



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 Shahr-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, 2016.

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

SUMMARY OF FINANCIAL PERFORMANCE

	Nine Months Ended March 31,	
	2016	2015
	----- (Rupees in '000) -----	
Revenue	875,774	700,137
Gross profit	295,113	273,628
Gross profit as percentage of revenue	33.70%	39.08%
Operating expenses	131,348	122,524
Operating profit	163,765	151,104
Profit before taxation	169,105	154,846
Profit after taxation	135,018	133,579

During the nine months of the fiscal year 2015-16, the performance of your company showed significant improvement as far as the revenue is concerned, which increased by 25% as compared to the same period last year. The depreciation of rupee against dollar, imposition of additional duty by the Government and price increase by the principal, negatively affected the profitability of the company, however through effective control over expenditures, profit after tax has slightly improved compared to same period 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
April 20, 2016

Condensed Interim Balance Sheet

As at March 31, 2016

		Un-audited March 31, 2016	Audited June 30, 2015
	Note	------(Rupees in '000)-----	
ASSETS			
Non-current assets			
Property and equipment	5	1,164	815
Intangibles		<u>8,110</u>	<u>9,187</u>
		9,274	10,002
Investment property		123,588	123,588
Long-term loans		<u>87,432</u>	<u>98,256</u>
Total non-current assets		220,294	231,846
Current assets			
Stock-in-trade-net		175,432	205,081
Trade debts-net	6	284,132	218,370
Current portion of long term loans		10,994	344
Short term investments	7	241,664	126,929
Deposits and prepayments		5,120	4,257
Advances and other receivables		90,803	53,286
Taxation-net		3,237	4,720
Cash and bank balances	8	27,704	16,836
Total current assets		<u>839,086</u>	<u>629,823</u>
Total assets		<u>1,059,380</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	427,570	299,000
Share Premium Account		119,600	-
Unappropriated profit		<u>341,875</u>	<u>365,327</u>
Total shareholders' equity		889,045	664,327
Current liabilities			
Trade and other payables		<u>170,335</u>	<u>197,342</u>
Total current liabilities		170,335	197,342
Total liabilities		<u>170,335</u>	<u>197,342</u>
Contingencies and commitments	10		
Total equity and liabilities		<u>1,059,380</u>	<u>861,669</u>

The annexed selected notes from 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 Profit And Loss Account (Un-audited)

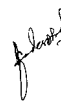
for the nine months ended March 31, 2016

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
NET SALES	271,862	215,560	875,774	700,137
COST OF SALES	(185,818)	(137,629)	(580,661)	(426,509)
GROSS PROFIT	86,044	77,931	295,113	273,628
Selling and distribution expenses	(34,297)	(30,176)	(98,396)	(89,862)
Administrative expenses	(4,497)	(9,481)	(29,334)	(28,993)
Amortization of intangibles	(1,206)	(1,223)	(3,618)	(3,669)
	(40,000)	(40,880)	(131,348)	(122,524)
OPERATING PROFIT	46,044	37,051	163,765	151,104
Other income - net	4,575	6,598	13,457	10,985
Other expenses	(864)	(1,463)	(6,409)	(5,946)
Financial cost	(1,101)	(2,528)	(1,708)	(1,297)
	2,610	2,607	5,340	3,742
PROFIT BEFORE INCOME TAX	48,654	39,658	169,105	154,846
Income tax expense	(14,048)	(7,557)	(34,087)	(21,267)
PROFIT FOR THE PERIOD	34,606	32,101	135,018	133,579
	(Rupees)		(Rupees)	
EARNINGS PER SHARE - BASIC AND DILUTED	0.81	0.75	3.16	3.12

The annexed selected notes from 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 nine months ended March 31, 2016

	Quarter ended		Nine months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
PROFIT FOR THE PERIOD	34,606	32,101	135,018	133,579
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	34,606	32,101	135,018	133,579

The annexed selected notes from 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 nine months ended March 31, 2016

