

Dedicated to



**IBL HealthCare Limited**

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## Company Information

### Board of Directors

Mr. Rashid Abdulla	(Chairman)
Mr. Adnan Asdar Ali	(Director)
Mr. Syed Nadeem Ahmed	(Director)
Mr. Mufti Zia ul Islam	(Chief Executive Officer)
Mr. Zubair Razzak Palwala	(Director)
Mr. Shahid Abdulla	(Director)
Mr. Ayaz Abdulla	(Director)
Mr. Arshad Anis	(Director)
Ms. Shaista Khaliq Rehman	(Director)

### Audit Committee

Ms. Shaista Khaliq Rehman	(Chairperson)
Mr. Zubair Razzak Palwala	(Member)
Mr. Arshad Anis	(Member)

### Human Resource & Remuneration Committee

Ms. Shaista Khaliq Rehman	(Chairperson)
Mr. Zubair Razzak Palwala	(Member)
Mr. Mufti Zia ul Islam	(Member)

### Chief Financial Officer and Company Secretary

Mr. Muhammad Tariq

### Auditors

A.F. Ferguson & Co.

### Legal Advisor

Mohsin Tayabaly & Co.

### Bankers

Habib Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Soneri Bank Limited  
National Bank of Pakistan  
Habib Metropolitan Bank Limited  
Summit Bank Limited

### Registered Office

9th Floor, NIC Building, Abbasi Shaheed Road,  
Karachi

### Share Registrar

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block-B, SMCHS  
Shahra-e-Faisal, Karachi – 74400

### Internal Auditors

Grant Thornton Anjum Rahman

## 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, 2017.

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

### SUMMARY OF FINANCIAL PERFORMANCE

	2017	March 31, 2016
	----- (Rupees in '000) -----	
Revenue	891,019	875,774
Gross profit	300,006	295,113
Gross profit as percentage of revenue	33.7%	33.7%
Operating profit	191,235	170,813
Profit before taxation	190,083	169,105
Profit after taxation	150,272	135,018

The performance of your company is fairly good despite of the fact that number of new players introduced economical brands and extensive promotional campaign by key players restricted us to grow significantly during the period under review. Our revenue for the nine months of the current fiscal year is Rs.891m as compared to Rs.875m same period last year, with a positive growth of 2% whereas profit after tax has grown by 11%. The gross profit for the current period as a percentage of sales maintained at 33.7% and profit after tax for the current period has also improved to 17% of sales versus 15% last year.

### FUTURE OUTLOOK

The management is optimistic for better results in future as we have planned to explore opportunities in other categories of healthcare sector. Our own newly launched products with high gross profit margin will contribute significantly towards profitability of the company. We are confident that we can generate increased value for shareholders by providing high quality products and better services to our customers and healthcare professionals.

### 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, 2017

## ڈائریکٹرز کی رپورٹ

ڈائریکٹرز اپنی رپورٹ مع آپ کی کمپنی کے مجموعی عبوری مالیاتی حسابات برائے ۹ ماہ کی مدت ختمہ ۳۱ مارچ ۲۰۱۷ء پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

یہ مجموعی عبوری مالیاتی حسابات کمپنیز آرڈیننس ۱۹۸۲ء کی دفعہ ۲۳۵ کے تحت جمع کرائے گئے ہیں۔

### مالیاتی کارکردگی کا جائزہ

31 مارچ		
2016	2017	
(روپے ہزاروں میں)		
875,774	891,019	آمدنی
295,113	300,006	مجموعی منافع جات
33.7 فیصد	33.7 فیصد	مجموعی منافع جات بڑھانے کی فیصدی
170,813	191,235	آپریٹنگ منافع جات
169,105	190,083	قبل از ٹیکس منافع
135,018	150,272	بعد از ٹیکس منافع

آپ کی کمپنی کی کارکردگی زیر جائزہ مدت کے دوران کئی نئی کمپنیوں کی جانب سے متعارف کرائے گئے باکفایت برانڈز کے باوجود مناسب حد تک بہتر رہی اور چند بڑی کمپنیوں کی جانب سے وسیع تر تشہیری سرگرمیوں نے ہمیں بہتر شرح نمو حاصل کرنے سے روک رکھا۔ رواں مالی سال کے ۹ ماہ کیلئے ہمارا روپیہ ۸۹۱ ملین روپے ہے جو گزشتہ سال کی اسی مدت میں ۸۷۵ ملین روپے تھا جس سے ۲ فیصد کی مثبت بہتری ظاہر ہوتی ہے جبکہ منافع بعد از ٹیکس ۱۱ فیصد تک بہتر ہوا۔ رواں مدت کیلئے مجموعی منافع بحیثیت پیلز کا فیصد ۳۳ فیصد پر برقرار رہا اور رواں مدت کیلئے منافع بعد از ٹیکس گزشتہ سال کے ۱۵ فیصد کے مقابلے میں بہتری ہو کر پیلز کا ۱۷ فیصد ہو گیا۔

