

A hiker in a red jacket and yellow backpack stands on a rocky peak, looking out over a vast, hazy mountain range at sunrise or sunset. The hiker is holding a trekking pole. The background shows rolling hills and a valley with a small lake, all under a sky with colorful clouds.

Better Execution Greater Success

Half Yearly Report December 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. 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) takes pleasure to present before the shareholders, performance review together with the reviewed condensed interim financial statements of the Company for the half year ended December 31, 2023.

SUMMARY OF FINANCIAL PERFORMANCE

	December 31,	
	2023	2022
	(Rupees in '000)	
Revenue	2,078,698	2,025,816
Gross profit	687,679	669,537
Gross profit as a percentage of revenue	33.08%	33.05%
Profit before taxation	193,691	246,037
Profit after taxation	131,031	171,256

PRINCIPAL ACTIVITIES & OVERVIEW OF FINANCIAL PERFORMANCE

The principal activities of the Company include marketing, selling and distribution of healthcare, consumer and medical devices portfolios.

Despite the challenging economic and political situation in the country, your Company's revenue during the current period increased by 3% from PKR 2.03 billion to PKR 2.08 billion. Gross profit has also been maintained at 33%. The Company has been able to post a profit of PKR 131 million by focusing on optimizing its operations and investing in areas which are expected to yield results in the future.

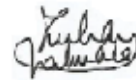
FUTURE OUTLOOK

The Company continues to face challenges of inflationary pressures, both nationally and internationally, while also facing a deteriorating purchasing power in the local economy and rupee devaluation. Your Company's management remains positive and proactive in ensuring optimal profitability and growth. As the Company builds towards a better product portfolio the management is confident of steering the Company through the on-going economic challenges during the remaining fiscal year towards continued growth and profitability.

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



Chief Executive Officer



Director

February 28, 2024
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 دسمبر ۲۰۲۳ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے مجموعی عبوری مالیاتی معلومات پیش کر رہے ہیں۔

مالیاتی کارکردگی کا جائزہ

31 دسمبر

2022	2023	
(روپے ہزاروں میں)		
2,025,816	2,078,698	آمدنی
669,537	687,679	مجموعی منافع جات
33.05 فیصد	33.08 فیصد	مجموعی منافع جات برطابق آمدنی کا فیصدی
246,037	193,691	قبل از ٹیکس منافع
171,256	131,031	بعد از ٹیکس منافع


بنیادی سرگرمیاں اور مالیاتی کارکردگی کا جائزہ

کمپنی کی بنیادی سرگرمیوں میں ہیلتھ کیئر، کنزیومر اور میڈیکل ڈیوائسز پورٹ فولیوز کی مارکیٹنگ، فروخت اور تقسیم شامل ہے۔ ملک میں بحران معاشی اور سیاسی صورتحال کے باوجود آپ کی کمپنی کی آمدنی رواں مدت کے دوران ۳ فیصد بڑھ کر ۲۰۳ بلین روپے سے ۲۰۸ بلین روپے ہو گئی۔ مجموعی منافع بھی ۳۳ فیصد پر برقرار رہا۔ کمپنی اپنے آپریٹنگز پر خصوصی توجہ دیتے ہوئے دوران شعبوں میں سرمایہ کاری کرتے ہوئے، جن میں مستقبل میں بہتر نتائج کی امید تھی، ۱۳۱ بلین روپے کا منافع ظاہر کرنے میں کامیاب رہی۔

مستقبل کا جائزہ

کمپنی مستقل طور پر ملکی اور بین الاقوامی دونوں سطحوں پر مہنگائی اور افراط زر کے دباؤ کے چیلنجوں کا سامنا کرتی رہی ہے جبکہ مقامی معیشت میں قوت خرید میں کمی اور روپے کی قدر کم ہونے سے بھی بحران صورتحال درپیش ہے۔ آپ کی کمپنی کی انتظامیہ مناسب منافع جات اور ترقی کو یقینی بنانے کیلئے مثبت اور فعال اقدامات کو یقینی بناتی رہی ہے۔ چونکہ کمپنی ایک بہتر پروڈکٹ پورٹ فولیو کی جانب توجہ دے رہی ہے اس لئے انتظامیہ پر اعتماد ہے کہ کمپنی مالی سال کی باقی ماندہ مدت کے دوران جاری معاشی بحران پر قابو پاتے ہوئے مستقل گروتھ اور منافع جات کے حصول کا سلسلہ برقرار رکھے گی۔

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



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی:

۲۸ فروری ۲۰۲۴ء



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of IBL HealthCare Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of IBL HealthCare Limited as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.

