



2020-2021

1st Quarter - Unaudited Financial Report ending 31 January 2021

INDIES PHARMA JAMAICA LIMITED

“Caring for the Nation’s Health”

www.indiespharma.com



2020-2021

1st Quarter Unaudited Financial Report

Period ending January 31, 2021



INDIES PHARMA JAMAICA LIMITED

"Caring for the Nation's Health"

RELEASE TO SHAREHOLDERS

UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 JANUARY 2021.

The Board of Directors of Indies Pharma Jamaica Limited is pleased to present to our shareholders our first quarter unaudited financial results for the financial period ended January 31, 2021.

	3 Months Ended 31 - January - 2021	3 Months Ended 31 - January - 2020	Year over year	Audited Year Ended October 31, 2020
Revenue	223,534,326	193,722,062	15%	765,948,581
Gross Profit	138,112,578	127,858,532	8%	526,692,981
Net Profit of the period	47,527,070	39,609,620	20%	206,649,410
Earnings per share (EPS)	0.04c	0.03c	33%	0.16c
Total Assets	1,761,559,986	927,288,202	90%	1,781,957,626
Shareholder's Equity	834,266,237	734,840,633	14%	786,739,173
Total Liabilities	927,293,748	192,447,569	381%	995,218,217

At the end of the first quarter, Indies Pharma Jamaica Limited earned gross revenues of J\$223.5 million compared to J\$193.7 million in the prior comparable quarter 2020. This increase represents 15% or J\$29.8 million and is a result of the company's continued excellent performance of the sales team and the timely return of highly demanded products despite the challenges caused by the COVID -19 impact.

Gross profit for the three-month period increased to J\$138.1 million representing an 8% or J\$10.2 million incline when compared with the similar period in 2020.

Net Profit for the year also increased to J\$47.5 million depicting a 20% improvement from J\$39.6 million recorded in the prior comparable period 2020. This increase would have been 60%, as the administrative expenses also were reduced by 18% from J\$91 million to J\$74 million. However, increase in finance cost of J\$15.9 million mainly due to the interest payment to Bond holders made the company to settle with 20% year on year growth in the net profit.

Earnings per share (EPS) for the three-month period increased by 33% to J\$0.04 cents per share compared to J\$0.03 cents in the prior period 2020.

Total assets at the end of the quarter has increased by 90%, stood at J\$1.7 billion compared to J\$927.8 million in the comparative quarter 2020. Shareholders' equity grew by 14% or J\$99.4 million when compared to the similar period in the previous year. This increase is largely due to the capital increase on the acquired real estate for the company's subsidiary Indies Pharma Business Park.

Long-term Liabilities increased to J\$892.7million from J\$108.3 million in the prior comparative period and as stated in previous quarters this is as a result from a Bond attained towards "Growth Capital" which was used to repay the loan of J\$398 million used for the purchase of real estate and to fund the development and approval of two (ANDAs) new drugs at the FDA in the United States. Additionally, the adoption of IFRS 16 'leases' continues to affect liabilities which requires a lease liability to be recorded.

The Company continues to have an excellent performance and remain healthy with a current ratio of 17:1, meaning that the company has J\$17 of current assets for every J\$1 of current liabilities.

As always, Indies Pharma Jamaica Limited continues to do their best in this challenging business environment through strengthening relations with customers, shareholders and the Indies Pharma Jamaica Limited family.

We express sincere gratitude to all our shareholders and stakeholders for their continued support and wish everyone to keep safe and well with good health.

Sincerely Yours



Vishnu V. Muppuri (Mrs.)
Co-Founder, Executive Director & COO
28 February 2021.

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of
Comprehensive Income
For the first quarter ended January 31, 2021

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$
REVENUE	223,534,326	193,722,063	765,948,581
COST OF SALES	(85,421,748)	(65,863,531)	(239,255,600)
GROSS PROFIT	138,112,578	127,858,532	526,692,981
Other operating income	209,621	698,370	1,863,400
Administrative and other expenses	138,322,200	128,556,903	528,556,381
	(74,885,305)	(91,776,745)	(314,996,497)
PROFIT FROM OPERATION	63,436,896	36,780,157	213,559,884
Exchange Gain/(Loss)	(331,679)	2,829,463	4,304,727
Finance Cost (Loan Interest)	(15,578,152)	-	(9,185,983)
NET PROFIT BEFORE TAXATION	47,527,064	39,609,620	208,678,630
Taxation	-	-	(2,029,220)
NET PROFIT FOR THE PERIOD	47,527,064	39,609,620	206,649,410
OTHER COMPREHENSIVE INCOME			
Gain on revaluation of Fixed Assets	-	-	70,713,884
Profit on the sale of Fixed Assets	-	-	699,999
TOTAL COMPREHENSIVE INCOME	47,527,064	39,609,620	278,063,293
EARNINGS PER SHARE	0.04c	0.03c	0.16c

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Financial Position
For the first quarter ended January 31, 2021

