



# INDIES PHARMA JAMAICA LIMITED

"Caring for the Nation's Health"

## RELEASE TO SHAREHOLDERS

### UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31 OCTOBER 2019.

The Board of Directors of Indies Pharma Jamaica Limited is pleased to present to our shareholders our fourth quarter unaudited financial results for the financial period ended October 31, 2019.

	3 Months Ended 31-Oct-2019	3 Months Ended 31-Oct-2018	% Change	12 Months Ended 31-Oct 2019	12 Months Ended 31-Oct, 2018	% Change	Audited Year Ended October 31, 2018
Revenue	150,088,256	186,902,642	-20%	725,901,561	636,174,735	14%	636,174,735
Gross profit	115,211,431	104,161,798	11%	502,221,958	392,791,194	28%	392,791,074
Comprehensive Income	22,219,964	37,608,399	-41%	140,462,885	119,701,409	17%	119,701,288
Earnings per share (EPS)	0.02	0.03		0.11	0.09	17%	0.09

For the twelve months ended October 31, 2019, Indies Pharma Jamaica limited achieved revenues of J\$725.9 million, representing an increase of 14% or J\$89.7 million over the corresponding period in 2018.

Gross profit for the twelve month period was J\$502.2 million, representing a 28% or J\$109.4 million increase compared with 2018; similarly a 11% increase in gross profit was recorded for the three-month period ending October 31, 2019 that represents an increase of J\$11 million compared to the similar period in 2018.

Net profit increased to J\$140.46 million, a 17% increase or J\$20.76 million gain over the twelve months when compared to the corresponding period in the previous year.

Earnings per share (EPS) for the twelve-month period increased to J\$0.11 cents per share and reflects a 17% or J\$0.02 increase in shareholders' equity over the corresponding period in 2018.

The Indies Pharma stock price closed at J\$3.16 on October 31, 2019, representing an increase 111% or J\$1.66 per share since the company's Junior Market Listing on the Jamaica Stock Exchange (JSE).

*Administrative and other expenses increased by 56% or J\$133.5 million compared to the same period in the prior year - rent and lease expenses increased by 571% or J\$38.3 million and goods valuing approximately 46 million expired during the twelve-month period ending October 2019.*

*Liabilities increased by 14% or J\$9 million when compared to the equivalent period in 2018 due to set-up costs for the new facility in Freeport, Montego Bay.*

*The company remains debt free, which indicates its good financial health and shows that it is in a good position for future growth.*

*The Company's liquidity position remains very healthy with a current ratio of 8.54:1, meaning that the company has J\$8.54 of current assets for every J\$1 of current liabilities.*

*Sincerely Yours*



*Vishnu V. Muppuri (Mrs.)  
Co-Founder, Executive Director & COO*

*December 10, 2019*

**INDIES PHARMA JAMAICA LIMITED**  
**Unaudited Statement of Comprehensive Income**  
**For the fourth quarter ended October 31, 2019**

	Three Months Ended October 31, 2019 \$	Three Months Ended October 31, 2018 \$	Twelve Months Ended October 31, 2019 \$	Twelve Months Ended October 31, 2018 \$	Audited Year Ended October 31, 2018 \$
REVENUE	150,088,256	186,902,642	725,901,561	636,174,735	636,174,735
COST OF SALES	(34,876,824)	(82,740,844)	<b>(223,679,603)</b>	<b>(243,383,541)</b>	(243,383,661)
<b>GROSS PROFIT</b>	<b>115,211,431</b>	<b>104,161,798</b>	<b>502,221,958</b>	<b>392,791,194</b>	<b>392,791,074</b>
Other operating income	339,825	154,217	<b>710,400</b>	<b>813,221</b>	813,221
	115,551,257	104,316,015	<b>502,932,359</b>	<b>393,604,416</b>	393,604,296
Administrative and other expenses	(96,395,004)	(57,283,305)	<b>(372,129,720)</b>	<b>(238,610,420)</b>	(239,866,994)
<b>PROFIT FROM OPERATION</b>	<b>19,156,253</b>	<b>47,032,710</b>	<b>130,802,639</b>	<b>154,993,995</b>	<b>153,737,302</b>
Exchange Gain/(Loss)	2,978,446	(5,279,199)	<b>4,707,387</b>	<b>(4,482,462)</b>	(4,482,462)
Finance Cost- Loan Interest	85,265	(7,065,525)	<b>(196,728)</b>	<b>(11,269,887)</b>	(11,209,463)
<b>NET PROFIT BEFORE TAXATION</b>	<b>22,219,964</b>	<b>34,687,986</b>	<b>135,313,298</b>	<b>139,241,647</b>	<b>138,045,377</b>
Taxation		2,920,413		<b>(19,540,238)</b>	(18,344,089)
<b>NET PROFIT FOR THE PERIOD</b>	<b>22,219,964</b>	<b>37,608,399</b>	<b>135,313,298</b>	<b>119,701,409</b>	<b>119,701,288</b>
OTHER COMPREHENSIVE INCOME					
Profit on the sale of Fixed Assets			<b>5,149,587</b>		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>22,219,964</b>	<b>37,608,399</b>	<b>140,462,885</b>	<b>119,701,409</b>	<b>119,701,288</b>
<b>Earnings Per Share</b>	<b>0.02</b>	<b>0.03</b>	<b>0.11</b>	<b>0.09</b>	<b>0.09</b>

