



COMPASSION for Healthcare

Quarterly
Report

March 2021

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Company Information

BOARD OF DIRECTORS

Ms. Aameena Saiyid	Chairperson
Mr. Munis Abdullah	Director
Mr. S. Nadeem Ahmed	Director
Mr. Mufti Zia ul Islam	Chief Executive Officer
Mr. Zubair Palwala	Director
Mr. Mobeem Alam	Director
Mr. Shuja Malik	Director

AUDIT COMMITTEE

Mr. Shuja Malik	Chairman
Mr. Zubair Razzak Palwala	Member
Ms. Aameena Saiyid	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 nine months ended March 31, 2021.

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

	March 31,	
	2021	2020
	(Rupees in Thousand)	
Revenue	2,241,362	1,964,615
Gross profit	744,472	583,284
Gross profit as a percentage of revenue	33.2%	29.7%
Profit before taxation	322,111	231,325
Profit after taxation	235,874	153,905

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. 2.24 billion as compared to Rs. 1.96 billion for the same period last year i-e, an increase of Rs. 276.7 million (14.1% 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 33.2% for the current period compared to 29.7% same period last year. This increase in GP margin in nutrition portfolio resulted in after tax profit of Rs.235.87m compared to Rs.153.91m 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

April 22, 2021
Karachi

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 ۳۱ مارچ ۲۰۲۱ء کو ختم ہونے والی ۹ ماہ کی مدت کے لئے کمپنی کے مجموعی عبوری مالیاتی معلومات پیش کر رہے ہیں۔

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

مالیاتی کارکردگی کا جائزہ

31 مارچ

2020	2021	
(روپے ہزاروں میں)		
1,964,615	2,241,362	آمدنی
583,284	744,472	مجموعی منافع جات
29.7 فیصد	33.2 فیصد	مجموعی منافع جات بمطابق آمدنی کا فیصدی
231,325	322,111	قبل از ٹیکس منافع
153,905	235,874	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 وبائی صورتحال نے ملک کی مجموعی معیشت کو بھی متاثر کیا تھا۔

رواں مدت کیلئے آمدنی ۲۶۲۳ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۱۹۶۱ ملین روپے رہی تھی۔ یعنی ۲۷۶۷ ملین روپے (۱۴۱ 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 میلز کی فیصدی شرح رواں مدت کیلئے ۳۳.۲ فیصد تھا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۲۹.۷ فیصد تھا۔ نیوٹریشن پورٹ فولیو میں جی پی کی شرح میں اس اضافے کے نتیجے میں منافع بعد از ٹیکس ۲۳۵.۸ ملین روپے رہا جبکہ گزشتہ سال اس کے مقابلے میں ۱۵۳.۹۱ ملین روپے حاصل ہوا تھا۔

مستقبل کا جائزہ

کمپنی مستقل طور پر منافع کی شرح اور گروتھ میں زیادہ سے زیادہ اضافے کیلئے کوشاں ہے۔ ہم پُر 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 میلز 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 اپریل ۲۰۲۱ء

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021	Audited June 30, 2020
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property and equipment	5	9,535	9,628
Investment properties - at cost		569,260	368,235
Intangible assets		9,741	11,641
		<u>588,536</u>	<u>389,504</u>
Current assets			
Inventories		779,954	654,727
Trade and other receivables	6	972,530	823,592
Short-term deposits, prepayments, loans and advances	7	95,551	345,926
Interest accrued		10,471	-
Taxation		17,910	18,127
Cash and bank balances		26,359	20,148
		<u>1,902,776</u>	<u>1,862,520</u>
Total assets		<u><u>2,491,312</u></u>	<u><u>2,252,024</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share Capital			
Issued, subscribed and paid up capital	8	540,877	540,877
Capital reserve			
Share premium		119,600	119,600
Revenue reserve			
Unappropriated profit		889,204	761,505
		<u>1,549,681</u>	<u>1,421,982</u>
Liabilities			
Non-current liabilities			
Long-term finance - secured		18,817	-
Deferred grant		1,958	-
		<u>20,775</u>	<u>-</u>
Current liabilities			
Trade and other payables	9	568,268	623,772
Contract liabilities		29,704	16,248
Short term borrowings	10	290,163	178,682
Current portion of long-term finance		13,491	-
Unclaimed dividend		7,097	7,111
Unpaid dividend		12,133	4,229
		<u>920,856</u>	<u>830,042</u>
Contingencies and commitments	11		
Total equity and liabilities		<u><u>2,491,312</u></u>	<u><u>2,252,024</u></u>

The annexed notes 1 to 16 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 NINE MONTHS ENDED MARCH 31, 2021**

