

LEADING
With **EFFICIENCY**



Quarterly Report
March 2023

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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. Mobeen Alam	Director
Mr. Shuja Malik	Director

AUDIT COMMITTEE

Mr. Shuja Malik	Chairman
Mr. Zubair 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. Hammad Bin Kafeel

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
Meezan Bank Limited
Dubai Islamic Bank
Bank Alfalah 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 the shareholders, performance review together with the condensed interim financial statements of the Company for the nine months ended March 31, 2023.

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,	
	2023	2022
	(Rupees in Thousand)	
Revenue	3,010,903	2,673,458
Gross profit	990,746	885,851
Gross profit as a percentage of revenue	33%	33%
Profit before taxation	397,511	368,598
Profit after taxation	268,832	253,746

PRINCIPAL ACTIVITIES & OVERVIEW OF FINANCIAL PERFORMANCE

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

The revenue for the current period remained at Rs. 3.01 billion as compared to Rs. 2.67 billion for the same period last year i.e. an increase of Rs. 337.4 million (13% growth) despite uncertain socio-economic situation in the country. This increase in revenue is mainly due to awarding of tenders for medical disposable division. The gross margins remain consistent with prior year despite significant devaluation of currency. However, the impact of devaluation resulted in exchange loss in current period. Management emphasis to control expenses enabled the Company to achieve after tax profit of Rs. 268.83 million as compared to Rs. 253.75 million same period last year.

FUTURE OUTLOOK

The Company is continuously striving to maximize its profitability and growth. The Company is confident that it 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 Company 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 27, 2023
Karachi

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Un-audited March 31, 2023	Audited June 30, 2022
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Furniture and equipment	5	4,485	3,819
Right-of-use-asset		6,284	8,601
Investment properties		576,360	576,360
Intangible assets		5,547	7,310
		<u>592,676</u>	<u>596,090</u>
Current assets			
Inventories		1,214,746	973,471
Trade and other receivables	6	1,527,115	1,118,723
Loans, advances, deposits and prepayments	7	398,648	137,054
Taxation - payments less provision		-	50
Refunds due from government - sales tax		4,874	-
Cash and bank balances	8	31,383	104,122
		<u>3,176,767</u>	<u>2,333,420</u>
Total assets		<u><u>3,769,443</u></u>	<u><u>2,929,510</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share Capital			
Issued, subscribed and paid-up share capital	9	713,956	649,051
Capital reserve			
Share premium		119,600	119,600
Revenue reserve			
Un-appropriated profit		1,233,437	1,094,415
		<u>2,066,993</u>	<u>1,863,066</u>
Liabilities			
Non-current liabilities			
Lease liability		4,083	7,080
		<u>4,083</u>	<u>7,080</u>
Current liabilities			
Trade and other payables	10	1,380,500	780,753
Short-term borrowings		275,515	247,139
Current portion of long-term finance		-	9,729
Current portion of lease liability		4,289	3,217
Taxation - payments less provision		15,007	-
Unclaimed dividend		7,108	7,108
Unpaid dividend		15,948	11,418
		<u>1,698,367</u>	<u>1,059,364</u>
Contingencies and commitments	11		
Total equity and liabilities		<u><u>3,769,443</u></u>	<u><u>2,929,510</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 PERIOD ENDED MARCH 31, 2023**

		Quarter ended		Nine-months ended	
	Note	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
------(Rs. in '000)-----					
Revenue from contracts with customers	12	985,087	900,093	3,010,903	2,673,458
Cost of Sales		(663,879)	(624,935)	(2,020,158)	(1,787,607)
Gross Profit		321,209	275,158	990,746	885,851
Other income / (loss)	13	62,765	3,382	14,901	(6,325)
Marketing and distribution expenses		(189,758)	(140,132)	(485,320)	(423,962)
Administrative and general expenses		(23,739)	(23,800)	(72,799)	(70,155)
Finance cost	14	(19,003)	(5,133)	(50,017)	(16,811)
Profit before taxation		151,474	109,475	397,511	368,598
Income tax expense		(53,899)	(30,025)	(128,680)	(114,852)
Profit after taxation		97,576	79,450	268,832	253,746
Other comprehensive income		-	-	-	-
Total comprehensive income		97,576	79,450	268,832	253,746
			(Re-stated)		(Re-stated)
Earnings per share - basic and diluted		1.37	1.11	3.77	3.55

