

IBL HEALTHCARE LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
DECEMBER 31, 2024

IBL HEALTHCARE LIMITED
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

		(Unaudited) December 31, 2024	(Audited) June 30, 2024
Note		Rupees in '000	
ASSETS			
Non-current assets			
	5	4,628	4,729
Furniture and equipment			
Right-of-use asset		442	2,123
Investment properties		587,374	587,374
Intangible assets		1,977	2,466
Deferred taxation - net		16,187	15,970
		610,608	612,662
Current assets			
	6	1,042,129	905,328
Inventories			
Trade and other receivables	7	1,610,737	1,331,816
Loans, advances, deposits and prepayments	8	124,338	62,100
Taxation - payments less provision		31,271	39,258
Cash and bank balances	9	74,218	375,594
		2,882,693	2,714,096
		3,493,301	3,326,758
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
	10	856,748	856,748
Issued, subscribed and paid up capital			
Capital reserve			
		119,600	119,600
Share premium			
Revenue reserve			
		1,238,359	1,138,331
Unappropriated profit		2,214,707	2,114,679
LIABILITIES			
Non-current liability			
		-	-
Lease liability			
Current liabilities			
	11	796,438	1,131,066
Trade and other payables			
Sales tax payable		3,325	3,206
Advance from customers		67,054	34,155
Short term borrowings	12	389,828	19,267
Current portion of lease liability		855	3,128
Unclaimed dividend		7,059	7,105
Unpaid dividend	13	14,035	14,152
		1,278,594	1,212,079
Contingencies and commitments			
	14		
		3,493,301	3,326,758
Total equity and liabilities			

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

IBL HEALTHCARE LIMITED
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2024 - UNAUDITED**

		Quarter ended		Half year ended	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
	Note	----- Rupees '000 -----			
Revenue from contract with customers	15	1,117,721	1,017,501	2,196,675	2,078,698
Cost of sales	16	(782,786)	(683,185)	(1,521,856)	(1,391,019)
Gross profit		334,935	334,316	674,819	687,679
Other income	17	1,787	24,185	195	26,838
Marketing and distribution expenses		(200,368)	(234,858)	(385,542)	(429,555)
Administrative and general expenses		(34,150)	(28,873)	(68,356)	(52,926)
Finance cost	18	(20,825)	(20,355)	(33,214)	(38,345)
Profit before levies and income tax		81,379	74,415	187,902	193,691
Levies - minimum tax	19	(10,378)	-	(17,624)	-
Profit before taxation		71,001	74,415	170,278	193,691
Income tax expense	20	(30,836)	(23,295)	(70,250)	(62,660)
Profit after taxation		40,165	51,120	100,028	131,031
Other comprehensive income		-	-	-	-
Total comprehensive income		40,165	51,120	100,028	131,031
Basic and diluted earnings per share	21	Rs. 0.47	Rs. 0.60	Rs. 1.17	Rs. 1.53

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

IBL HEALTHCARE LIMITED
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2024 - UNAUDITED**

	Issued, subscribed and paid up capital	Capital reserve		Revenue reserve	Total Equity
		Share Premium	Issue of bonus shares	Unappropri- ated profit	
	----- Rupees in '000 -----				
Balance at July 01, 2023	713,956	119,600	-	1,273,568	2,107,124
Total comprehensive income for the period	-	-	-	131,031	131,031
Transaction with owners					
Transfer to reserve for issuance of bonus shares	-	-	142,792	(142,792)	-
Bonus shares issued during the period in the ratio of 20 shares for every 100 shares held	142,792	-	(142,792)	-	-
Balance at December 31, 2023	<u>856,748</u>	<u>119,600</u>	<u>-</u>	<u>1,261,807</u>	<u>2,238,155</u>
Balance at July 01, 2024	856,748	119,600	-	1,138,331	2,114,679
Total comprehensive income for the period	-	-	-	100,028	100,028
Balance at December 31, 2024	<u>856,748</u>	<u>119,600</u>	<u>-</u>	<u>1,238,359</u>	<u>2,214,707</u>

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The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

IBL HEALTHCARE LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2024 - UNAUDITED**

		December 31, 2024	December 31, 2023
Note		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	22	(560,688)	76,724
Cash (used in) / generated from operations			
Income tax and levies paid		(80,104)	(79,534)
Finance cost paid		(27,911)	(35,294)
Net cash used in operating activities		(668,703)	(38,104)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment		(798)	(1,106)
Proceeds from sale of furniture and equipment		-	89
Payments in respect of investment property		-	(8,908)
Net cash used in investing activities		(798)	(9,925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(163)	(15)
Payment against lease liability		(2,273)	(2,153)
Net cash used in financing activities		(2,436)	(2,168)
Net decrease in cash and cash equivalents		(671,937)	(50,197)
Cash and cash equivalents at beginning of the period		356,327	(194,742)
Cash and cash equivalents at end of the period	23	(315,610)	(244,939)

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

IBL HEALTHCARE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND OPERATIONS

IBL HealthCare Limited (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) 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 (the Parent Company) and International Brands Limited (the Ultimate Parent Company).