A.F.Ferguson & Co.
Chartered Accountants
Karachi

Date: February 28, 2024

UDIN: RR202310059ZyEgBrX3m

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State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

IBL HEALTHCARE LIMITED

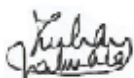
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	Rupees in '000	
ASSETS			
Non-current assets			
Furniture and equipment	5	5,148	5,001
Right-of-use asset		3,768	5,387
Investment properties		585,268	576,360
Intangible assets		3,428	4,840
Deferred taxation - net		9,275	-
		<u>606,887</u>	<u>591,588</u>
Current assets			
Inventories	6	1,106,519	1,191,225
Trade and other receivables	7	1,755,012	1,362,108
Loans, advances, deposits and prepayments	8	104,542	276,484
Taxation - payments less provision		20,437	12,838
Sales tax refundable		-	23,661
Cash and bank balances	9	54,923	95,823
		<u>3,041,433</u>	<u>2,962,139</u>
Total assets		<u><u>3,648,320</u></u>	<u><u>3,553,727</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid up capital	10	856,748	713,956
Capital reserve			
Share premium		119,600	119,600
Revenue reserve			
Unappropriated profit		1,261,807	1,273,568
		<u>2,238,155</u>	<u>2,107,124</u>
LIABILITIES			
Non-current liability			
Lease liability		818	3,128
		<u>818</u>	<u>3,128</u>
Current liabilities			
Trade and other payables	11	1,039,309	1,098,589
Sales tax payable		9,188	-
Advance from customers		35,324	29,070
Short term borrowings	12	299,862	290,565
Current portion of lease liability		4,380	3,952
Unclaimed dividend		7,107	7,107
Unpaid dividend	13	14,177	14,192
		<u>1,409,347</u>	<u>1,443,475</u>
Contingencies and commitments			
	14		
Total equity and liabilities		<u><u>3,648,320</u></u>	<u><u>3,553,727</u></u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED

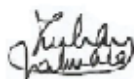
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - UNAUDITED**

	Note	Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		← Rupees '000 →			
Revenue from contract with customers	15	1,017,501	1,026,329	2,078,698	2,025,816
Cost of sales	16	(683,185)	(662,851)	(1,391,019)	(1,356,279)
Gross profit		334,316	363,478	687,679	669,537
Other income / (loss)	17	24,185	(42,790)	26,838	(47,864)
Marketing and distribution expenses		(234,858)	(136,238)	(429,555)	(295,562)
Administrative and general expenses		(28,873)	(25,194)	(52,926)	(49,060)
Finance cost	18	(20,355)	(17,814)	(38,345)	(31,014)
Profit before taxation		74,415	141,442	193,691	246,037
Income tax expense	19	(23,295)	(45,201)	(62,660)	(74,781)
Profit after taxation		51,120	96,241	131,031	171,256
Other comprehensive income		-	-	-	-
Total comprehensive income		51,120	96,241	131,031	171,256
			(Restated)		(Restated)
Basic and diluted earnings per share	20	Rs. 0.60	Rs. 1.12	Rs. 1.53	Rs. 2.00

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED

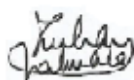
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - UNAUDITED**

	Issued, subscribed and paid up capital	Capital reserve		Revenue reserve	Total
		Share Premium	Issue of bonus shares	Unappropriated profit	
← Rupees in '000 →					
Balance at July 01, 2022	649,051	119,600	-	1,094,415	1,863,066
Total comprehensive income for the period	-	-	-	171,256	171,256
Transaction with owners					
Final dividend for the year ended June 30, 2022 @ Re. 1 per share	-	-	-	(64,905)	(64,905)
Transfer to reserve for issuance of bonus shares	-	-	64,905	(64,905)	-
Bonus shares issued during the period in the ratio of 10 shares for every 100 shares held	64,905	-	(64,905)	-	-
Balance at December 31, 2022	713,956	119,600	-	1,135,861	1,969,417
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	856,748	119,600	-	1,261,807	2,238,155