	Note	March 31, 2016	March 31, 2015
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		169,105	154,846
Adjustments for non-cash items:			
Depreciation		369	361
Gain on disposal of property and equipment		(209)	(1,932)
Unrealized gain on investments		(4,195)	(1,847)
Realized gain on sale of investments		(1,188)	(2,224)
Amortization of intangibles		3,618	3,669
		167,500	152,873
Increase/(Decrease) in working capital			
Stock in trade		29,649	24,618
Trade debts		(65,762)	(47,534)
Loans - current maturity		(10,650)	4
Deposits and prepayments		(863)	-
Advances, deposits and other receivables		(37,517)	(1,354)
Trade and other payables		(26,961)	58,705
		(112,103)	34,439
Cash generated from operations		55,397	187,312
Income tax paid		(32,604)	(21,289)
Net cash flows from operating activities		22,793	166,023
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(783)	(425)
Purchase of intangibles		(2,541)	-
Short term investments made		(264,500)	(129,000)
Proceeds from redemption of investments		155,148	105,252
Proceeds from disposal of property and equipment		274	2,718
Net cash flows used in investing activities		(112,402)	(21,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of right shares		149,500	-
Long term loans		10,824	(127,716)
Gratuity paid		(46)	(126)
Dividend paid		(59,800)	(23,000)
Net cash flows generated from / (used) in financing activities		100,477	(150,842)
Net increase / (decrease) in cash and cash equivalents		10,868	(6,274)
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	27,704	19,086

The annexed selected notes from 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 nine months ended March 31, 2016

Issued, subscribed and paid-up share capital	Reserve for issue of bonus shares	Share Premium	Un-appropriated profit	Share holders' equity
---	---	------------------	---------------------------	--------------------------

Rupees in '000'

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

Total comprehensive income for the period **-** **-** **-** **133,579** **133,579**

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)

Balance as at March 31, 2015 **299,000** **-** **-** **333,269** **632,269**

Balance as at July 1, 2015 **299,000** **-** **-** **365,327** **664,327**

Total comprehensive income for the period **-** **-** **-** **135,018** **135,018**

Transactions with owners

Transfer to reserve for issue of bonus 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

Right shares issued @ 10% in the ratio of 10 shares for every 100 shares held @ premium of Rs. 50 per share.

Interim bonus shares issued @ 10% in the ratio of 10 shares for every 100 shares held

-	98,670	-	(98,670)	-
59,800	(59,800)	-	-	-
-	-	-	(59,800)	(59,800)
29,900	-	119,600	-	149,500
38,870	(38,870)	-	-	-

128,570 - 119,600 (158,470) 89,700

Balance as at March 31, 2016 **427,570** **-** **119,600** **341,875** **889,045**

The annexed selected notes from 1 to 14 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, 2016

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 74.19% 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.

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.

5 PROPERTY AND EQUIPMENT

		Un-audited March 31, 2016	Audited June 30, 2015
		----- (Rupees in '000) -----	
	Note		
Operating fixed assets	5.1	<u>1,164</u>	<u>815</u>

Selected Notes to the Condensed Interim Financial Information

for the nine months ended March 31, 2016

- 5.1** Details of additions and disposals to operating assets during the period ended March 31, 2016 are as follows:

	Additions at cost	Deletions at net book value
Owned assets		
		----- (Rupees in '000) -----
Office equipments	370	-
Furniture and fixtures	413	-
Owned Vehicles	-	(65)
March 31, 2016	<u>783</u>	<u>(65)</u>
June 30, 2015	<u>544</u>	<u>(786)</u>

6 TRADE DEBTS - UNSECURED

Note

Considered good

Due from related party	6.1	248,062	194,597
Others		<u>37,735</u>	<u>25,438</u>
		285,797	220,035
Less: Provision for doubtful debts	6.2	<u>(1,665)</u>	<u>(1,665)</u>
		<u>284,132</u>	<u>218,370</u>

- 6.1** As at March 31, 2016, trade debts from related parties of the Company stood as follows:

	Un-audited March 31, 2016	Audited June 30, 2015
		----- (Rupees in '000) -----
IBL Operations (Private) Limited	247,872	194,483
The Searle Company Limited	<u>190</u>	<u>114</u>
	<u>248,062</u>	<u>194,597</u>

