Private) Limited is an associated company on the basis of common directorship and equity holding of more than 20%.

Related Party	Nature of relationship	Nature of balance	Un-audited March 31, 2015 (Rupees in '000)	Audited June 30, 2014
The Searle Company Limited	Holding	Current account balance - receivable	1,432	1,342
		Customer Account Balance	114	36
IBL Operations (Private) Limited	Associate	Current account balance - payable	(1,447)	(6,092)
		Customer Account Balance	209,006	162,189
		Advance for acquisition of Land	30,000	-
Habitt	Associate	Current account balance - receivable	2,518	2,953
International Brands Limited	Associate	Long term loan	98,000	-
		Interest on loan	1,778	-

Selected Notes to the Condensed Interim Financial Information

For the nine months ended March 31, 2015


Related Party	Nature of relationship	Nature of transaction	Un-audited March 31, 2015 (Rupees in '000)	Un-audited March 31, 2014
The Searle Company Limited	Holding	Share of employees costs and expenses charged to the Searle Company Limited	90	2,040
		Sale of goods	332	190
IBL Operations (Private) Limited	Associate	Sale of goods	516,300	541,140
		Warehouse rent	1,362	2,850
International Brands Limited	Associate	Interest on loan	1,778	-
Habitt	Associate	Rental income	2,178	3,640
Dunkin Donuts	Associate	Rental income	194	400

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 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
www.iblhc.com