### مستقبل کا جائزہ

انتظامیہ مستقبل میں بہتر نتائج کیلئے پرعزم ہے کیونکہ ہم ہیلتھ کیئر کی دیگر کئی بڑی میں مواقع تلاش کرنے کی منصوبہ بندی کر رہے ہیں۔ ہماری ذاتی نئی متعارف کردہ مصنوعات مع بہتر مجموعی منافع کی شرح کمپنی کے منافع جات کے ضمن میں نمایاں کردار ادا کرے گا۔ ہم پر اعتماد ہیں کہ ہم اپنے صارفین اور ہیلتھ کیئر پروفیشنلز کو اعلیٰ معیار کی مصنوعات اور بہتر خدمات کی فراہمی کے ذریعے شہر ہو لڈز کیلئے ان کے منافع جات کی شرح کو مزید بہتر بنا سکتے ہیں۔

### اتحادیہ تشکر

ہم اپنی مصنوعات پر صارفین کے اعتماد کرنے پر ان کے مشکور ہیں اور ان کی جانب سے مستقل سرپرستی کئے جانے پر ان کا شکریہ ادا کرتے ہیں کیونکہ ان کے تعاون کے بغیر ہم ان بہتر نتائج کے حصول کے اہل نہیں ہو سکتے تھے۔

ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے سپلائرز، بینکرز اور ڈسٹری بیوٹرز کا بھی اس پوری مدت کے دوران ان کی جانب سے کئے جانے والے تعاون پر شکریہ ادا کرنا چاہیں گے۔

آخر میں ہم اپنے عملے کا شکریہ ادا کرتے ہیں جو اپنی کمپنی کی ترقی میں ہر قدم ہمارے ساتھ رہے ہیں۔

برائے اور بورڈ کی جانب سے

  
نعمت علیہ الاسلام  
چیف ایگزیکٹو

کراچی  
۲۰ اپریل ۲۰۱۷ء

# Condensed Interim Balance Sheet

As at March 31, 2017

	Note	(Unaudited) March 31, 2017 ------(Rupees in '000)-----	(Audited) June 30, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	131,232	1,527
Investment property		123,588	123,588
Intangibles		4,251	8,570
Long term loans and advances		63,715	142,183
		<u>322,786</u>	<u>275,868</u>
<b>Current assets</b>			
Stock-in-trade		204,098	263,383
Trade debts-net	5	286,469	259,329
Loans and advances		227,089	228,649
Trade deposits and short-term prepayments		3,697	4,421
Interest accrued		12,984	3,045
Other receivables		29,449	16,649
Investments - at fair value through profit or loss	6	127,902	99,593
Taxation - payments less provisions		5,656	9,757
Cash and bank balances		14,444	18,187
		<u>911,788</u>	<u>903,013</u>
<b>Total assets</b>		<u><u>1,234,574</u></u>	<u><u>1,178,881</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital		<u>750,000</u>	<u>500,000</u>
Issued, subscribed and paid-up share capital	7	491,706	427,570
Share Premium Account		119,600	119,600
Unappropriated profit		429,130	385,751
<b>Total shareholders' equity</b>		<u>1,040,436</u>	<u>932,921</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		194,138	245,960
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>Total equity and liabilities</b>	8	<u><u>1,234,574</u></u>	<u><u>1,178,881</u></u>

The annexed notes 1 to 10 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, 2017

Note	Quarter ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	-----Rupees in '000-----			
Revenue	297,911	271,862	891,019	875,774
Cost of sales	(196,873)	(185,818)	(591,013)	(580,661)
<b>GROSS PROFIT</b>	<b>101,038</b>	<b>86,044</b>	<b>300,006</b>	<b>295,113</b>
Distribution cost	(39,712)	(35,503)	(108,639)	(102,014)
Administrative expenses	(6,485)	(4,497)	(31,352)	(29,334)
Other operating expenses	-	(864)	-	(6,409)
Other income	11,189	4,575	31,220	13,457
<b>OPERATING PROFIT</b>	<b>66,030</b>	<b>49,755</b>	<b>191,235</b>	<b>170,813</b>
Finance cost	(534)	(1,101)	(1,151)	(1,708)
<b>PROFIT BEFORE TAXATION</b>	<b>65,495</b>	<b>48,654</b>	<b>190,083</b>	<b>169,105</b>
Income tax expense	(14,585)	(14,048)	(39,811)	(34,087)
<b>PROFIT AFTER TAXATION</b>	<b>50,910</b>	<b>34,606</b>	<b>150,272</b>	<b>135,018</b>
Other comprehensive income	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>50,910</b>	<b>34,606</b>	<b>150,272</b>	<b>135,018</b>
		(Restated)		(Restated)
<b>EARNINGS PER SHARE</b>				
<b>BASIC AND DILUTED (Rupees)</b>	<b>1.04</b>	<b>0.70</b>	<b>3.06</b>	<b>2.75</b>