- 6.2** As at March 31, 2016; 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 March 31, 2016	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	<u>1,665</u>	<u>1,665</u>

Selected Notes to the Condensed Interim Financial Information

for the nine months ended March 31, 2016

7 SHORT TERM INVESTMENTS

Number of units			Un-audited	Audited
March 31, 2016	June 30, 2015		March 31, 2016	June 30, 2015
2,133,899	1,791,408	Meezan Sovereign Fund - at cost	110,132	89,734
12,984,561	3,925,360	NAFA Islamic Aggressive Income Fund - at cost	127,337	37,179
		Unrealised gain on revaluation of units	4,195	16
		Closing balance		
15,118,459	5,716,768		241,664	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 March 31, 2016	Audited June 30, 2015
	------(Rupees in '000)-----	
Cash in hand	-	49
Cash with banks in:		
- deposit accounts	3	3
- current accounts	27,701	16,784
	27,704	16,836

9 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

(Number of shares)				
March 31, 2016	June 30, 2015			
20,000,000	20,000,000	Ordinary shares of Rs. 10 each fully paid in cash	200,000	200,000
19,767,000	9,900,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	197,670	99,000
2,990,000	-	Ordinary shares of Rs. 10 each issued as fully paid Right shares	29,900	-
42,757,000	29,900,000		427,570	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	9,867	6,900
Right shares issued during the period	2,990	-
Number of shares at end of the period	42,757	29,900

Selected Notes to the Condensed Interim Financial Information

for the nine months ended March 31, 2016

	Un-audited March 31, 2016	Audited June 30, 2015
	------(Rupees in '000)-----	
10 CONTINGENCIES AND COMMITMENTS		
Letter of credit outstanding	<u>172,971</u>	<u>100,357</u>
The facility for opening Letters of Credit (LCs) acceptances and guarantees as at March 31, 2016 amounted to Rs. 265 million (June 30, 2015: Rs. 265 million) of which the amount remaining unutilized as at that date was Rs. 92.029 million (June 30, 2015: Rs. 164.643 million).		
	Un-audited March 31, 2016	Un-audited March 31, 2015
11 EARNINGS PER SHARE - Basic and Diluted		
Basic earnings per share		
Profit for the period (Rupees in thousands)	<u>135,018</u>	<u>133,579</u>
Weighted average number of shares (Restated)	<u>42,757,000</u>	<u>42,757,000</u>
Earnings per share - Rupees (Restated)	<u>3.16</u>	<u>3.12</u>
11.1 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 March 31, 2016	Un-audited March 31, 2015
	------(Rupees in '000)-----	
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>27,704</u>	<u>19,086</u>

Selected Notes to the Condensed Interim Financial Information

for the nine months ended March 31, 2016

13 RELATED PARTY TRANSACTIONS

Related Party	Nature of relationship	Nature of balance	Un-audited March 31, 2016 ------(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>(5,717)</u>	(1,901)
		Current account balance - receivable	<u>247,872</u>	194,483
International Brands Limited	Associate	Interest receivable on loan	<u>5,269</u>	4,478
		Corporate expense receivable	<u>8,000</u>	-
Habitt	Associate	Current account balance - receivable	<u>2,082</u>	2,082

Related Party	Nature of relationship	Nature of transaction	Un-audited Mar 31, 2016 ------(Rupees in '000)-----	Un-audited Mar 31, 2015
The Searle Company Limited	Holding	Share of employees costs and expenses charged to the Searle Company Limited	<u>-</u>	90
		Sale of goods	<u>330</u>	332
IBL Operations (Private) Limited	Associate	Sale of goods	<u>686,611</u>	516,300
		Warehouse rent	<u>2,176</u>	1,362
International Brands Limited	Associate	Corporate Expenses	<u>-</u>	3,000
		Interest income on loan	<u>6,151</u>	1,778
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 nine months ended March 31, 2016

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 20, 2016 by the Board of Directors of the Company.



Mufti Zia ul Islam
Chief Executive Officer



Syed Nadeem Ahmed
Director

NOTES

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IBL HealthCare Limited

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