

A hiker in a red jacket and yellow backpack stands on a rocky peak, looking out over a vast, misty mountain range at sunrise or sunset. The hiker is holding a trekking pole. The background shows rolling hills and valleys covered in green forest, with a soft glow from the sun low on the horizon.

Better Execution Greater Success

Quarterly Report September 2023

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. Hussain Murtaza

Auditors

A.F Ferguson & Co., Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman

Legal Advisor

Mohsin Tayabaly & Co.

Bankers

Habib Bank Limited
National Bank Of Pakistan
Summit Bank Limited
Soneri Bank Limited
Habib Metropolitan Bank Limited
Al-Baraka Bank (Pakistan) Limited
Dubai Islamic Bank Pakistan Limited
Meezan Bank 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) take pleasure to present before the shareholders', performance review together with the condensed interim financial statements of the Company for the period ended September 30, 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

	September 30,	
	2023	2022
	(Rupees in Thousand)	
Revenue	1,061,197	999,487
Gross profit	353,363	306,059
Gross profit as a percentage of revenue	33.30%	30.62%
Profit before taxation	119,276	114,745
Profit after taxation	79,911	85,165

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 increased to PKR 1,061.20 million from PKR 999.49 million for the same period last year i.e., an increase of PKR 61.71 million (6.17% growth) despite the challenging socio-economic situation in the country. This increase in revenue is mainly driven by the Medical Devices business, which has resulted in improved gross margin of 33.30% as compared to 30.62% last year. While the profit before tax is constant at 11% when compared with last year, the decline in profit after tax % to 8% is largely due to the impact of super tax.

FUTURE OUTLOOK

The Company is continuously striving for growth while at the same time maximizing the return to the shareholder. We are confident that we can generate increased value for all stakeholders with better delivery of products and services. 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 26, 2023
Karachi

ڈائریکٹرز کی رپورٹ

IBL ہیلتھ کیئر لمیٹڈ (IBLHL) کے بورڈ آف ڈائریکٹرز کو 30 ستمبر 2023 کو ختم ہونے والی مدت کے لیے کمپنی کے کنڈسٹ عبوری مالیاتی گوشواروں کے ساتھ حصص یافتگان کے کارکردگی کا جائزہ پیش کرنے میں خوشی محسوس ہوتی ہے۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، 2017 کے سیکشن 227، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے باب XII شق 34 کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی کا خلاصہ

	September 30, 2023	2022
Revenue	1,061,197	999,487
Gross profit	353,363	306,059
Gross profit as a percentage of revenue	33.30%	30.62%
Profit before taxation	119,276	114,745
Profit after taxation	79,911	85,165

بنیادی سرگرمیاں اور مالیاتی کارکردگی کا جائزہ

کمپنی کی بنیادی سرگرمیوں میں صحت کی دیکھ بھال اور صارفین کی مصنوعات کی مارکیٹنگ، فروخت اور تقسیم شامل ہے۔

موجودہ مدت کے لیے آمدنی گزشتہ سال کی اسی مدت کے لیے 999.49 ملین سے بڑھ کر 1,061.20 ملین ہو گئی یعنی ملک میں چینلنگ سماجی و اقتصادی صورتحال کے باوجود 61.71 ملین (6.17 فیصد) کا اضافہ۔ آمدنی میں یہ اضافہ بنیادی طور پر میڈیکل ڈیوائسز کے کاروبار سے ہوا ہے، جس کے نتیجے میں گزشتہ سال کے 30.62 فیصد کے مقابلے میں مجموعی مارجن میں 33.30 فیصد اضافہ ہوا ہے۔ جبکہ ٹیکس سے پہلے کا منافع گزشتہ سال کے مقابلے میں 11% پر مستقل ہے، ٹیکس کے بعد منافع میں 8% کی کمی زیادہ تر سپر ٹیکس کے اثرات کی وجہ سے ہے۔

مستقبل کا آؤٹ لک

کمپنی مسلسل ترقی کے لیے کوشاں ہے اور ساتھ ہی ساتھ شیئر ہولڈر کو زیادہ سے زیادہ واپسی بھی کر رہی ہے۔ ہمیں یقین ہے کہ ہم مصنوعات اور خدمات کی بہتر ڈیلیوری کے ساتھ تمام اسٹیک ہولڈرز کے لیے قدر میں اضافہ کر سکتے ہیں۔ اس کو پورا کرنے میں، ہم اپنی سبیلز فورس کے بے پناہ تعاون اور تعاون کی تعریف کرنا چاہیں گے، جس کے بغیر ہم یہ نتائج حاصل نہیں کر سکیں گے۔

ہم اس موقع سے اپنے ملازمین کا کمپنی کے نتائج کے حصول میں مسلسل تعاون کے لیے شکریہ ادا کرتے ہیں۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