		Quarter ended		Nine-months ended	
	Note	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- (Rs. in '000) -----			
Revenue from contracts with customers	12	805,005	720,050	2,241,362	1,964,615
Cost of Sales		(500,004)	(511,345)	(1,496,890)	(1,381,332)
Gross Profit		305,001	208,705	744,472	583,284
Other income	13	4,408	20,849	27,145	53,292
Marketing and distribution expenses		(138,916)	(96,242)	(360,445)	(308,367)
Administrative and general expenses		(20,988)	(20,829)	(65,282)	(64,490)
Other operating expenses		-	(4,286)	-	(7,310)
Finance cost	14	(8,800)	(9,813)	(23,779)	(25,084)
Profit before taxation		140,705	98,385	322,111	231,325
Income tax expense		(29,860)	(31,558)	(86,238)	(77,420)
Profit after taxation		110,846	66,827	235,874	153,905
Other comprehensive income		-	-	-	-
Total comprehensive income		110,846	66,827	235,874	153,905
Earnings per share - basic		2.05	1.24	4.36	2.85

The annexed notes 1 to 16 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 NINE MONTHS ENDED MARCH 31, 2021

	Note	March 31, 2021 ----- (Rupees in '000) -----	March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		322,111	231,325
Adjustments for non-cash items:			
Depreciation		2,288	1,804
Amortization of intangible assets		3,805	1,859
Finance cost		23,779	25,084
Provision against doubtful receivables		4,817	1,378
Interest income		(10,471)	(23,168)
		<u>346,329</u>	<u>238,282</u>
<i>Decrease/(Increase) in working capital</i>			
Inventories		(125,227)	31,617
Trade and other receivables		(153,755)	(434,189)
Short-term deposits, prepayments, loans and advances		250,375	287,166
Refunds due from government - sales tax		-	9,071
Trade and other payables		(42,048)	225,975
		<u>(70,655)</u>	<u>119,640</u>
Cash generated from operations		<u>275,674</u>	<u>357,922</u>
Income tax paid		(86,021)	(81,535)
Finance cost paid		(23,779)	(25,084)
Interest income received		-	5,250
(Increase)/decrease in long-term loans and advances		-	(200,000)
Net cash generated from operating activities		<u>165,874</u>	<u>56,553</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition equipment		(2,195)	(2,636)
Payments for acquisition of property		(201,025)	(98,475)
Proceeds from sale of investment property		-	75,500
Payments for acquisition of intangibles		(1,905)	(697)
Net cash (used) in investing activities		<u>(205,125)</u>	<u>(26,308)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(100,285)	(18,934)
Long-term loan obtained		34,266	-
Net cash (used) in financing activities		<u>(66,019)</u>	<u>(18,934)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(105,270)</u>	<u>11,311</u>
Cash and cash equivalents at the beginning of the period		(158,534)	(136,607)
Cash and cash equivalents at the end of the period		<u>(263,804)</u>	<u>(125,296)</u>

The annexed notes 1 to 16 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 NINE MONTHS ENDED MARCH 31, 2021

	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	-	-	-	153,905	153,905
Transactions with owners					
Cash dividend paid for the year ended June 30, 2019 @ Re.1 per share	-	-	-	(54,087)	(54,087)
	-	-	-	(54,087)	(54,087)
Balance as at March 31, 2020	540,877	-	119,600	695,381	1,355,858
Balance as at July 01, 2020	540,877	-	119,600	761,505	1,421,982
Total comprehensive income for the period	-	-	-	235,874	235,874
Transactions with owners					
Cash dividend paid for the year ended June 30, 2020 @ Rs.2 per share	-	-	-	(108,175)	(108,175)
	-	-	-	(108,175)	(108,175)
Balance as at March 31, 2021	540,877	-	119,600	889,204	1,549,681

The annexed notes 1 to 16 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 - unaudited****FOR THE NINE MONTHS ENDED MARCH 31, 2021**

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 Pakistan Stock Exchange. The principal business activities of the Company include marketing, selling and distribution of healthcare products.

The Company is a subsidiary of The Searle Company Limited (the Parent Company) and International Brands Limited (the Ultimate Parent Company).

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 Shahra-e-faisal, Karachi.
- The Company also has a distribution warehouse in S.I.T.E. Area, Karachi.

2. BASIS OF PREPARATION**2.1. Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020.

2.2 Changes in accounting standards, interpretations and pronouncements**a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period beginning July 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

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 July 1, 2020 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2020.

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT - unaudited
FOR THE NINE MONTHS ENDED MARCH 31, 2021
4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of condensed interim financial statements 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 these condensed interim financial statements.

- 4.2** Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2020.