The annexed notes 1 to 10 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, 2017

	Issued, subscribed and paid-up share capital	Reserve for issue of bonus shares	Share Premium	Unappropriated profit	Total share holders' equity
------(Rupees in '000)-----					
Balance as at July 01, 2015	299,000	-	-	365,327	664,327
Total comprehensive income for the period	-	-	-	135,018	135,018
<b>Transactions with owners</b>					
Transfer to reserve for issue of bonus shares	-	98,670	-	(98,670)	-
Bonus shares issued in the ratio of 20 shares for every 100 shares held	59,800	(59,800)	-	-	-
Cash dividend paid for the year ended June 30, 2015 @ Rs.2 per share	-	-	-	(59,800)	(59,800)
Right shares issued in the ratio of 10 shares for every 100 shares held @ premium of Rs. 40 per share	29,900	-	119,600	-	149,500
Interim bonus issued in the ratio of 10 shares for every 100 shares held	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
Balance as at July 01, 2016	427,570	-	119,600	385,751	932,921
Total comprehensive income for the period	-	-	-	150,272	150,272
<b>Transactions with owners</b>					
Transfer to reserve for issue of bonus shares	-	64,136	-	(64,136)	-
Bonus shares issued in the ratio of 15 shares for every 100 shares held	64,136	(64,136)	-	-	-
Cash dividend paid for the year ended June 30, 2016 @ Re.1 per share	-	-	-	(42,757)	(42,757)
	64,136	-	-	(106,893)	(42,757)
Balance as at March 31, 2017	491,706	-	119,600	429,130	1,040,436

The annexed notes 1 to 10 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, 2017

	Note	March 31, 2017	March 31, 2016
		-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		190,083	169,105
<b>Adjustments for non-cash items:</b>			
Depreciation		782	369
Amortization of intangible assets		4,386	3,618
Gain on disposal of property, plant and equipment		(3)	(209)
Interest on loan		(17,197)	-
Realized gain on sales of investments		(2,747)	(1,188)
Unrealized gain on investments		(1,693)	(4,195)
		<u>173,612</u>	<u>167,500</u>
<i>Decrease/(Increase) in working capital</i>			
Stock - in - trade		59,285	29,649
Trade debts - net		(27,140)	(65,762)
Loans and advances		1,560	(10,650)
Trade deposits and short-term prepayments		724	(863)
Advances and other receivables		(12,800)	(37,517)
Trade and other payables		(51,822)	(26,961)
		<u>(30,193)</u>	<u>(112,104)</u>
<b>Cash generated from operations</b>		<u>143,419</u>	<u>55,396</u>
Income tax paid		<u>(35,711)</u>	<u>(32,604)</u>
<b>Net cash flows generated from operating activities</b>		<u>107,709</u>	<u>22,792</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(64,497)	(783)
Purchase of intangibles		(67)	(2,541)
Short term investments made		(191,500)	(264,500)
Proceeds from redemption of investments		167,629	155,148
Interest received on loan		7,258	-
Proceeds from disposal of property, plant and equipment		-	274
<b>Net cash used in investing activities</b>		<u>(81,177)</u>	<u>(112,402)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of right shares		-	149,500
Long term loans		12,742	10,824
Gratuity paid		(260)	(46)
Dividend paid		(42,757)	(59,800)
<b>Net cash flows from financing activities</b>		<u>(30,275)</u>	<u>100,478</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(3,743)</u>	<u>10,868</u>
Cash and cash equivalents at the beginning of the period		<u>18,187</u>	<u>16,836</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>14,444</u></u>	<u><u>27,704</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.



Mufti Zia ul Islam  
Chief Executive Officer



Syed Nadeem Ahmed  
Director

# Notes To The Condensed Interim Financial Information

For the nine months ended March 31, 2017

## 1. LEGAL STATUS AND OPERATIONS

IBL HealthCare Limited (the Company) was incorporated in Pakistan as a private limited company on July 14, 1997. In November 2008 the Company was converted into a public limited company with its liability limited by shares. The shares of the Company are quoted on Pakistan Stock Exchange. The principal business activities of the Company includes marketing, selling and distribution of health-care products. The registered office of the Company is 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.