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	1,155,504,194	244,921,719	967,203,468
Related Companies	18,433,289	-	62,145,502
CURRENT ASSETS			
Inventories	149,957,910	160,603,054	146,520,962
Receivables	214,649,339	367,699,150	221,599,270
Taxation recoverable	-	2,556,481	632,834
Cash and cash equivalents	149,287,410	90,103,202	313,648,274
Director's Current Account	73,727,944	61,404,597	70,207,316
	587,622,503	682,366,483	752,608,656
TOTAL ASSETS	1,761,559,986	927,288,202	1,781,957,626
EQUITY AND LIABILITIES			
EQUITY			
Share capital	244,576,999	244,576,999	244,576,999
Revaluation reserve	182,337,065	110,923,182	182,337,065
Retained earnings	407,352,173	379,340,452	359,825,109
	834,266,237	734,840,633	786,739,173

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Audited Year Ended October 31, 2020
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NON-CURRENT LIABILITIES

Long term loan	805,000,000	106,438,195	805,000,000
Lease Liability	64,476,996	-	41,194,958
Related Companies	-	-	27,342,633
	<u>869,476,996</u>	<u>106,438,195</u>	<u>873,537,591</u>

CURRENT LIABILITIES

Payables	31,950,692	84,134,374	79,673,603
Short Term loans	-	-	6,150,445
Current portion of Lease Liability	-	-	35,856,814
Related Companies	23,297,633	1,875,000	-
Taxation	2,568,428	-	-
	<u>57,816,752</u>	<u>86,009,374</u>	<u>121,680,862</u>

TOTAL EQUITY AND LIABILITIES

	<u>1,761,559,985</u>	<u>927,288,202</u>	<u>1,781,957,626</u>
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Approved for issue by the Board of Directors on and signed on its behalf by:



Guna Sekhar Muppuri – Director



Vishnu Vandana Muppuri – Director



INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Changes in Equity
For the first quarter ended January 31, 2021

	Number of Stock Units \$	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 1 November 2019	1,332,536,649	244,576,999	110,923,182	339,730,832	695,231,013
Dividends paid	-	-	-	-	-
Total Comprehensive Income					
NET PROFIT	-	-	-	39,609,620	39,609,620
Balance at 31 January 2020	1,332,536,649	244,576,999	110,923,182	379,340,452	734,840,633
Balance at 1 November 2020	1,332,536,649	244,576,999	182,337,065	359,825,109	786,739,173
Dividend Paid	-	-	-	-	-
Total Comprehensive Income					
NET PROFIT	-	-	-	47,527,064	47,527,064
Balance at January 31 2021	1,332,536,649	244,576,999	182,337,065	407,352,173	834,266,237

INDIES PHARMA JAMAICA LIMITED
Unaudited Consolidated Statement of Cash Flows
For the first quarter ended January 31, 2021

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit	47,527,064	39,609,620	206,649,410
Adjustment for			
Depreciation	11,504,920	12,559,056	48,903,104
Interest expense	15,663,221	2,296,497	9,185,983
Interest Income	(153,552)	(85,719)	(515,981)
Taxation	-	-	2,029,220
	74,541,653	54,379,453	266,251,736
Changes in operating assets and liabilities			
Trade Receivables	7,901,738	(74,720,352)	71,379,528
Inventories	(3,436,948)	(3,666,844)	10,415,248
Trade payables	(47,722,911)	16,720,079	12,259,307
Related company	29,938,525	50,334	(24,827,491)
Directors a/c	(3,520,628)	(4,843,828)	(13,646,547)
GCT Recoverable/Recoverable	(632,834)	-	(120,574)
	57,068,594	(12,081,157)	321,711,207
Taxation paid	(2,568,428)	-	-
Net Cash used in operating activities	54,500,166	(12,081,157)	321,711,207
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	153,552	85,719	515,982
Purchase of fixed assets	(14,066,871)	(10,383,584)	(431,234,595)
Right of use assets	-	-	(114,824,755)
Purchase of intangible assets	(7,739,396)	-	(114,698,809)
Purchase of investments	(181,545,000)	-	(147,500,000)
Disposal Proceed of fixed assets	-	-	700,000
Net cash used in investing activities	(203,197,715)	(10,297,866)	(807,042,177)

	Three Months Ended January 31, 2021	Three Months Ended January 31, 2020	Audited Year Ended October 31, 2020
	\$	\$	\$
CASH FLOWS FROM FINANCE ACTIVITIES			
Interest paid	(15,663,221)	(2,296,497)	(9,185,983)
Loan received	-	-	799,577,858
Dividends paid	-	-	(186,555,131)
Lease liabilities	-	-	77,051,772
Net cash provided by financing activities	(15,663,221)	(2,296,497)	680,888,516
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(164,360,770)	(24,675,519)	195,557,545
Cash and cash equivalents at beginning of year	313,648,274	114,778,721	114,778,721
CASH AND CASH EQUIVALENT AT YEAR END	149,287,504	90,103,202	310,336,266

1. IDENTIFICATION AND ACTIVITIES

INDIES PHARMA JAMAICA LIMITED is a limited liability company incorporated under the laws of Jamaica on the 09th 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 15th, 2018.