		Un-audited March 31, 2021	Audited June 30, 2020
	Note	-----Rupees in '000-----	
5. PROPERTY AND EQUIPMENT			
Operating assets	5.1	9,535	9,628
		9,535	9,628

- 5.1** Details of additions in operating assets during the period were as follows:

	Un-audited March 31, 2021	Un-audited March 31, 2020
	-----Rupees in '000-----	
Office equipments	2,195	2,636
	2,195	2,636

	Un-audited March 31, 2021	Audited June 30, 2020
	-----Rupees in '000-----	
6. TRADE AND OTHER RECEIVABLES		
Trade receivables - considered good		
Due from related party	655,228	655,386
Others	291,551	152,133
	946,779	807,519
Less: Provision for doubtful debts	(4,817)	(2,184)
	941,962	805,335
Other receivables		
Claims from Supplier	16,889	11,912
Due from related party	12,060	2,535
Other receivable	1,619	3,810
	30,568	18,257
	972,530	823,592

IBL HEALTHCARE LIMITED
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT - unaudited
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

			Un-audited March 31, 2021	Audited June 30, 2020
Note			-----Rupees in '000-----	
7. SHORT TERM DEPOSITS, PREPAYMENTS, LOANS & ADVANCES				
	Short term deposits		13,048	11,567
	Prepayments		1,321	1,019
	Short term loans		14	229,014
	Advances		81,169	104,326
			<u>95,551</u>	<u>345,926</u>
8. SHARE CAPITAL				
	March 31, 2021	June 30, 2020	Un-audited March 31, 2021	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>	54,087,605	<u>540,877</u>	<u>540,877</u>
	Ordinary shares of Rs. 10 each fully paid in			
9. TRADE AND OTHER PAYABLES				
	Creditors		288,179	396,218
	Accrued liabilities		123,969	94,187
	Due to related parties		152,015	128,481
	Other liabilities		4,105	4,886
			<u>568,268</u>	<u>623,772</u>
10. SHORT TERM BORROWINGS				
	Running finance under mark-up arrangements		<u>290,163</u>	<u>178,682</u>
10.1.	The Company obtained running finance facilities from Soneri Bank Limited and Habib Bank Limited at 3 months KIBOR + 1.5% and 1 month KIBOR + 0.75% per annum respectively (June 30, 2019: 3 months KIBOR + 1.5% and 1 month KIBOR +0.75% per annum respectively).			
			Un-audited March 31, 2021	Audited June 30, 2020
			-----Rupees in '000-----	
11. CONTINGENCIES AND COMMITMENTS				
	Letter of credit outstanding		<u>567,268</u>	<u>588,550</u>
11.1.	The facility for opening Letters of Credit (LCs) acceptances and guarantees as at March 31, 2021 amounted to Rs. 929 million (June 2020: Rs. 683 million) of which the amount remained unutilized as at balance sheet date was Rs. 361.73 million (June 2020: Rs. 94.45 million).			

IBL HEALTHCARE LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT - unaudited
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Note	Un-audited March 31, 2021 -----Rupees in '000-----	Un-audited March 31, 2020
12. REVENUE			
Gross sales		2,778,222	2,427,203
Sales tax		(105,971)	(114,420)
		<u>2,672,251</u>	<u>2,312,783</u>
Less:			
Sales return		(111,663)	(46,860)
Sales discount		(319,226)	(301,308)
		<u>(430,889)</u>	<u>(348,168)</u>
		<u>2,241,362</u>	<u>1,964,615</u>
13. OTHER INCOME			
Income from financial assets			
Exchange gain		3,337	11,336
Insurance claim		3	4
Interest on loan to International Brands Limited		10,471	23,168
		<u>13,811</u>	<u>34,508</u>
Income from non-financial assets			
Rental income from investment property		12,192	18,600
Scrap sales		143	-
Others		998	183
		<u>13,334</u>	<u>18,784</u>
		<u>27,145</u>	<u>53,292</u>
14. FINANCE COSTS			
Bank charges		3,498	769
Mark up on Musharakah Finance		20,281	24,315
		<u>23,779</u>	<u>25,084</u>

IBL HEALTHCARE LIMITED
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT - unaudited
FOR THE NINE MONTHS ENDED MARCH 31, 2021**
15. 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	March 31, 2021 -----Rupees in '000-----	March 31, 2020
The Searle Company Limited	Parent	Purchase of goods	169,540	272,690
		Dividend paid	78,018	-
		Shared cost	4,674	1,449
		Royalty paid	11,775	5,464
International Brands Limited	Associate	Interest income	10,471	23,168
		Corporate service charges	15,750	15,750
		Dividend paid	294	147
IBL Operations (Private) Limited	Associate	Sale of goods	1,295,623	1,221,709
		Shared cost	5,640	3,600
United Brands Limited	Associate	Sale of goods	108,030	4,043
IBL Identity (Private) Limited	Associate	Rent income	-	2,150
Trax online (Private) Limited	Associate	Rent income	1,004	1,683
United Distributors Pakistan Limited	Associate	Dividend	2,012	1,006
IBL Logistics (Private) Limited	Associate	Freight cost	4,847	-

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements was authorized for issue on April 22, 2021 by the Board of Directors of the Company.


Chief Executive Officer

Director

Chief Financial Officer



IBL HealthCare Limited

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