



COMPASSION for Healthcare

QUARTERLY REPORT

SEPTEMBER 2020



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Company Information

BOARD OF DIRECTORS

Mr. Rashid Abdulla	Chairman
Mr. Shahid Abdulla	Director
Mr. S. Nadeem Ahmed	Director
Mr. Mufti Zia ul Islam	Chief Executive Officer
Mr. Zubair Razzak Palwala	Director
Mr. Shuja Malik	Director
Ms. Aameena Saiyid	Director

AUDIT COMMITTEE

Ms. Aameena Saiyid	Chairperson
Mr. Zubair Razzak Palwala	Member
Mr. Shuja Malik	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Shuja Malik	Chairman
Mr. S. Nadeem Ahmed	Member
Ms. Aameena Saiyid	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Tariq

COMPANY SECRETARY

Mr. Shariq Zafar

AUDITORS

A.F. Ferguson & Co., Chartered Accountants

INTERNAL AUDITORS

Grant Thornton Anjum Rahman

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
Al-Baraka Bank (Pakistan) Limited

REGISTERED OFFICE

2nd Floor, One IBL Centre, Block 7&8, DMCHS
Tipu Sultan Road, Off: Shahrah-e-Faisal, Karachi

SHARE REGISTRAR

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

DIRECTORS' REPORT

The Board of Directors of IBL HealthCare Limited (IBLHL) takes pleasure to present before shareholders' performance review together with the condensed interim financial statements of the Company for the quarter ended September 30, 2020.

The Directors' report is prepared under section 227 of the Companies Act, 2017, chapter XII clause 34 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

SUMMARY OF FINANCIAL PERFORMANCE

	September 30, 2020 2019 (Rupees in Thousand)	
Revenue	714,862	617,125
Gross profit	200,350	185,726
Gross profit as a percentage of revenue	28.0%	30.1%
Profit before taxation	80,377	73,482
Profit after taxation	53,764	38,116

PRINCIPAL ACTIVITIES & OVERVIEW OF FINANCIAL PERFORMANCE

The principal activities of the Company include marketing, selling and distribution of healthcare & consumer products. During the period, efforts were made to increase revenue as global pandemic situation affected the overall economy.

The revenue for the current period is Rs. 714.9 million as compared to Rs. 617.1 million for the same period last year i-e, an increase of Rs. 97.8 million (16% growth). This increase in revenue is due to addition of pharma portfolio and growth in the existing business. The gross profit as a percentage of sales stood at 28.0% for the current period compared to 30.1% same period last year. Control over expenses and reduction in finance cost resulted in after tax profit of Rs.53.8m compared to Rs.38.1m last year.

FUTURE OUTLOOK

The company is continuously striving to maximize the profitability and growth. We are confident that we can generate increased value for shareholders as well as deliver better products and services to our customers. In accomplishing this, we would like to appreciate the enormous cooperation and support of our sales force, without which we will not be able to achieve these results.

We also take this opportunity to thank our employees for their continuing contribution in the achievement of Company's results.



Chief Executive Officer



Director

October 22, 2020
Karachi

Quarterly Report Sep 2020

ڈائریکٹرز کی رپورٹ

آئی بی ایل ہیلتھ کیئر لمیٹڈ (آئی بی ایل ایچ ایل) کے بورڈ آف ڈائریکٹرز شیئر ہولڈرز کے روبرو بمسرت کارکردگی کا جائزہ مع ۳۰ ستمبر ۲۰۲۰ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے مجموعی عبوری مالیاتی معلومات پیش کر رہے ہیں۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۲۷، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ء کے باب XII، شق ۳۴ کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی کا جائزہ

30 ستمبر

2019	2020	
(روپے ہزاروں میں)		
617,125	714,862	آمدنی
185,726	200,350	مجموعی منافع جات
30.1 فیصد	28.0 فیصد	مجموعی منافع جات برطانیہ آمدنی کا فیصدی
73,482	80,377	قبل از ٹیکس منافع
38,116	53,764	بعد از ٹیکس منافع

