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COMPANY INFORMATION

BOARD OF DIRECTORS

Ms. Aameena Saiyid
Mr. Munis Abdullah
Mr. S. Nadeem Ahmed
Mr. Mufti Zia ul Islam
Mr. Zubair Razzak Palwala
Mr. Mobeen Alam
Mr. Shuja Malik

Chairperson
Director
Director
Chief Executive Officer
Director
Director
Director

AUDIT COMMITTEE

Mr. Shuja Malik
Mr. Zubair Razzak Palwala
Ms. Aameena Saiyid

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Shuja Malik
Mr. S. Nadeem Ahmed
Ms. Aameena Saiyid

Chairman
Member
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 half year ended December 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

	December 31,	
	2021	2020
	(Rupees in Thousand)	
Revenue	1,773,365	1,436,357
Gross profit	610,693	439,471
Gross profit as a percentage of revenue	34.44%	30.59%
Profit before taxation	259,123	181,406
Profit after taxation	174,296	125,028

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 is Rs. 1.77 billion as compared to Rs. 1.44 billion for the same period last year i-e, an increase of Rs. 337 million (23.5% growth). This increase in revenue is due to addition of products in different categories and growth in the existing business. The gross profit as a percentage of sales increased to 34.4% as compared to 30.6% same period last year. This increase in GP margin in nutrition portfolio & addition in pharma products resulted in after tax profit of Rs.174.3m compared to Rs.125.03m same period 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

February 24, 2022
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 ۲۰۲۱ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے مجموعی عبوری مالیاتی معلومات پیش کر رہے ہیں۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ، ۲۰۱۷ء کے سیکشن ۲۲۷، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ء کے باب XII، شق ۳۳ کے تحت تیار کی گئی ہے۔

مالیاتی کارکردگی کا جائزہ

31 دسمبر

2020	2021	
(روپے ہزاروں میں)		
1,436,357	1,773,365	آمدنی
439,471	610,693	مجموعی منافع جات
30.59 فیصد	34.44 فیصد	مجموعی منافع جات بمطابق آمدنی کا فیصدی
181,406	259,123	قبل از ٹیکس منافع
125,028	174,296	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۔

روان مدت کیلئے آمدنی ۷۷۷ ملین روپے رہی جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۴۴۷ ملین روپے رہی تھی۔ یعنی ۳۳۷ ملین روپے (۲۳.۵ فیصد گروتھ) کا اضافہ ہوا۔ آمدنی میں یہ اضافہ مختلف کیٹگریز میں پروڈکٹس کے اضافے اور موجودہ کاروبار میں گروتھ کی وجہ سے ممکن ہوا۔ مجموعی منافع بحیثیت سیلز کی فیصدی شرح ۳۴.۴ فیصد رہا جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران ۳۰.۶ فیصد تھا۔ جی پی کی شرح میں یہ اضافہ نیوٹریشن پورٹ فولیو اور فارما پروڈکٹس میں اضافے کے سبب ہوا اور نتیجتاً منافع بعد از ٹیکس ۱۷۴ ملین روپے رہا جو گزشتہ سال کی اسی مدت کے دوران ۱۲۵ ملین روپے 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 میں اپنے صارفین کو بہتر مصنوعات اور سروسز کی فراہمی کرنے میں کامیاب رہیں گے۔ ان سب کی تکمیل کیلئے ہم اپنی سیلز 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:

۲۴ فروری ۲۰۲۲ء



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, 2021 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 "interim financial statements"). Management is responsible for the preparation and presentation of these 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 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, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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 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 review resulting in this independent auditor's report is Syed Fahim ul Hasan.

A.F. Ferguson & Co.