The geographical locations and addresses 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 Shahrah-e-Faisal, Karachi.
- The Company also has a distribution warehouse in Korangi Industrial 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, 2024.

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 which began on July 1, 2024. 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, 2025 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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, 2024.

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, 2024.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2024.

4.4 Due to the current economic situation prevalent in the country in relation to the foreign reserves and its consequential impact on imports, the Company is closely monitoring the current situation and has been able to procure essential stocks to ensure business continuity. Further, since the Company is dealing in essential items which includes blood bags, nutrition products & dialyzers, therefore minimizing the risk of current uncertain economic condition on the Company.



5. FURNITURE AND EQUIPMENT

Additions and disposals of operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- Rupees in '000 -----			
Office equipment	<u>798</u>	<u>1,106</u>	<u>-</u>	<u>89</u>
			(Unaudited) December 31, 2024	(Audited) June 30, 2024
			----- Rupees in '000 -----	

6. INVENTORIES

Inventory in hand - note 6.1	705,425	625,570
Inventory in transit	<u>336,704</u>	<u>279,758</u>
	1,042,129	905,328
Provision for slow moving inventory	-	-
	<u>1,042,129</u>	<u>905,328</u>

- 6.1 Inventories include Rs. 23.79 million (June 30, 2024: Rs. 24.28 million) held with third party.

(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----	

7. TRADE AND OTHER RECEIVABLES

Trade receivables - note 7.1	1,525,152	1,245,559
Other receivables	<u>85,585</u>	<u>86,257</u>
	<u>1,610,737</u>	<u>1,331,816</u>

7.1 Trade receivables - unsecured

Considered good

Due from related parties - note 7.1.1	770,795	733,582
Others	<u>781,424</u>	<u>539,044</u>
	1,552,219	1,272,626

Considered doubtful

	-	-
	<u>1,552,219</u>	<u>1,272,626</u>
Less: Provision for doubtful receivables	(27,067)	(27,067)
	<u>1,525,152</u>	<u>1,245,559</u>

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(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----	

7.1.1 Related party balances of the company represents:

IBL Operations (Private) Limited (Associated Company)	673,201	670,506
United Brands Limited (Associated Company)	97,546	63,028
United Retail (SMC-Private) Limited (Associated Company)	48	48
	<u>770,795</u>	<u>733,582</u>

**8. LOANS, ADVANCES, DEPOSITS
AND PREPAYMENTS**

Advances

- against imports	33,094	8,011
- to suppliers	26,882	7,908
- to employees	6,881	2,970
- others	385	602
	<u>67,242</u>	<u>19,491</u>

Deposits to customers	53,823	41,556
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Prepayments	3,273	1,053
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	<u>124,338</u>	<u>62,100</u>
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9. CASH AND BANK BALANCES

Cash at bank

Conventional

- on current accounts	18,218	50,614
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Islamic

- on current accounts	55,941	86,604
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Cash in hand	59	65
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Cheques in hand	-	238,311
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	<u>74,218</u>	<u>375,594</u>
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10. SHARE CAPITAL

Authorised share capital

(Unaudited) December 31, 2024	(Audited) June 30, 2024		(Unaudited) December 31, 2024	(Audited) June 30, 2024
			----- Rupees in '000 -----	
<u>105,000,000</u>	<u>105,000,000</u>	Ordinary shares of Rs. 10 each	<u>1,050,000</u>	<u>1,050,000</u>

Issued, subscribed and paid up capital

(Unaudited) December 31, 2024	(Audited) June 30, 2024		(Unaudited) December 31, 2024	(Audited) June 30, 2024
			----- Rupees in '000 -----	
22,990,000	22,990,000	Shares allotted for consideration paid in cash	229,900	229,900
62,684,765	62,684,765	Shares allotted as bonus shares	626,848	626,848
<u>85,674,765</u>	<u>85,674,765</u>		<u>856,748</u>	<u>856,748</u>
			(Unaudited) December 31, 2024	(Audited) June 30, 2024
			----- Rupees in '000 -----	