بنیادی سرگرمیاں اور مالیاتی کارکردگی کا جائزہ

کمپنی کی بنیادی سرگرمیوں میں ہیلتھ کیئر اور کنزیومر پروڈکٹس کی مارکیٹنگ، فروخت اور تقسیم شامل ہے۔ اس مدت کے دوران ریونیو میں اضافے کی کوششیں کی جاتی رہیں کیونکہ عالمی وبا کی صورتحال نے ملک کی مجموعی معیشت کو بھی متاثر کیا تھا۔

رواں مدت کیلئے آمدنی ۱۲۶.۹ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۱۱۷.۶ ملین روپے رہی تھی۔ یعنی ۸.۷۷ ملین روپے (۱۶ فیصد گروتھ) کا اضافہ ہوا۔ آمدنی میں یہ اضافہ فارما پورٹ فولیو کے اضافے اور موجودہ کاروبار میں بہتر شرح نمو کے باعث ہوا۔ مجموعی منافع بحیثیت سبز کی فیصدی شرح رواں مدت کیلئے ۲۸.۰ فیصد تھا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۳۰.۱ فیصد تھا۔ اخراجات پر کنٹرول اور مالیاتی لاگوں میں کمی کے نتیجے میں منافع بعد از ٹیکس ۵۳.۸ ملین روپے رہا جو اس کے مقابلے میں گزشتہ سال ۳۸.۱ ملین روپے تھا۔

مستقبل کا جائزہ

کمپنی مستقل طور پر منافع کی شرح اور گروتھ میں زیادہ سے زیادہ اضافے کیلئے کوشاں ہے۔ ہم پر اعتماد ہیں کہ ہم شیئر ہولڈرز کیلئے اضافی منافع کے حصول نیز اپنے صارفین کو بہتر مصنوعات اور سروسز کی فراہمی کرنے میں کامیاب رہیں گے۔ ان سب کی تکمیل کیلئے ہم اپنی سبز فورس کے بے مثال تعاون اور سپورٹ پر انہیں خراج تحسین پیش کرنا چاہیں گے جن کے بغیر ہم ان نتائج کے حصول میں کامیاب نہیں ہو سکتے تھے۔

ہم اس موقع پر اپنے ملازمین کے بھی مشکور ہیں کیونکہ انہوں نے کمپنی کے بہتر نتائج کے حصول میں اپنا بھرپور کردار ادا کیا۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی:

۲۲ اکتوبر ۲۰۲۰ء

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020 ------(Rupees in '000)-----	Audited June 30, 2020
ASSETS			
Non-current assets			
Property and equipment	4	10,533	9,628
Investment properties - at cost		503,735	368,235
Intangible assets		11,008	11,641
		<u>525,275</u>	<u>389,504</u>
Current assets			
Inventories		707,290	654,727
Trade and other receivables	5	900,746	823,592
Short-term deposits, prepayments, loans and advances	6	147,664	345,926
Interest accrued		2,480	-
Taxation		19,099	18,127
Cash and bank balances	7	28,118	20,148
		<u>1,805,396</u>	<u>1,862,520</u>
Total assets		<u><u>2,330,672</u></u>	<u><u>2,252,024</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share Capital			
Issued, subscribed and paid-up share capital	8	540,877	540,877
Capital reserve			
Share premium		119,600	119,600
Revenue reserve			
Un-appropriated profit		815,269	761,505
		<u>1,475,746</u>	<u>1,421,982</u>
Liabilities			
Current liabilities			
Trade and other payables	9	681,194	623,772
Contract liability		14,348	16,248
Short-term borrowings		148,043	178,682
Unclaimed dividend		11,340	11,340
		<u>854,925</u>	<u>830,042</u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>2,330,672</u></u>	<u><u>2,252,024</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
------(Rupees in '000)-----			
Revenue	11	714,862	617,125
Cost of Sales		(514,512)	(431,399)
Gross Profit		200,350	185,726
Distribution costs		(102,485)	(98,295)
Administrative expenses		(20,396)	(21,676)
Other income	12	8,700	15,506
Profit from operations		86,169	81,261
Finance cost		(5,793)	(7,780)
Profit before income tax		80,377	73,481
Income tax expense		(26,613)	(35,366)
Profit after taxation		53,764	38,116
Other comprehensive income		-	-
Total comprehensive income		53,764	38,116
Earnings per share		0.99	0.70