## 2. BASIS OF PREPARATION

The condensed interim financial information of the Company for the period ended March 31, 2017 has been prepared in accordance with the requirements of 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 Companies Ordinance, 1984 have been followed. This condensed interim financial information is being present and submitted to the shareholders as required by the Listing Regulations of the Pakistan Stock Exchange and under section 245 of the Companies Ordinance, 1984.

The condensed interim financial information does not include all the information required for the complete set of financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2016.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method 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, 2016.

## 4. PROPERTY, PLANT AND EQUIPMENT

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
	Note	-----Rupees in '000-----	
Operating assets	4.1	73,180	1,527
Capital work in progress		58,052	-
		<u>131,232</u>	<u>1,527</u>

### 4.1 Details of additions in operating assets during the period were as follows:

	(Unaudited) March 31, 2017	(Unaudited) March 31, 2016
	-----Rupees in '000-----	
Leasehold land	70,000	-
Office equipments	2,445	-
	<u>72,445</u>	<u>-</u>

# Notes To The Condensed Interim Financial Information

For the nine months ended March 31, 2017

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
	Note	-----Rupees in '000-----	
5. TRADE DEBTS - UNSECURED			
Considered good			
Due from related party	5.1	257,585	232,959
Others		30,549	28,035
		288,134	260,994
Less: Provision for doubtful debts		(1,665)	(1,665)
		286,469	259,329

- 5.1 As at March 31, 2017, amount due from IBL Operations (Private) Limited stood at Rs. 257.59 million.

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
	Note	-----Rupees in '000-----	
6. SHORT TERM INVESTMENTS			
Investments at fair value through profit and loss			
Meezan Sovereign fund		103,633	78,077
NAFA Islamic Aggressive Income Fund		21,523	21,520
Add: unrealized gain/(loss) on revaluation of investment		2,747	(4)
		127,902	99,593
		Number of units	
Meezan Sovereign fund		1,976,925	1,536,775
NAFA Islamic Aggressive Income Fund		2,269,207	2,269,207
		4,246,132	3,805,982

- 6.1 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(f)' as per the credit rating agency JCR-VIS and that of NAFA Fund is 'A-(f)' and the credit rating agency is PACRA. The investments have been classified as "financial assets at fair value through profit and loss".

## 7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

March 31, 2017	June 30, 2016		(Unaudited) March 31, 2017	(Audited) June 30, 2016
			-----Rupees in '000-----	
Number of shares				
49,170,550	42,757,000		491,706	427,570
49,170,550	42,757,000	Ordinary shares of Rs. 10 each fully paid in cash	491,706	427,570

# Notes To The Condensed Interim Financial Information

For the nine months ended March 31, 2017

## 8. CONTINGENCIES AND COMMITMENTS

Letter of credit outstanding	<u>168,394</u>	<u>166,126</u>
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- 8.1 The facility for opening Letters of Credit (LCs) acceptances and guarantees as at March 31, 2017 amounted to Rs. 283 million (June 2016: Rs. 265 million) of which the amount remained unutilized as at balance sheet date was Rs. 114.7 million (June 2016: Rs. 98.874 million)

## 9. RELATED PARTY TRANSACTION

The Company is controlled by The Searle Company Limited, which owns 73% of the Company's shares and International Brands Limited holds 0.3% shares in the Company. The remaining 26.7% shares are widely held. IBL Operations (Private) Limited is an associated company on the basis of common directorship.

Related Party	Nature of relationship	Nature of transaction / balance	Un-audited March 31, 2017 -----(Rupees in '000)----	Audited Jun 30, 2016
The Searle Company Limited	Parent	Sale of goods	<u>74</u>	<u>407</u>
		Purchase of goods	<u>2,145</u>	<u>-</u>
International Brands Limited	Associate	Interest on loan	<u>17,197</u>	<u>8,022</u>
		Interest receivable on loan	<u>12,984</u>	<u>3,045</u>
		Other receivable	<u>-</u>	<u>8,000</u>
IBL Operations (Private) Limited	Associate	Sale of goods	<u>689,418</u>	<u>902,619</u>
		Current account balance - payable	<u>(241)</u>	<u>(6,364)</u>
IBL Identity (Private) Limited	Associate	Rent income	<u>3,640</u>	<u>1,200</u>
		Rent Receivable	<u>840</u>	<u>1,200</u>

## 10. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 20, 2017 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**

9th Floor, N.I.C. Building, Abbasi Shaheed Road,

Off: Shahrah-e-Faisal, Karachi-75530

[www.iblhc.com](http://www.iblhc.com)