Chartered Accountants
Karachi

Date: February 28, 2022

UDIN: RR202110133d4oNtSbBv

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

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	Rupees in '000	
ASSETS			
Non-current assets			
Furniture and equipment	5	10,031	11,316
Right-of-use asset		10,206	11,812
Investment properties		576,360	572,860
Intangible assets		8,651	9,993
		605,248	605,981
Current assets			
Inventories	6	655,427	708,379
Trade and other receivables	7	1,052,730	857,524
Loans, advances, deposits and prepayments	8	204,419	158,599
Taxation - payments less provision		4,899	24,647
Cash and bank balances	9	82,023	91,561
		1,999,498	1,840,710
Total assets		2,604,746	2,446,691
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Issued, subscribed and paid up capital	10	649,051	540,876
Capital reserve			
Share premium		119,600	119,600
Revenue reserve			
Unappropriated profit		965,852	953,818
		1,734,503	1,614,294
Liabilities			
Non-current liabilities			
Long-term finance - secured	11	-	9,531
Deferred income - Government grant	12	-	188
Lease liability		8,814	10,297
		8,814	20,016
Current liabilities			
Trade and other payables	13	633,252	557,461
Short term borrowings	14	187,435	217,925
Current portion of long-term finance	11	19,211	18,340
Current portion of lease liability		2,985	2,583
Unclaimed dividend		7,108	7,097
Unpaid dividend		11,438	8,975
		861,429	812,381
Contingencies and commitments	15		
Total equity and liabilities		2,604,746	2,446,691

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, 2021 - UNAUDITED

		Quarter ended		Half year ended	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
Note		← Rupees '000 →			
Revenue from contracts with customers	16	960,786	721,495	1,773,365	1,436,357
Cost of sales	17	<u>(625,128)</u>	<u>(482,374)</u>	<u>(1,162,672)</u>	<u>(996,886)</u>
Gross profit		335,658	239,121	610,693	439,471
Other income / (loss)	18	(6,267)	14,037	(9,707)	22,737
Marketing and distribution expenses		(152,059)	(119,044)	(283,830)	(221,529)
Administrative and general expenses		(22,979)	(23,898)	(46,355)	(44,294)
Finance cost	19	<u>(5,492)</u>	<u>(9,186)</u>	<u>(11,678)</u>	<u>(14,979)</u>
Profit before taxation		148,861	101,030	259,123	181,406
Income tax expense	20	<u>(57,360)</u>	<u>(29,765)</u>	<u>(84,827)</u>	<u>(56,378)</u>
Profit after taxation		91,501	71,265	174,296	125,028
Other comprehensive income		-	-	-	-
Total comprehensive income		<u>91,501</u>	<u>71,265</u>	<u>174,296</u>	<u>125,028</u>
Earnings per share	21	<u>1.41</u>	<u>1.32</u>	<u>2.69</u>	<u>2.31</u>

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, 2021 - 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, 2020	540,877	119,600	-	761,505	1,421,982
Transaction with owners					
Final dividend for the year ended June 30, 2020 @ Rs. 2 per share	-	-	-	(108,175)	(108,175)
Total comprehensive income for the period	-	-	-	125,028	125,028
Balance at December 31, 2020	<u>540,877</u>	<u>119,600</u>	<u>-</u>	<u>778,358</u>	<u>1,438,835</u>
Balance at July 01, 2021	540,876	119,600	-	953,818	1,614,294
Transaction with owners					
Final dividend for the year ended June 30, 2021 @ Re. 1 per share	-	-	-	(54,087)	(54,087)
Transfer to reserve for issuance of bonus shares	-	-	108,175	(108,175)	-
Bonus shares issued during the period in the ratio of 20 shares for every 100 shares held	108,175	-	(108,175)	-	-
Total comprehensive income for the period	-	-	-	174,296	174,296
Balance at December 31, 2021	<u>649,051</u>	<u>119,600</u>	<u>-</u>	<u>965,852</u>	<u>1,734,503</u>

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, 2021 - UNAUDITED

		December 31, 2021	December 31, 2020
	Note	Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	22	163,257	(81,090)
Income tax paid		(65,079)	(66,639)
Finance cost paid		(9,698)	(14,212)
Net cash inflow / (outflow) from operating activities		<u>88,480</u>	<u>(161,941)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of furniture and equipment		(690)	(1,764)
Proceeds from sale of furniture and equipment		92	-
Payment for acquisition of investment property		(3,500)	(200,122)
Net cash outflow from investing activities		<u>(4,098)</u>	<u>(201,886)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(51,613)	(33,958)
Repayment of loan by related party		-	249,616
Payment against lease liability		(1,694)	-
Repayment of long term loan		(10,123)	-
Long-term loan obtained		-	38,878
Net cash (outflow) / inflow from financing activities		<u>(63,430)</u>	<u>254,536</u>
Net increase / (decrease) in cash and cash equivalents		<u>20,952</u>	<u>(109,291)</u>
Cash and cash equivalents at beginning of the period		(126,364)	(158,534)
Cash and cash equivalents at end of the period	23	<u><u>(105,412)</u></u>	<u><u>(267,825)</u></u>

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, 2021

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 Hub River Road, Karachi.