11. TRADE AND OTHER PAYABLES

Creditors	477,082	556,716
Due to related parties - note 11.1	171,460	426,711
Accrued liabilities	105,612	119,307
Accrued mark-up	17,378	12,075
Withholding tax payable	5,698	4,754
Security deposits	500	4,075
Payable to employees' provident fund	1,973	1,817
Other Payables	16,735	5,611
	<u>796,438</u>	<u>1,131,066</u>

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(Unaudited) December 31, 2024	(Audited) June 30, 2024
----- Rupees in '000 -----	

11.1 Related party balances of the company represents:

The Searle Company Limited (the Holding Company)	115,221	85,409
International Brands (Private) Limited (Formerly International Brands Limited - the Ultimate Parent Company)	27,920	17,420
Searle Pakistan Limited (Associated Company)	-	18,165
United Brands Limited (Associated Company)	19,624	20,792
IBL Logistics (Private) Limited (Associated Company)	8,695	4,198
IBL Operations (Private) Limited (Associated Company)	-	280,394
United Retail (Private) Limited (Associated Company)	-	333
	<u>171,460</u>	<u>426,711</u>

12. SHORT TERM BORROWINGS

The Company obtained running musharakah facilities from various banks amounting to Rs. 439 million (June 30, 2024: Rs. 439 million) out of which the amount unavailed at the period ended was Rs. 49.20 million (June 30, 2024: Rs. 419.73 million). Rates of profit range from one month KIBOR plus 1% (June 30, 2024: one month KIBOR plus 1%) to three months KIBOR plus 1.5% (June 30, 2024: three month KIBOR plus 1.5%) per annum. These facilities have been secured by way of hypothecation of first pari passu charge over present and future current assets amounting to Rs. 585 million (June 30, 2024: Rs. 585 million).

13. UNPAID DIVIDEND

Unpaid dividend in respect of dividend withheld due to non-compliance of certain legal / regulatory requirements by the shareholders.

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14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant change during the period in the contingencies reported in the annual financial statements for the year ended June 30, 2024 except as disclosed in notes 14.1.1 and 14.1.2 below:

14.1.1 On October 31, 2024, the Company filed a suit before the High Court of Sindh challenging the refusal by the Customs Authorities of exemption on the dietary food for medical purposes being imported by the Company from Nestle Health Sciences GmbH, Deutschland (Germany). The Court has restrained the Custom Authorities from disallowing exemption to the Company till the hearing of injunction application. The exposure of the Company on account of Custom Duties is Rs. 23.38 million. The management believes that the likelihood of liability is low and based on the advice of legal consultant, no provision is required.

14.1.2 In note 20.1.2 to the annual financial statements of the Company for the year ended June 30, 2024, exposure of the Company on account of Custom Duties has increased to Rs. 64.03 million.

14.2 Commitments

The facility for opening letter of credit and guarantees as at December 31, 2024 amounted to Rs. 800 million (June 30, 2024: Rs. 650 million) and Rs. 20 million (2024: Rs. 20 million) of which the amount remaining unutilised at the end of period was Rs. 311.74 million (June 30, 2024: Rs. 134 million) and Rs. 5.96 million (2024: Rs. 5.96 million) respectively.

		Half year ended (Unaudited)	
		December 31, 2024	December 31, 2023
		----- Rupees in '000 -----	
15.	REVENUE FROM CONTRACT WITH CUSTOMERS		
	Gross revenue	2,974,800	2,614,239
	Less: Sales tax	(267,800)	(175,458)
		<u>2,707,000</u>	<u>2,438,781</u>
	Less:		
	- Discounts	(349,884)	(282,721)
	- Sales returns	(160,441)	(77,362)
		<u>(510,325)</u>	<u>(360,083)</u>
		<u>2,196,675</u>	<u>2,078,698</u>
16.	COST OF SALES		
	Opening Inventory	905,328	1,191,225
	Add: Purchases	1,688,247	1,330,209
		<u>2,593,575</u>	<u>2,521,434</u>
	Cost of samples	(17,513)	(21,042)
	Inventory written off	(12,077)	(2,854)
	Closing Inventory	(1,042,129)	(1,106,519)
		<u>(1,071,719)</u>	<u>(1,130,415)</u>
		<u>1,521,856</u>	<u>1,391,019</u>

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Half year ended (Unaudited)	
December 31, 2024	December 31, 2023
----- Rupees in '000 -----	

17. OTHER INCOME

Income from non-financial assets

Rental income from investment property	2,684	2,684
Scrap sales	20	-
Net foreign exchange (losses) / gain	(2,509)	24,154
	<u>195</u>	<u>26,838</u>