**INDIES PHARMA JAMAICA LIMITED**  
**Unaudited Statement of Financial Position**  
**For the fourth quarter ended October 31, 2019**

	Twelve Months Ended October 31, 2019	Twelve Months Ended October 31, 2018	Audited Year Ended October 31, 2018
	\$	\$	\$
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	137,134,530	92,424,813	92,424,814
Intangible Asset	10,700,776		
Related companies	7,581,789	86,462,034	198,610,379
<b>CURRENT ASSETS</b>			
Inventories	156,936,210	155,193,522	155,193,522
Receivables	292,308,943	263,407,985	266,408,444
Taxation recoverable	2,541,479	-	450,947
Cash and cash equivalents	114,778,721	101,399,887	101,391,819
Director's Current Account	56,560,769	36,779,647	36,779,647
	623,126,123	556,781,042	560,224,379
<b>TOTAL ASSETS</b>	<b>778,543,219</b>	<b>735,667,890</b>	<b>851,259,572</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	244,576,999	244,576,999	244,576,999
Revaluation reserve	105,773,595	105,773,595	105,773,595
Retained earnings	352,145,531	318,285,581	318,285,581
	702,496,125	668,636,175	668,636,175

**NON-CURRENT LIABILITIES**

Long term loans	-	(0)	480,777
Deferred taxation	3,117,744	3,117,744	3,117,744
	<u>3,117,744</u>	<u>3,117,744</u>	<u>3,598,521</u>

**CURRENT LIABILITIES**

Payables	72,929,349	33,543,834	46,549,391
Short Term loans	-	1,097,159	3,440,663
Related Company (Royalty)	-	10,941,698	123,090,042
Taxation	-	18,331,280	5,944,780
	<u>72,929,349</u>	<u>63,913,971</u>	<u>179,024,876</u>

<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>778,543,219</u></b>	<b><u>735,667,890</u></b>	<b><u>851,259,572</u></b>
-------------------------------------	---------------------------	---------------------------	---------------------------

Approved for issue by the Board of Directors on 11 October 2019 and signed on its behalf by:



Guna Sekhar Muppuri – Director



Vishnu Vandana Muppuri – Director



**INDIES PHARMA JAMAICA LIMITED**  
**Unaudited Statement of Changes in Equity**  
**For the fourth quarter ended October 31, 2019**

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 1 November 2017</b>	<b>15,635,000</b>	<b>15,635,000</b>	<b>105,773,595</b>	<b>198,584,294</b>	<b>319,992,889</b>
Subdivision of Shares	1,142,918,500	-	-	-	-
Share issue net of Transaction cost	173,983,149	228,941,999	-	-	228,941,999
<b>Total Comprehensive Income</b>					-
NET PROFIT	-	-	-	119,701,287	119,701,287
<b>Balance at 31 October 2018</b>	<b>1,332,536,649</b>	<b>244,576,999</b>	<b>105,773,595</b>	<b>318,285,581</b>	<b>668,636,175</b>
<b>Balance at 1 November 2018</b>	<b>1,332,536,649</b>	<b>244,576,999</b>	<b>105,773,595</b>	<b>318,285,581</b>	<b>668,636,175</b>
Dividends	-	-	-	(106,602,932)	(106,602,932)
<b>Total Comprehensive Income</b>					
NET PROFIT	-	-	-	140,462,885	140,462,885
<b>Balance at 31 October 2019</b>	<b>1,332,536,649</b>	<b>244,576,999</b>	<b>105,773,595</b>	<b>352,145,534</b>	<b>702,496,128</b>