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 PERIOD ENDED MARCH 31, 2023

	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, 2021	540,877	-	119,600	953,818	1,614,294
Transactions with owners					
Final dividend for the year ended June 30, 2021 @ Rs.1 per share	-	-	-	(54,087)	(54,087)
Transfer for reserve for issuance of bonus shares	-	108,175	-	(108,175)	-
Bonus shares issued in the ratio of 20 shares for every 100 shares held	108,175	(108,175)	-	-	-
Total comprehensive income for the period ended March 31, 2022	-	-	-	253,746	253,746
Balance as at March 31, 2022	649,051	-	119,600	1,045,302	1,813,953
Balance as at July 01, 2022	649,051	-	119,600	1,094,415	1,863,066
Transactions with owners					
Final dividend for the year ended June 30, 2022 @ Re.1 per share	-	-	-	(64,905)	(64,905)
Transfer for reserve for issuance of bonus shares	-	64,905	-	(64,905)	-
Bonus shares issued in the ratio of 20 shares for every 100 shares held	64,905	(64,905)	-	-	-
Total comprehensive income for the period ended March 31, 2023	-	-	-	268,832	268,832
Balance as at March 31, 2023	<u>713,956</u>	<u>-</u>	<u>119,600</u>	<u>1,233,437</u>	<u>2,066,993</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 CASH FLOWS (Un-audited)
FOR THE PERIOD ENDED MARCH 31, 2023

Note	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	397,511	368,598
Adjustments for non-cash items:		
Depreciation of furniture and equipment	1,059	2,783
Depreciation of right-of-use asset	2,504	2,665
Amortization of intangible assets	2,071	2,012
Finance cost	50,017	16,811
	<u>453,163</u>	<u>392,869</u>
Decrease/(Increase) in working capital		
Inventories	(241,275)	97,448
Trade and other receivables	(408,392)	(309,384)
Loans, advances, deposits and prepayments	(261,594)	(61,639)
Refunds due from government - sales tax	(4,874)	(3,553)
Trade and other payables	594,415	31,018
	<u>(321,721)</u>	<u>(246,110)</u>
Cash generated from operations	131,442	146,760
Income tax paid	(113,623)	(102,071)
Finance cost paid	(43,941)	(16,006)
Net cash (used) in /generated from operating activities	<u>(26,122)</u>	<u>28,683</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of furniture and equipment	(1,725)	(1,088)
Proceeds from sale of furniture and equipment	-	92
Payments for acquisition of intangibles	(308)	-
Payments for acquisition of investment property	-	(3,500)
Net cash (used) in investing activities	<u>(2,033)</u>	<u>(4,496)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(60,375)	(51,634)
Long-term loan repayment	(9,729)	(13,520)
Payments against lease liability	(2,856)	(2,784)
Net cash (used) in financing activities	<u>(72,960)</u>	<u>(67,938)</u>
Net (decrease) in cash and cash equivalents	<u>(101,115)</u>	<u>(43,751)</u>
Cash and cash equivalents at the beginning of the period	(143,017)	(126,364)
Cash and cash equivalents at the end of the period	<u>(244,132)</u>	<u>(170,115)</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
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023

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 Shahra-e-Faisal, Karachi.
- The Company also has a distribution warehouse in Korangi Industrial Area, Karachi.

The Company is the sole distributor of Mead Johnson products in Pakistan and the agreement remains valid and effective until December 31, 2022.

2. BASIS OF PREPARATION

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, 2022.

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, 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, 2022.

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, 2022.