- 1.1 The Company is the sole distributor of Mead Johnson products in Pakistan and the agreement remains valid and effective until December 31, 2021.

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, 2021.

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, 2021. However, these do not have any significant impact on the Company's financial reporting.

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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, 2021 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, 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, 2021.

- 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, 2021.

5. FURNITURE AND EQUIPMENT - OPERATING ASSETS

During the period, the Company purchased office equipment amounting to Rs. 0.69 million (June 30, 2021 : Rs. 4.89 million).

6. INVENTORIES

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees in '000	
Finished goods	507,287	575,905
Inventory in transit - note 6.1	148,140	132,474
	655,427	708,379

- 6.1 These includes inventory in transit from The Searle Company Limited amounting to Rs. 0.5 million (June 30, 2021: Nil).

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees in '000	
7. TRADE AND OTHER RECEIVABLES		
Trade receivables - note 7.1	1,022,798	822,000
Other receivables	29,932	35,524
	<u>1,052,730</u>	<u>857,524</u>

7.1 Trade receivables - unsecured

Considered good

Due from related parties	617,276	550,209
Others	405,522	271,791

Considered doubtful

	9,918	8,317
	<u>1,032,716</u>	<u>830,317</u>
Less: Provision for doubtful receivables	(9,918)	(8,317)
	<u>1,022,798</u>	<u>822,000</u>

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

Advances

- to employees	5,767	1,503
- to suppliers - note 8.1	48,813	24,542
- against imports - note 8.2	99,401	90,684
- Others	3,710	3,700

	157,691	120,429
Deposits to customers	45,110	37,521
Prepayments	1,618	649
	<u>204,419</u>	<u>158,599</u>

8.1 This includes advance paid to The Searle Company Limited (the Parent Company), amounting to Rs. 18.46 million (June 30, 2021: Rs. 16.28 million) for purchase of goods.

8.2 These advances include 100% cash margin on import of specified items kept with scheduled banks in accordance with the requirement of Circular No. 02 of 2017 of Banking Policy & Regulations Department, State Bank of Pakistan amounting to Rs. 98.9 million (June 30, 2021: Rs. 83.7 million).

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees in '000	
9. CASH AND BANK BALANCES		
Cash at bank in current accounts	24,912	75,418
Cash in hand	100	100
Cheques in hand	57,011	16,043
	<u>82,023</u>	<u>91,561</u>

IBL HEALTHCARE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

10. SHARE CAPITAL

Authorised share capital

(Unaudited) December 31, 2021	(Audited) June 30, 2021		(Unaudited) December 31, 2021	(Audited) June 30, 2021
			Rupees in '000	
<u>75,000,000</u>	<u>75,000,000</u>	Ordinary shares of Rs. 10 each	<u>750,000</u>	<u>750,000</u>

Issued, subscribed and paid up capital

(Unaudited) December 31, 2021	(Audited) June 30, 2021		(Unaudited) December 31, 2021	(Audited) June 30, 2021
			Rupees in '000	
22,990,000	22,990,000	Shares allotted for consideration paid in cash	229,900	229,900
41,915,126	31,097,605	Shares allotted as bonus shares	419,151	310,976
<u>64,905,126</u>	<u>54,087,605</u>		<u>649,051</u>	<u>540,876</u>

10.1 MOVEMENT IN ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Unaudited) December 31, 2021	(Audited) June 30, 2021		(Unaudited) December 31, 2021	(Audited) June 30, 2021
			Rupees in '000	
54,087,605	54,087,605	Opening shares outstanding	540,876	540,876
10,817,521	-	Shares allotted as bonus shares	108,175	-
<u>64,905,126</u>	<u>54,087,605</u>		<u>649,051</u>	<u>540,876</u>