**INDIES PHARMA JAMAICA LIMITED**  
**Unaudited Statement of Cash Flows**  
**For the fourth quarter ended October 31, 2019**

	Twelve Months Ended October 31, 2019 \$	Twelve Months Ended October 31, 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit	135,313,298	119,701,409
Adjustment for		
Depreciation	12,161,113	14,031,068
Interest expense	196,728	11,209,463
Gain on asset Disposal	5,149,587	-
Interest Income	(319,279)	(433,338)
Taxation	-	18,352,036
	<b>152,501,447</b>	<b>162,860,637</b>
<b>Changes in operating assets and liabilities</b>		
Trade Receivables	(25,900,499)	(2,206,294)
Inventories	(1,742,688)	11,009,893
Trade payables	26,379,958	(7,828,093)
Related company	13,256,311	90,503,345
Directors a/c	(19,781,122)	(14,051,332)
GCT Recoverable	(1,865,659)	(83,904)
	142,847,748	240,204,252
Taxation paid	(35,759,561)	(41,650,707)
<b>Net Cash used in operating activities</b>	<b>107,088,187</b>	<b>198,553,545</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received	319,279	433,338
Purchase of fixed assets	5,314,793	(1,658,840)
Disposal Proceed of fixed assets	8,450,000	-
<b>Net cash used in investing activities</b>	<b>14,084,072</b>	<b>(1,225,502)</b>

**CASH FLOWS FROM FINANCE ACTIVITIES**

Loan Received	-	-
Share Issue	-	228,941,999
Director loan	-	(1,113,520)
Interest paid	(196,728)	(11,209,463)
Dividends paid	(106,602,932)	-
loan repayment	(985,697)	(386,713,534)
<b>Net cash provided by financing activities</b>	<b>(107,785,357)</b>	<b>(170,094,518)</b>

**NET INCREASE/DECREASE IN CASH AND CASH**

<b>EQUIVALENTS</b>	<b>13,386,902</b>	<b>27,233,525</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>101,391,819</b>	<b>74,166,362</b>
<b>CASH AND CASH EQUIVALENT AT YEAR END</b>	<b>114,778,721</b>	<b>101,399,887</b>



## 1. IDENTIFICATION AND ACTIVITIES

INDIES PHARMA JAMAICA LIMITED is a limited liability company incorporated under the laws of Jamaica on the 09<sup>th</sup> day of December 2003 and domiciled in Jamaica. The registered office of the company is Unit #5 Montego Bay Trade Centre, Catherine Hall, Montego Bay, St James. The principal activity of the company is the distribution and retailing of pharmaceutical and auxiliary products.

The company by special resolution dated 4th November 2014 converted from a private to a public company. The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on the August 15<sup>th</sup>, 2018.

## 2. BASIS OF PREPARATION

These condensed unaudited interim financial statements for the 'Twelve Months ended October 31, 2019' have been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim financial statements should be read in conjunction with the audited financial statements ended 31<sup>st</sup> October 2018 which have been prepared in accordance with The International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB).

## 3. ACCOUNTING POLICIES

There have been no changes in accounting policies since the most recent audited financial statements as at October 31, 2018

## 4. RECEIVABLES

	<b>2019</b>	<b>2018</b>
	\$	\$
Trade Receivables	139,750,752	121,577,640
Share option	135,590,400	135,590,400
Other	16,967,791	6,239,945
	<b><u>292,308,943.26</u></b>	<b><u>263,407,985.39</u></b>