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

IBL HEALTHCARE LIMITED

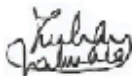
**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 - UNAUDITED**

	Note	December 31, 2023	December 31, 2022
		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	21	76,724	(141,002)
Income tax paid		(79,534)	(61,623)
Finance cost paid		(35,294)	(25,361)
Net cash used in operating activities		<u>(38,104)</u>	<u>(227,986)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment		(1,106)	(69)
Proceeds from sale of furniture and equipment		89	-
Payments in respect of investment property		(8,908)	-
Payment for acquisition of intangible asset		-	(308)
Net cash used in investing activities		<u>(9,925)</u>	<u>(377)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(15)	(13,564)
Payment against lease liability		(2,153)	(1,925)
Musharkah facility obtained		-	138,975
Repayment of long term loan		-	(9,729)
Net cash (used in) / generated from financing activities		<u>(2,168)</u>	<u>113,757</u>
Net decrease in cash and cash equivalents		<u>(50,197)</u>	<u>(114,606)</u>
Cash and cash equivalents at beginning of the period		(194,742)	(143,017)
Cash and cash equivalents at end of the period	22	<u><u>(244,939)</u></u>	<u><u>(257,623)</u></u>

The annexed notes 1 to 25 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, 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 Shakra-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, 2023.

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, 2023. 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, 2024 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

3. 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, 2023.

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, 2023.

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, 2023.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	← Rupees in '000 →			
Office equipment	<u>1,106</u>	<u>69</u>	<u>89</u>	<u>-</u>

(Unaudited) (Audited)
December 31, June 30,
2023 2023
Rupees in '000

6. INVENTORIES

Inventory in hand - note 6.1	786,185	914,978
Inventory in transit	<u>320,334</u>	<u>278,331</u>
	1,106,519	1,193,309
Provision for slow moving inventory	-	(2,084)
	<u>1,106,519</u>	<u>1,191,225</u>

6.1 Inventories include Rs. 19.20 million (June 30, 2023: Rs. 10.58 million) held with third party.

(Unaudited) (Audited)
December 31, June 30,
2023 2023
Rupees in '000

7. TRADE AND OTHER RECEIVABLES

Trade receivables - note 7.1	1,692,162	1,313,113
Other receivables	<u>62,850</u>	<u>48,995</u>
	<u>1,755,012</u>	<u>1,362,108</u>

7.1 Trade receivables - unsecured

Considered good

Due from related parties - note 7.1.1	828,648	895,264
Others	<u>863,514</u>	<u>417,849</u>
	1,692,162	1,313,113

Considered doubtful

	<u>27,067</u>	<u>16,967</u>
	1,719,229	1,330,080
Less: Provision for doubtful receivables	<u>(27,067)</u>	<u>(16,967)</u>
	<u>1,692,162</u>	<u>1,313,113</u>

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Rupees in '000	
7.1.1	Related party balances of the company includes:	
IBL Operations (Private) Limited (Associated Company)	762,253	850,003
United Brands Limited (Associated Company)	66,347	42,201
United Retail (SMC-Private) Limited (Associated Company)	48	48
The Searle Company Limited (the Holding Company)	-	2,812
Searle Pakistan Limited (Associated Company)	-	200
	<u>828,648</u>	<u>895,264</u>

8. LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

- against imports	34,623	53,886
- to suppliers - note 8.1	25,536	181,365
- to employees	4,514	4,401
- others	385	3,710
	<u>65,058</u>	<u>243,362</u>

Deposits to customers

	35,761	31,927
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Prepayments

	3,723	1,195
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	<u>104,542</u>	<u>276,484</u>
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8.1 This includes advance paid to The Searle Company Limited (the Parent Company), amounting to Rs. Nil (June 30, 2023: Rs. 63.36 million) for purchase of goods.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Rupees in '000	
9. CASH AND BANK BALANCES		
Cash at bank		
Conventional		
- on current accounts	17,595	55,838
Islamic		
- on current accounts	37,269	39,909
Cash in hand	59	76
	<u>54,923</u>	<u>95,823</u>