(Unaudited)
December 31,
2021

(Audited)
June 30,
2021

11. LONG-TERM FINANCE – SECURED

Rupees in '000

The movement of long-term finance during the period is as follows:

Balance at beginning of the period	27,871	-
Disbursements	-	38,878
Deferred grant recognition - 11.2	-	(2,475)
Interest expense including impact of unwinding	1,463	949
Repayments	(10,123)	(9,481)
Less: Current portion shown under current liabilities	(19,211)	(18,340)
	<u>-</u>	<u>9,531</u>

- 11.1 This represents loan obtained under the State Bank of Pakistan's Refinance Scheme 'Payment of Wages and Salaries to the Workers and Employees of Business Concerns' through Islamic financing. It carries mark-up at the rate of 3% per annum and is repayable in eight equal quarterly installments, starting from January 2021. The loan is secured by way of first pari passu hypothecation general charge over present and future current assets of the Company with 25% margin.

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- 11.2 This represents the value of benefit of below-market interest which has been accounted for as government grant under IAS 20 - Government Grants.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees in '000	
12. DEFERRED INCOME		
- GOVERNMENT GRANT		
Balance at beginning of the year	927	-
Deferred grant recognised during the year	-	2,475
Government grant recognised in income	(555)	(1,548)
	<u>372</u>	<u>927</u>
Less: Current portion of deferred income - government grant	(372)	(739)
	<u>-</u>	<u>188</u>

This represents benefit obtained under SBP's Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns' at concessionary rates. According to the condition of the SBP scheme, the company was prohibited from laying-off employees for a period of three months from the date of loan.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Rupees in '000	
13. TRADE AND OTHER PAYABLES		
Creditors	301,237	255,458
Accrued liabilities	118,616	75,688
Due to related parties	107,881	96,090
Advance from customers - unsecured	48,138	67,880
Accrued mark-up	5,344	5,843
Current portion of deferred income - government grant	372	739
Payable to employees' provident fund	1,582	1,594
Workers' Welfare Fund	9,395	9,395
General sales tax and withholding tax payable	13,970	16,654
Security deposits	2,150	1,650
Other Payables	24,567	26,470
	<u>633,252</u>	<u>557,461</u>
14. SHORT TERM BORROWINGS		
Islamic finances - note 14.1	<u>187,435</u>	<u>217,925</u>

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- 14.1. The Company obtained running musharakah facilities from banks amounting to Rs. 300 million (June 30, 2021: Rs. 300 million) out of which the amount unavailed at the year end was Rs. 112.55 million (June 30, 2021: Rs. 100.08 million). Rates of profit range from three months KIBOR plus 1.5% (June 30, 2021: three months KIBOR plus 1.5%) to one month KIBOR plus 1% (June 30, 2021: one month KIBOR plus 0.75%) 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. 452 million.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2021.

15.2 Commitments

The facility for opening letter of credit as at December 31, 2021 amounted to Rs. 590 million (June 30, 2021: Rs. 590 million) of which the amount remaining unutilised at the end of year was Rs. 121.46 million (June 30, 2021: Rs. 226.02 million).

	December 31, 2021	December 31, 2020
	Rupees in '000	
16. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue	2,106,933	1,780,660
Less: Sales tax	(77,213)	(76,087)
	2,029,720	1,704,573
Less:		
- Trade discount	(209,713)	(204,294)
- Sales returns	(46,642)	(63,922)
	(256,355)	(268,216)
	1,773,365	1,436,357
17. COST OF SALES		
Opening Inventory	708,379	654,727
Add: Purchases	1,121,579	1,163,155
	1,829,958	1,817,882
Less: Cost of samples	(10,643)	(4,241)
Less: Inventory written off	(1,216)	(12,863)
Less: Closing Inventory	(655,427)	(803,892)
	(667,286)	(820,996)
	1,162,672	996,886