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023

		Un-audited March 31, 2023	Audited June 30, 2022
	Note	-----Rupees in '000-----	
5. FURNITURE AND EQUIPMENT			
Operating assets	5.1	4,485	3,819
		<u>4,485</u>	<u>3,819</u>
5.1	During the period, additions to furniture and equipments amounts Rs. 1.73 million. (March 2022: 1.089 million)		
6. TRADE & OTHER RECEIVABLE			
Trade receivables - considered good			
Due from related parties		805,878	710,304
Others		712,575	404,726
		<u>1,518,453</u>	<u>1,115,030</u>
Less: Provision for doubtful debts		<u>(18,968)</u>	<u>(16,967)</u>
		<u>1,499,485</u>	<u>1,098,063</u>
Claims from Supplier		22,685	18,547
Due from related party		3,191	1,283
Others		1,755	830
		<u>27,631</u>	<u>20,660</u>
		<u>1,527,115</u>	<u>1,118,723</u>
7. LOANS, ADVANCES, DEPOSITS & PREPAYMENTS			
Short term deposits		30,745	32,865
Prepayments		3,387	517
Advances		364,516	103,672
		<u>398,648</u>	<u>137,054</u>
8. CASH & BANK BALANCES			
Cash in hand		59	49
Cheques in hand		-	42,279
Cash at bank		31,324	61,794
		<u>31,383</u>	<u>104,122</u>
9. ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
		Un-audited March 31, 2023	Audited June 30, 2022
		-----Rupees in '000-----	
	Note		
Number of shares			
71,395,638		713,956	649,051
<u>71,395,638</u>		<u>713,956</u>	<u>649,051</u>
<u>64,905,126</u>			
Ordinary shares of Rs. 10 each fully paid in cash.			

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Un-audited March 31, 2023	Audited June 30, 2022
		-----Rupees in '000-----	
10. TRADE & OTHER PAYABLES			
Creditors		922,694	474,143
Accrued liabilities		95,296	46,267
Due to related parties		266,075	150,894
Security deposits		500	500
Advance from customers - unsecured		70,612	67,270
Other liabilities		25,322	41,679
		<u>1,380,500</u>	<u>780,753</u>
11. CONTINGENCIES & COMMITMENTS			
Letter of credit outstanding		<u>435,241</u>	<u>510,201</u>
		Un-audited March 31, 2023	Un-audited March 31, 2022
	Note	-----Rupees in '000-----	
12. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Gross sales		3,772,693	3,182,323
Sales tax		<u>(316,203)</u>	<u>(115,199)</u>
		3,456,490	3,067,124
Less:			
Sales return		<u>(110,411)</u>	<u>(75,664)</u>
Sales discount		<u>(335,176)</u>	<u>(318,002)</u>
		<u>(445,586)</u>	<u>(393,666)</u>
		<u>3,010,903</u>	<u>2,673,458</u>
13. OTHER INCOME / (LOSS)			
Income from financial assets			
Exchange gain / (loss)		1,385	(14,772)
Insurance claim		<u>(57)</u>	<u>-</u>
		1,328	(14,772)
Income from non-financial assets			
Rental income from investment property		535	6,889
Others		<u>13,037</u>	<u>1,559</u>
		13,573	8,447
		<u>14,901</u>	<u>(6,325)</u>
14. FINANCE COST			
Bank charges		1,238	926
Finance lease charges		744	805
Mark up on musharakah finance		48,035	15,080
		<u>50,017</u>	<u>16,811</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023

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, 2023	March 31, 2022
			-----Rupees in '000-----	
The Searle Company Limited	Parent	Purchase of goods	284,502	202,671
		Rent expense	2,857	2,597
		Dividend paid	46,811	39,009
		Reimbursement of expenses	32,000	16,963
		Sale of goods	1,992	1,276
Searle Pakistan Limited	Associate	Purchase of goods	4,143	-
International Brands (Private) Limited	Associate	Corporate service charges	15,750	15,750
IBL Operations (Private) Limited	Associate	Sale of goods	1,263,127	1,309,593
		Shared cost	7,000	-
United Brands Limited	Associate	Sale of goods	31,990	49,588
IBL Logistics (Private) Limited	Associate	Freight charges	25,550	16,527
Universal Retail (Private) Limited	Associate	Rent	1,337	-
		Sale of goods	48	-

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on **April 27, 2023** 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