The annexed notes 1 to 14 form an integral part of this condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	80,377	73,481
Adjustments for non-cash items:		
Depreciation	1,407	569
Amortization of intangible assets	6,795	603
Finance cost	5,793	7,780
Interest income	(2,480)	(7,882)
	91,892	74,551
Decrease/(Increase) in working capital		
Inventories	(52,563)	(85,633)
Trade and other receivables	(77,154)	(206,068)
Short-term deposits, prepayments, loans and advances	198,262	(57,367)
Refunds due from government - sales tax	-	(273)
Trade and other payables	55,522	300,310
	124,068	(49,031)
Cash generated from operations	215,960	25,520
Income tax paid	(27,585)	(24,261)
Finance cost paid	(5,793)	(7,780)
Interest income received	-	5,250
Net cash generated from/(used) in operating activities	182,582	(1,271)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of furniture and equipment	(2,312)	-
Purchase of intangibles	-	(407)
Payments for acquisition of investment property	(135,500)	-
Net cash (used) in investing activities	(137,812)	(407)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(39)
Net cash (used) in financing activities	-	(39)
Net increase/(decrease) in cash and cash equivalents	44,771	(1,718)
Cash and cash equivalents at the beginning of the period	(158,534)	30,894
Cash and cash equivalents at the end of the period	(113,763)	29,176

The annexed notes 1 to 14 form an integral part of this condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	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, 2019	540,877	-	119,600	595,563	1,256,040
Total comprehensive income for the period ended September 30, 2019	-	-	-	38,116	38,116
Balance as at September 30, 2019	540,877	-	119,600	633,679	1,294,156
Balance as at July 01, 2020	540,877	-	119,600	761,505	1,421,982
Total comprehensive income for the period ended September 30, 2020	-	-	-	53,764	53,764
Balance as at September 30, 2020	540,877	-	119,600	815,269	1,475,746

The annexed notes 1 to 14 form an integral part of this condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

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 public limited company. The shares of the Company are quoted on the Pakistan Stock Exchange.

The principal activities of the Company include marketing, selling and distribution of healthcare products.

The Company is a subsidiary of The Searle Company Limited and International Brands Limited is the Company's ultimate parent.

The geographical location and address of the Company's business units are as under:

- The registered office of the Company is located at One IBL Centre, 2nd floor, Plot No.1, Block 7 and 8, D.M.C.H.S. Tipu Sultan Road, Off Shakra-e-faisal, Karachi.
- The Company also has a distribution warehouse in S.I.T.E. Area, Karachi.

The Company is the sole distributor of Mead Johnson products in Pakistan. In this respect, the Company has also entered into a service level agreement with Reckitt Benckiser Pakistan Limited.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2020.

		Un-audited	Audited
		September 30,	June 30,
		2020	2020
		-----Rupees in '000-----	
4. PROPERTY AND EQUIPMENT	Note		
Operating assets	4.1	10,533	9,628
		<u>10,533</u>	<u>9,628</u>
4.1	Details of additions in operating assets during the period were as follows:		
		Un-audited	Un-audited
		September 30,	September 30,
		2020	2019
		-----Rupees in '000-----	
Office equipments		2,312	-
		<u>2,312</u>	<u>-</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020	Audited June 30, 2020
-----Rupees in '000-----			
5. Trade and other receivables			
Trade receivables - considered good			
Due from related parties	5.1	695,824	655,386
Others		180,774	152,133
		<u>876,598</u>	<u>807,519</u>
Less: Provision for doubtful debts		(2,184)	(2,184)
		<u>874,413</u>	<u>805,335</u>
Other receivables			
Claims from Supplier		18,163	11,912
Due from related party		2,535	2,535
Others		5,634	3,810
		<u>26,332</u>	<u>18,257</u>
		<u>900,746</u>	<u>823,592</u>