10. SHARE CAPITAL

Authorised share capital

(Unaudited) December 31, 2023	(Audited) June 30, 2023		(Unaudited) December 31, 2023	(Audited) June 30, 2023
			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, 2023	(Audited) June 30, 2023		(Unaudited) December 31, 2023	(Audited) June 30, 2023
			Rupees in '000	
22,990,000	22,990,000	Shares allotted for consideration paid in cash	229,900	229,900
62,684,766	48,405,638	Shares allotted as bonus shares	626,848	484,056
<u>85,674,766</u>	<u>71,395,638</u>		<u>856,748</u>	<u>713,956</u>

10.1 MOVEMENT IN ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Unaudited) December 31, 2023	(Audited) June 30, 2023		(Unaudited) December 31, 2023	(Audited) June 30, 2023
			Rupees in '000	
71,395,638	64,905,126	Opening shares outstanding	713,956	649,051
14,279,128	6,490,512	Shares allotted as bonus shares	142,792	64,905
<u>85,674,766</u>	<u>71,395,638</u>		<u>856,748</u>	<u>713,956</u>

11. TRADE AND OTHER PAYABLES

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
Creditors	636,140	720,393
Due to related parties - note 11.1	221,111	307,253
Accrued liabilities	152,663	32,648
Accrued mark-up	18,166	15,386
Withholding tax payable	4,153	6,152
Security deposits	4,075	500
Payable to employees' provident fund	1,827	1,837
Other Payables	1,174	14,420
	<u>1,039,309</u>	<u>1,098,589</u>

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Rupees in '000	
11.1	Related party balances of the company includes:	
The Searle Company Limited (the Holding Company)	128,138	236,125
International Brands (Private) Limited (Formerly International Brands Limited - the Ultimate Parent Company)	33,152	22,652
Searle Pakistan Limited (Associated Company)	31,270	28,412
United Brands Limited (Associated Company)	21,161	11,527
IBL Logistics (Private) Limited (Associated Company)	2,957	5,852
IBL Operations (Private) Limited (Associated Company)	2,822	1,282
Searle BioSciences (Private) Limited (Associated Company)	1,403	1,403
United Retail (Private) Limited (Associated Company)	208	-
	221,111	307,253

12. SHORT TERM BORROWINGS

The Company obtained running musharakah facilities from various banks amounting to Rs. 439 million (June 30, 2023: Rs. 339 million) out of which the amount unavailed at the half year end was Rs. 139 million (June 30, 2023: Rs. 48.44 million). Rates of profit range from one month KIBOR plus 1% (June 30, 2023: one month KIBOR plus 1%) to three months KIBOR plus 1.5% (June 30, 2023: 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, 2023: Rs. 400 million).

13. UNPAID DIVIDEND

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

14. CONTINGENCIES AND COMMITMENTS

There has been no change in status of contingencies and commitments reported in the financial statements for the year ended June 30, 2023.

The facility for opening letter of credit as at December 31, 2023 amounted to Rs. 800 million (June 30, 2023: Rs. 550 million) of which the amount remaining unutilised at the end of period was Rs. 676 million (June 30, 2023: Rs. 306.84 million).

	Half year ended (Unaudited)	
	December 31, 2023	December 31, 2022
	Rupees in '000	
15. REVENUE FROM CONTRACT WITH CUSTOMERS		
Gross revenue	2,614,239	2,532,822
Less: Sales tax	(175,458)	(213,852)
	2,438,781	2,318,970
Less:		
- Trade discount	(282,721)	(224,186)
- Sales returns	(77,362)	(68,968)
	(360,083)	(293,154)
	2,078,698	2,025,816
16. COST OF SALES		
Opening Inventory	1,191,225	973,471
Add: Purchases	1,330,209	1,308,644
	2,521,434	2,282,115
Cost of samples	(21,042)	(5,763)
Inventory written off	(2,854)	(1,875)
Closing Inventory	(1,106,519)	(918,198)
	(1,130,415)	(925,836)
	1,391,019	1,356,279
17. OTHER INCOME / (LOSS)		
Income from financial assets		
Grant income	-	63
Income from non-financial assets		
Rental income from investment property	2,684	535
Net foreign exchange gain / (losses)	24,154	(61,437)
Others	-	12,975
	26,838	(47,864)