26 اکتوبر 2023

کراچی

IBL HEALTHCARE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023	Audited June 30, 2023
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Furniture and equipment	4	5,104	5,001
Right-of-use-asset		4,578	5,387
Investment properties		576,360	576,360
Intangible assets		4,135	4,840
		<u>590,177</u>	<u>591,588</u>
Current assets			
Inventories		1,394,345	1,191,225
Trade and other receivables	5	1,761,178	1,362,108
Loans, advances, deposits and prepayments	6	317,434	276,484
Refunds Due from Government - Sales Tax		20,475	23,661
Taxation - payments less provision		4,869	12,838
Cash and bank balances	7	19,288	95,823
		<u>3,517,588</u>	<u>2,962,139</u>
Total assets		<u><u>4,107,765</u></u>	<u><u>3,553,727</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share Capital			
Issued, subscribed and paid-up share capital	8	713,956	713,956
Capital reserve			
Share premium		119,600	119,600
Revenue reserve			
Un-appropriated profit		1,353,483	1,273,568
		<u>2,187,039</u>	<u>2,107,124</u>
Liabilities			
Non-current liabilities			
Lease liability		2,023	3,128
		<u>2,023</u>	<u>3,128</u>
Current liabilities			
Trade and other payables	9	1,522,908	1,098,589
Advance from customers		45,901	29,070
Short-term borrowings		324,414	290,565
Current portion of lease liability		4,180	3,952
Unclaimed dividend		7,107	7,107
Unpaid dividend		14,191	14,192
		<u>1,918,703</u>	<u>1,443,475</u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>4,107,765</u></u>	<u><u>3,553,727</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, 2023

	Note	September 30, 2023	September 30, 2022
----- (Rupees in '000) -----			
Revenue	11	1,061,197	999,487
Cost of Sales		(707,834)	(693,428)
Gross Profit		353,363	306,059
Distribution costs		(194,697)	(159,324)
Administrative expenses		(24,053)	(23,864)
Other income / (loss)	12	2,653	5,074
Profit from operations		137,266	127,945
Finance cost		(17,990)	(13,200)
Profit before income tax		119,276	114,745
Income tax expense		(39,365)	(29,580)
Profit after taxation		79,911	85,165
Other comprehensive income		-	-
Total comprehensive income		79,911	85,165
Earnings per share (Rupees)		1.12	1.19

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, 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, 2022	649,051	-	119,600	1,094,415	1,863,066
Total comprehensive income for the period ended September 30, 2022	-	-	-	85,165	85,165
Balance as at September 30, 2022	649,051	-	119,600	1,179,580	1,948,231
Balance as at July 01, 2023	713,956	-	119,600	1,273,571	2,107,127
Total comprehensive income for the period ended September 30, 2023	-	-	-	79,911	79,911
Balance as at September 30, 2023	713,956	-	119,600	1,353,483	2,187,039

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, 2023

	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	119,276	114,745
Adjustments for non-cash items:		
Depreciation	430	350
Depreciation of right-of-use asset	808	890
Amortization of intangible assets	706	671
Finance cost	17,990	13,200
	<u>139,210</u>	<u>129,856</u>
Decrease/(Increase) in working capital		
Inventories	(203,120)	(9,434)
Trade and other receivables	(399,070)	(299,696)
Loans, advances, deposits and prepayments	(40,950)	(199,497)
Refund Due from Government - Sales Tax	3,186	-
Trade and other payables	424,319	283,719
Advance from customers	16,831	-
	<u>(198,803)</u>	<u>(224,909)</u>
Cash (used in) / generated from operations	<u>(59,592)</u>	<u>(95,053)</u>
Income tax paid	(31,396)	(25,431)
Finance cost paid	(17,841)	(12,820)
Net cash (used in) / generated from operating activities	<u>(108,829)</u>	<u>(133,304)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of furniture and equipment	(533)	-
Net cash (used) in investing activities	<u>(533)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1)	(1)
Long-term loan repayment	-	(4,873)
Payments against lease liability	(1,022)	(918)
Net cash (used) in financing activities	<u>(1,023)</u>	<u>(5,792)</u>
Net (decrease) /increase in cash and cash equivalents	<u>(110,385)</u>	<u>(139,096)</u>
Cash and cash equivalents at the beginning of the period	(194,742)	(143,017)
Cash and cash equivalents at the end of the period	<u>(305,127)</u>	<u>(282,113)</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
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 Holding Company) and International Brands (Private) 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 & 8, D.M.C.H.S. Tipu Sultan Road, Off Shahrah-e-faisal, Karachi.
- The Company also has a distribution warehouse located in Korangi Industrial Area, Karachi.

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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 principal accounting policies applied in the preparation of these financial statements are set out. The policies have been consistently applied to all the years presented, unless otherwise stated.