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	December 31, 2021	December 31, 2020
	Rupees in '000	
18. OTHER INCOME / (LOSS)		
Income from financial assets		
Interest on loan to International Brands Limited	-	10,471
Exchange (loss) / gain - net	(15,576)	2,362
Grant income	555	-
	<u>(15,021)</u>	<u>12,833</u>
Income from non-financial assets		
Rental income from investment property	4,611	9,761
Scrap sales	-	143
Others	703	-
	<u>5,314</u>	<u>9,904</u>
	<u>(9,707)</u>	<u>22,737</u>
19. FINANCE COST		
Mark-up expense and unwinding on long-term finance	1,463	767
Finance lease charges	611	-
Mark-up expense on short-term borrowings	8,877	12,709
Bank and other charges	727	1,503
	<u>11,678</u>	<u>14,979</u>
20. INCOME TAX EXPENSE		
Current		
- for the period	(75,783)	(62,316)
- prior year (charge) / reversal	(9,044)	5,938
	<u>(84,827)</u>	<u>(56,378)</u>
21. EARNINGS PER SHARE		
21.1 Earnings per share - Basic		

	For the quarter ended		For the half year ended	
	December 2021	December 2020	December 2021	December 2020
	Rupees in '000			
Profit for the period attributable to ordinary shareholders	<u>91,501</u>	<u>71,265</u>	<u>174,296</u>	<u>125,028</u>
Weighted average number of ordinary shares outstanding during the period (in thousand)	<u>64,905</u>	<u>54,088</u>	<u>64,905</u>	<u>54,088</u>
Basic earnings per share	<u>Rs. 1.41</u>	<u>Rs. 1.32</u>	<u>Rs. 2.69</u>	<u>Rs. 2.31</u>

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21.2 Earnings per share - diluted

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2021 and December 31, 2020 which would have any effect on the earnings per share if the option to convert is exercised.

	December 31, 2021	December 31, 2020
	Rupees in '000	
22. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit for the period	259,123	181,406
Adjustments for non-cash income and expenses:		
Depreciation of furniture and equipment	1,883	1,498
Amortisation of intangible assets	1,342	1,267
Finance costs	11,678	14,979
Depreciation of right-of-use asset	1,606	-
Interest income	-	(10,471)
	<u>16,509</u>	<u>7,273</u>
	275,632	188,679
Changes in working capital:		
Decrease / (increase) in current assets:		
Inventories	52,952	(149,165)
Trade and other receivables	(195,206)	(163,169)
Loans, advances, deposits and prepayments	(45,820)	(26,427)
	(188,074)	(338,761)
Increase in current liabilities:		
Trade and other payables	75,698	54,385
Contract Liabilities	-	14,607
	<u>163,257</u>	<u>(81,090)</u>

23. CASH AND CASH EQUIVALENTS

Cash at bank in current accounts	24,912	26,819
Cash in hand	100	100
Cheques in hand	57,011	-
Short term borrowings - note 14	(187,435)	(294,744)
	<u>(105,412)</u>	<u>(267,825)</u>

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, 2021.

Fair value estimation and hierarchy

As at December 31, 2021 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, 2021.

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25. RELATED PARTY TRANSACTIONS

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

S.No.	Nature of relationship	Nature of transaction	December 31, 2021	December 31, 2020
			Rupees in '000	
i.	Ultimate parent company	- Interest income	-	10,471
		- Corporate service charges	10,500	10,500
		- Dividend paid	147	295
		- Recovery of loan	-	229,000
ii.	Parent company	- Sale of goods	1,276	1,754
		- Shared costs	-	511
		- Reimbursement of Expenses	452	-
		- Rent paid	1,693	-
		- Purchase of goods	112,383	169,747
		- Royalty paid	-	11,775
		- Product testing cost paid	-	588
		- Dividend paid	39,009	78,018
		- Dividend paid - provident fund	1,442	2,885
		- Utilities	2,934	-
iii.	Associated companies	- Sale of goods	900,294	931,604
		- Shared costs	2,640	3,660
		- Purchase of goods	-	11,045
		- Rental income	129	814
		- Freight cost	11,008	2,560
		- Dividend paid	-	2,012
iv.	Employees' Provident Fund	- Contribution paid	4,304	4,333
v.	Key Management Personnel *	- Salaries and other employee benefits	49,391	59,374
		- Directors' fee and conveyance	885	900

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

25.1 The status of outstanding balances with related parties as at December 31, 2021 is included in the respective notes to the financial statements. These are settled in the ordinary course of business.

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26. 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 24, 2022.



Chief Executive



Director



Chief Financial Officer



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