5.1. As at September 30, 2020, amount due from IBL Operations (Private) Limited stood at Rs. 695.24 million.

	Note	Un-audited September 30, 2020	Audited June 30, 2020
-----Rupees in '000-----			
6. Short-term deposits, prepayments, loans and advances			
Short term deposits		11,877	11,567
Prepayments		5,008	1,019
Short term loans		14	229,014
Advances		130,766	104,326
		<u>147,664</u>	<u>345,926</u>
7. Cash and bank balances			
Cash in hand		100	100
Cash at bank		28,018	20,048
		<u>28,118</u>	<u>20,148</u>

8. Issued, subscribed and paid-up share capital

September 30, 2020	June 30, 2020	Note	Un-audited September 30, 2020	Audited June 30, 2020
-----Rupees in '000-----				
Number of shares				
<u>54,087,605</u>	54,087,605		540,877	540,877
<u>54,087,605</u>	<u>54,087,605</u>	Ordinary shares of Rs. 10 each fully paid in cash.	<u>540,877</u>	<u>540,877</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	Un-audited September 30, 2020	Audited June 30, 2020
9. Trade and other payables	-----Rupees in '000-----	
Creditors	438,137	396,218
Accrued liabilities	79,552	74,324
Due to related parties	140,183	128,481
Security deposits	3,716	3,716
Other liabilities	19,606	21,033
	<u>681,194</u>	<u>623,772</u>
10. Contingencies and commitments		
Letter of credit outstanding	<u>483,048</u>	<u>588,550</u>
10.1. The facility for opening Letters of Credit (LCs) and running musharaka as at September 30, 2020 amounted to Rs. 683 million (June 2020: Rs. 683 million) of which the amount remained unutilized as at balance sheet date was Rs. 199.95 million (June 2020: Rs. 94.45 million).		
11. REVENUE	-----Rupees in '000-----	
Gross sales	860,882	758,939
Sales tax	(38,860)	(37,282)
	<u>822,022</u>	<u>721,657</u>
Less:		
Sales return	(23,142)	(17,268)
Sales disocunt	(84,018)	(87,263)
	<u>(107,160)</u>	<u>(104,532)</u>
	<u>714,862</u>	<u>617,125</u>
12. Other income		
Income from financial assets		
Excahnge gain	1,275	694
Interest on loan to International Brands Limited	2,480	7,882
	<u>3,755</u>	<u>8,576</u>
Income from non-financial assets		
Rental income from investment property	4,941	6,880
Scrap sales	5	50
	<u>4,946</u>	<u>6,930</u>
	<u>8,700</u>	<u>15,506</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

13. RELATED PARTY TRANSACTIONS

The Company is controlled by The Searle Company Limited, which owns 74.19% of the Company's shares and International Brands Limited holds 0.32% shares in the Company. The remaining 25.49% 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	September 30,	September 30,
			2020	2019
			-----Rupees in '000-----	
The Searle Company Limited	Parent	Purchase of goods	<u>77,728</u>	208,457
		Shared cost	<u>1,145</u>	-
International Brands Limited	Associate	Interest income	<u>2,480</u>	7,882
		Corporate service charges	<u>5,250</u>	5,250
IBL Operations (Private) Limited	Associate	Sale of goods	<u>463,636</u>	404,575
		Shared cost	<u>1,800</u>	1,665
IBL Identity (Private) Limited	Associate	Rent income	<u>-</u>	1,290
Trax online (Private) Limited	Associate	Rent income	<u>-</u>	548
United Franchises (Private) Limited	Associate	Rent income	<u>-</u>	93
United Brands Limited	Associate	Sales of goods	<u>-</u>	1,315

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on **October 22, 2020** by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer



IBL HealthCare Limited

2nd Floor, One IBL Centre,
Plot # 1 Block 7 & 8, (DMCHS),
Tipu Sultan Road,
off: Shakra-e-Faisal Karachi.
www.iblhc.com