		Un-audited	Audited
		September 30,	June 30,
		2023	2023
		-----Rupees in '000-----	
4. FURNITURE AND EQUIPMENT	Note		
Operating assets	4.1	5,104	5,001
		<u>5,104</u>	<u>5,001</u>
4.1	Details of additions in operating assets during the period were as follows:		
		Un-audited	Un-audited
		September 30,	September 30,
		2023	2022
		-----Rupees in '000-----	
Office equipments		533	-
		<u>533</u>	<u>-</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

		Un-audited September 30, 2023	Audited June 30, 2023
		-----Rupees in '000-----	
5.	Trade and other receivables		
	Trade receivables - considered good		
	Due from related parties	1,003,389	895,264
	Others	728,017	434,816
		<u>1,731,406</u>	<u>1,330,080</u>
	Less: Provision for doubtful debts	<u>(16,967)</u>	<u>(16,967)</u>
		<u>1,714,439</u>	<u>1,313,113</u>
	Other receivables		
	Claims from Supplier	37,770	41,691
	Due from related party	6,564	7,304
	Others	2,405	-
		<u>46,739</u>	<u>48,995</u>
		<u>1,761,178</u>	<u>1,362,108</u>
		Un-audited September 30, 2023	Audited June 30, 2023
		-----Rupees in '000-----	
6.	Loans, advances, deposits and prepayments		
	Short term deposits	37,794	31,927
	Prepayments	13,162	1,195
	Advances	266,477	243,362
		<u>317,434</u>	<u>276,484</u>
7.	Cash and bank balances		
	Cash in hand	59	76
	Cash at bank	19,228	95,747
		<u>19,288</u>	<u>95,823</u>
8.	Issued, subscribed and paid-up share capital		
	September 30, 2023	June 30, 2023	Un-audited September 30, 2023
			Audited June 30, 2023
			-----Rupees in '000-----
	Number of shares		
	<u>713,956,386</u>	713,956,386	713,956
	<u>713,956,386</u>	<u>713,956,386</u>	<u>713,956</u>
	Ordinary shares of Rs. 10 each fully paid in cash.		<u>713,956</u>
			<u>713,956</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Audited June 30, 2023
	-----Rupees in '000-----	
9. Trade and other payables		
Creditors	1,021,114	720,393
Accrued liabilities	115,493	32,648
Due to related parties	378,566	307,253
Security deposits	500	500
Other liabilities	7,235	37,795
	<u>1,522,908</u>	<u>1,098,589</u>
10. Contingencies and commitments		
Letter of credit outstanding	<u>343,139</u>	<u>243,158</u>
10.1. The facility for opening Letters of Credit as at September 30, 2023 amounted to Rs. 650 million (June 2023: Rs. 550 million) and Rs. 20 million (June 2023: Rs. 20 million) of which the amount remained unutilized as at balance sheet date was Rs. 306.86 million (June 2023: Rs. 406.84 million).		
	Un-audited September 30, 2023	Un-audited September 30, 2022
	-----Rupees in '000-----	
11. REVENUE		
Gross sales	1,330,353	1,261,944
Sales tax	(96,557)	(104,814)
	<u>1,233,796</u>	<u>1,157,130</u>
Less:		
Sales return	(31,384)	(38,149)
Sales discount	(141,215)	(119,494)
	<u>(172,599)</u>	<u>(157,643)</u>
	<u>1,061,197</u>	<u>999,487</u>
12. Other income / (loss)		
Income from financial assets		
Exchange gain/ (loss)	2,653	4,438
	<u>2,653</u>	<u>4,438</u>
Income from non-financial assets		
Rental income from investment property	-	246
Others	-	391
	<u>-</u>	<u>637</u>
	<u>2,653</u>	<u>5,074</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

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 (Private) Limited holds 0.32% shares in the Company. The remaining 25.49% shares are widely held.

Related Party	Nature of relationship	Nature of transaction	September 30, 2023	September 30, 2022
			-----Rupees in '000-----	
The Searle Company Limited	Parent	Purchase of goods	82,199	72,245
		Rent expense	1,025	932
		Utilities	658	239
		Reimbursement of expenses	9,500	11,648
		Sale of goods	-	995
International Brands (Private) Limited	Associate	Corporate service charges	5,250	5,250
IBL Operations (Private) Limited	Associate	Sale of goods	364,286	467,661
		Shared cost	4,200	-
United Brands Limited	Associate	Sale of goods	14,578	9,499
Searle Pakistan Limited	Associate	Purchase of goods	6,959	-
IBL Logistics (Private) Limited	Associate	Cartage & frieght charges	1,209	4,978
Universal Retails (Private) Limited	Associate	Rent Income	-	597

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on **October 26, 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