		Half year ended (Unaudited)	
		December 31, 2023	December 31, 2022
		Rupees in '000	
18.	FINANCE COST		
	Mark-up expense on short-term borrowings	36,848	29,601
	Bank and other charges	1,226	1,000
	Interest on lease liability	271	413
		<u>38,345</u>	<u>31,014</u>
19.	INCOME TAX EXPENSE		
	Current		
	- for the period	74,964	74,781
	- deferred tax	(9,275)	-
	- prior year charge	(3,029)	-
		<u>62,660</u>	<u>74,781</u>
20.	BASIC AND DILUTED EARNINGS PER SHARE		
		For the quarter ended	For the half year ended
		December	December
		December	December
		2023	2022
		2022	2023
		2023	2022
		← Rupees in '000 →	
	Profit for the period attributable to ordinary shareholders	<u>51,120</u>	96,241
		<u>131,031</u>	<u>171,256</u>
	Weighted average number of ordinary shares outstanding during the period	<u>85,675</u>	85,675
		<u>85,675</u>	85,675
		(Restated)	(Restated)
	Basic and diluted earnings per share	<u>Rs. 0.60</u>	Rs. 1.12
		<u>Rs. 1.53</u>	<u>Rs. 2.00</u>

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2023 and December 31, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

	Half year ended (Unaudited)	
	December 31, 2023	December 31, 2022
	Rupees in '000	
21. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit for the period	193,691	246,037
Adjustments for non-cash income and expenses:		
Depreciation of furniture and equipment	870	702
Depreciation of right-of-use asset	1,619	1,614
Amortisation of intangible assets	1,412	1,365
Provision for doubtful receivable	10,100	-
Finance cost	38,345	31,014
	52,346	34,695
	246,037	280,732
Changes in working capital:		
(Increase) / Decrease in current assets:		
Inventories	84,706	55,273
Trade and other receivables	(403,004)	(340,143)
Loans, advances, deposits and prepayments	171,942	(208,418)
Sales tax refundable	23,661	-
	(122,695)	(493,288)
(Decrease) / Increase in current liabilities:		
Trade and other payables	(62,060)	103,692
Sales tax payable	9,188	-
Advance from customers	6,254	(32,138)
	(46,618)	71,554
	76,724	(141,002)
22. CASH AND CASH EQUIVALENTS		
Cash and bank balances - note 9	54,923	36,048
Short term borrowings - note 12	(299,862)	(293,671)
	(244,939)	(257,623)
23. 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, 2023.		
Fair value estimation and hierarchy		
As at December 31, 2023 all financial assets and financial liabilities are carried at amortised 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, 2023.		

24. RELATED PARTY TRANSACTIONS

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

S.No.	Nature of relationship	Nature of transaction	Half year ended (Unaudited)	
			December 31, 2023	December 31, 2022
			Rupees in '000	
i.	Ultimate parent company			
	International Brands (Private) Limited	- Corporate service charges	10,500	10,500
		- Dividend paid	-	208
		- Bonus shares issued in the ratio of 20 shares for every 100 shares held		
ii.	Holding Company			
	The Searle Company Limited	- Sale of goods	-	2,212
		- Reimbursement of expenses	18,000	18,000
		- Rent paid	2,152	1,863
		- Purchase of goods	156,544	141,979
		- Dividend payable / paid	-	46,811
		- Dividend paid - provident fund	-	1,730
		- Bank guarantee	-	5,715
		- Utilities	1,298	2,036
		- Bonus shares issued in the ratio of 20 shares for every 100 shares held		
iii.	Associated Company			
	IBL Operations (Private) Limited	- Sale of goods	678,635	910,236
		- Discounts	66,649	92,351
		- Shared cost	8,680	2,800
	United Brands Limited	- Sale of goods	29,669	19,506
		- Discounts	2,973	2,300
	Searle Pakistan Limited	- Purchase of goods	16,589	-
		- Purchase return	11,709	-
	IBL Logistics (Private) Limited	- Cartage & Freight	3,027	11,494
	United Retail (SMC) Private Limited	- Sales of Goods	-	41
		- Rental Income	1,353	535
		- Other Income		703
	Universal Retail (Private) Limited	- Rental Income	1,331	-
iv.	Other Related Parties			
	Employees' Provident Fund	- Contribution paid	4,488	5,025
v.	Key Management Personnel *	- Salaries and other employee benefits	55,342	52,033
		- Directors' fee and conveyance	1,475	1,475

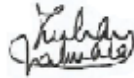
* Key management personnel includes CEO, CFO and all Heads of Departments.

25. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on February 28, 2024.



Chief Executive



Director



Chief Financial Officer



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