## 5. RELATED COMPANIES

	2019 \$	2018 \$
Mercury Wireless	7,581,790	43,419,702
Winfra Development Con	-	6,561,726
Alpha Holdings	-	75,401,798
Beta IRS Holdings	-	54,034,496
Starfish Bay Holding Ltd	-	10,502,176
Hanolu GVM Intercompany	-	8,690,482
Bioprist Holdings	-	-
	7,581,790	198,610,379
Sandy GVM Intercompany	-	(110,974,442)
Bioprist Las Americas Intercompany	7,581,790	(1,173,903)
	<b>7,581,790</b>	<b>86,462,034</b>

## 6. PAYABLES

	2019 \$	2018 \$
Accounts Payables	54,378,197	19,540,774
Other Payables and Accruals	3,682,573	3,487,458
Sales Tax GCT	6,445,737	8,311,396
Statutory Tax Payable	2,489,860	2,372,315
Sagikor Credit Card	400,705	596,571
NCB Credit Cards	5,532,277	(764,680)
	<b>72,929,349</b>	<b>33,543,834</b>

## 7. LONG-TERM LOANS

	2019 \$	2018 \$
First Global Bank Jamaica Ltd	-	-
National Commercial Bank Ltd	-	1,097,159
Sagicor Bank Jamaica Ltd	-	
	<u>-</u>	<u>1,097,159</u>

(a) First Global Bank Jamaica Limited - This represent amount loaned by First Global Bank (FGB) as a consolidated loan for all loans with Sagicor Bank Jamaica Limited.

(b) National Commercial Bank Limited - This represent loan for commercial vehicle.

## 8. SHORT-TERM LOANS

	2019 \$	2018 \$
First Global Bank Jamaica Ltd	-	-
National Commercial Bank Ltd	-	
Sagicor Bank Jamaica Ltd	-	
GK Investment limited	-	
	<u>-</u>	<u>-</u>

(a) GK Investment - Represents amount owing to Bioprist Holdings Inc. in relation to the transactions to buy back shares from minority Shareholders.

## 9. TAXATION

	2019 \$	2018 \$
Company Tax	(2,029,220)	5,944,780
With-Holding Tax	(512,260)	12,386,500
	<u>(2,541,480)</u>	<u>18,331,280</u>

## TOP TEN (10) SHAREHOLDERS

<b>SHAREHOLDERS</b>	<b>NUMBER OF UNITS</b>	<b>SHAREHOLDING %</b>
Bioprist Holdings Inc.	1,042,858,249	78.26%
Sunand Gogineni	44,903,438	3.37%
GK Investments Limited	39,761,365	2.98%
Venugopal Naidu Kuntamukkala	23,171,070	1.74%
VM Wealth Equity Fund	15,000,000	1.13%
GK General Insurance Company Limited	7,339,462	0.55%
E Penny Barron	7,192,281	0.54%
Sagikor Select Fund Limited – ('Class C' Shares) Manufacturing & Distribution	5,763,584	0.43%
Jason Carby	5,700,000	0.43%
JCSD Limited A/C Barita Unit Trust Capital Growth Fund	5,394,866	0.40%

## SHAREHOLDINGS OF DIRECTORS

<b>DIRECTORS</b>	<b>TOTAL SHAREHOLDINGS</b>	<b>DIRECT</b>	<b>CONNECTED PARTIES</b>
Dr. Guna S. Muppuri	Nil	0	664,748,486
Mrs. Vishnu Muppuri	Nil	0	378,109,763
Prof. Trevor McCartney	200,000	200,000	-
Dr. Norman Dunn	2,348,500	2,348,500	-
Senator Aubyn Hill	4,418,500	4,418,500	-

<b>COMPANY SECRETARY</b>	<b>TOTAL SHAREHOLDING</b>	<b>DIRECT</b>	<b>CONNECTED PARTIES</b>
Venice Williams-Gordon	48,058.00		48,058.00

## MANAGEMENT HOLDINGS

<b>SENIOR MANAGERS / EXECUTIVES</b>	<b>TOTAL SHAREHOLDINGS</b>	<b>DIRECT</b>	<b>CONNECTED PARTIES</b>
<i>Elesia Brown</i>	78,125.00	78,125.00	-
<i>Ricardo Stephenson</i>	771,000.00	771,000.00	-
<i>Sabrina Serrant</i>	65,000.00	65,000.00	-
<i>Ebany Gayle</i>	77,900.00	77,900.00	-
<i>Dwight Brown</i>	50,000.00	50,000.00	-