18. FINANCE COST

Mark-up expense on short-term borrowings	31,773	36,848
Bank and other charges	1,347	1,226
Interest on lease liability	94	271
	<u>33,214</u>	<u>38,345</u>

19. LEVIES - MINIMUM TAX

This represents minimum tax differential under section 148 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

Half year ended (Unaudited)	
December 31, 2024	December 31, 2023
----- Rupees in '000 -----	

20. INCOME TAX EXPENSE

Current

- for the period	70,467	74,964
- deferred tax	(217)	(9,275)
- prior year charge	-	(3,029)
	<u>70,250</u>	<u>62,660</u>

21. BASIC AND DILUTED EARNINGS PER SHARE

	For the quarter ended		For the half year ended	
	December 2024	December 2023	December 2024	December 2023
	----- Rupees in '000 -----			
Profit for the period attributable to ordinary shareholders	<u>40,165</u>	<u>51,120</u>	<u>100,028</u>	<u>131,031</u>
Weighted average number of ordinary shares outstanding during the period	<u>85,675</u>	<u>85,675</u>	<u>85,675</u>	<u>85,675</u>
Basic and diluted earnings per share	<u>Rs. 0.47</u>	<u>Rs. 0.60</u>	<u>Rs. 1.17</u>	<u>Rs. 1.53</u>

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2024 and December 31, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

		Half year ended (Unaudited)	
		December 31, 2024	December 31, 2023
		----- Rupees in '000 -----	
22.	CASH (USED IN) / GENERATED FROM OPERATIONS		
	Profit before levies and income tax	187,902	193,691
	Adjustments for non-cash income and expenses:		
	Depreciation of furniture and equipment	899	870
	Depreciation of right-of-use asset	1,681	1,619
	Amortisation of intangible assets	489	1,412
	Provision for doubtful receivable	-	10,100
	Finance cost	33,214	38,345
		36,283	52,346
		224,185	246,037
	Changes in working capital:		
	(Increase) / Decrease in current assets:		
	Inventories	(136,801)	84,706
	Trade and other receivables	(278,921)	(403,004)
	Loans, advances, deposits and prepayments	(62,238)	171,942
		(477,960)	(146,356)
	(Decrease) / Increase in current liabilities:		
	Trade and other payables	(339,931)	(62,060)
	Sales tax payable	119	32,849
	Advance from customers	32,899	6,254
		(306,913)	(22,957)
		(560,688)	76,724
23.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances - note 9	74,218	54,923
	Short term borrowings - note 12	(389,828)	(299,862)
		(315,610)	(244,939)

24. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk factors

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2024.

Fair value estimation and hierarchy

As at December 31, 2024 all financial assets and financial liabilities are carried at amortized cost.

The valuation techniques and fair value hierarchy of the financial assets of the Company are consistent with those given in the financial statements for the year ended June 30, 2024.

25. RELATED PARTY TRANSACTIONS

Disclosure of transactions with related parties during the period are as follows:

			Half year ended (Unaudited)	
			December 31, 2024	December 31, 2023
			Rupees in '000	
S.No.	Nature of relationship	Nature of transaction		
i.	Ultimate parent company			
	International Brands (Private) Limited	- Corporate service charges	10,500	10,500
ii.	Holding Company			
	The Searle Company Limited	- Sale of goods	147,250	-
		- Reimbursement of expenses	54,918	18,000
		- Rent paid	2,367	2,152
		- Purchase of goods	300,457	156,544
		- Utilities	1,454	1,298
iii.	Associated Company			
	IBL Operations (Private) Limited	- Sale of goods	803,683	678,635
		- Discounts	97,348	66,649
		- Shared cost	9,240	8,680
	United Brands Limited	- Sale of goods	58,797	29,669
		- Discounts	8,753	2,973
	Searle Pakistan Limited	- Purchase of goods	22,592	16,589
		- Purchase return	11,768	11,709
	IBL Logistics (Private) Limited	- Cartage & Freight	13,090	3,027
	United Retail (SMC) Private Limited	- Rental Income	1,337	1,353
	Universal Retail (Private) Limited	- Rental Income	1,347	1,331
iv.	Other Related Parties			
	Employees' Provident Fund	- Contribution paid	6,076	4,488
v.	Key Management Personnel *			
		- Salaries and other employee benefits	78,456	55,342
		- Directors' fee and conveyance	1,850	1,475

* Key management personnel includes CEO, CFO and all Heads of Departments.

26. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on .

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Chief Executive

Director

Chief Financial Officer