2. BASIS OF PREPARATION

These condensed unaudited interim financial statements for the 'Three Months ended January 31, 2021' 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 31st October 2020 which have been prepared in accordance with The International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies are consistent with those applied to the audited financial statements for the year ended 31 October 2020.

- ❖ The financial statements are expressed in Jamaican Dollars.

IFRS 16 'Leases'

The company has adopted IFRS 16 from 1 November 2019 and has not restated comparatives for the prior reporting period as submitted under the specific transitional provisions in the standard in applying the simplified transition approach. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening statement of financial position on 1 November 2019.

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use-asset" for virtually all lease contracts. The

standard includes an optional exemption for certain short-term leases of low value assets. For lessors the accounting stays almost the same.

Effective 1 November 2019, leases are recognized as a "right -of -use- asset" and a corresponding liability at the date at which the lease asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability each period. The right -of- use asset is depreciated over the shorter of the asset's useful life and the lease term on the straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis.

3. INVESTMENTS

	Unaudited Year to date January 2021	Unaudited Year to date January 2020
	\$	\$
Proven Investment Limited	329,045,000	-
	329,045,000	-

4. RECEIVABLES

	Unaudited Year to date January 2021	Unaudited Year to date January 2020
	\$	\$
Trade Receivables	158,811,115	165,119,163
Prepayments	-	-
Shareholders' loan	-	135,590,400
Other	54,886,517	67,029,587
	213,697,632	367,699,150

5. RELATED COMPANIES

	Unaudited Year to date January 2021 \$	Unaudited Year to date January 2020 \$
Due From - Mercury Wireless Limited	<u>18,433,289</u> 18,433,289	-
Due to - Bioprist Holdings Limited	<u>23,297,633</u> 23,297,633	<u>1,875,000</u> 1,875,000

6. LONG-TERM LOANS

	Unaudited Year to date January 2021 \$	Unaudited Year to date January 2020 \$
Sagicor Bank Jamaica Ltd	805,000,000	-
	805,000,000	-

7. TAXATION

	Unaudited Year to date January 2021 \$	Unaudited Year to date January 2020 \$
General Consumption Tax	3,239,649	-
With-Holding Tax	(671,221)	-
	2,568,428	-

8. PAYABLES

	Unaudited Year to date January 2021	Unaudited Year to date January 2020
	\$	\$
Trade Payables	17,373,918	17,373,918
General Consumption Tax	-	2,023,611
Statutory Tax	3,088,434	2,380,292
Other Payables and Accruals	11,488,340	28,589,321
	31,950,692	84,134,374

9. LEASE IFRS 16

	Unaudited as at January 2021	Unaudited as at January 2020
	\$	\$
<u>Right of Use Asset -</u>		
Lease properties on recognition November 1, 2019	114,824,755	114,824,755
Less: accumulated depreciation charge	<u>(47,002,388)</u>	<u>(9,400,144)</u>
Balance	<u>67,822,367</u>	<u>105,424,279</u>
<u>Lease Liabilities</u>		
Contractual discounted cash flows	64,476,996	106,438,195
Less: current portion	(35,613,056)	(38,022,352)
Non-current portion	28,863,940	68,415,843

The company adopted IFRS 16 "Leases" as on 1 November 2019 and recognized right of use asset and lease liability. Right of use assets are generally depreciated over the lease term on a straight-line basis. The lease liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as of 1 November 2019 was 8%.

TOP TEN (10) SHAREHOLDERS

SHAREHOLDERS	NUMBER OF UNITS	SHAREHOLDING %
Bioprist Holdings Inc.	1,042,858,249	78.26%
Sunand Gogineni	44,903,438	3.37%
GK Investments Limited	40,733,813	3.06%
Venugopal Naidu Kuntamukkala	23,171,070	1.74%
VM Wealth Equity Fund	13,695,613	1.03%
SAGICOR Select Fund Limited (Class C Shares) Manufacturing & Distribution	10,688,828	0.80%
GK General Insurance Company Limited	7,439,961	0.56%
E Penny Barron	7,192,281	0.54%
JCSD Trustee Services Limited A/C Barita Unit Trust Capital Growth Fund	5,967,082	0.45%
Jason Carby	5,700,000	0.43%
TOTAL	1,202,350,335	90.23%
Other Minority Shareholders	130,186,314	9.77%
TOTAL ISSUED SHARES	1,332,536,649	100%

SHAREHOLDINGS OF DIRECTORS

DIRECTORS	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
Dr. Guna S. Muppuri	1,042,858,249	-	1,042,858,249
Mrs. Vishnu Muppuri	1,042,858,249	-	1,042,858,249
Prof. Trevor McCartney	200,000	200,000	-
Mr. Kevin Donaldson	660,801	660,801	-
Mr. Lissant Mitchell	NIL	-	-
Dev Kumar Singh	NIL	-	-

COMPANY SECRETARY	TOTAL SHAREHOLDING	DIRECT	CONNECTED PARTIES
Venice Williams-Gordon	NIL	-	--

MANAGEMENT HOLDINGS

SENIOR MANAGERS / EXECUTIVES	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
Cynthia Hutchinson	NIL	-	-
Ricardo Stephenson	101,000	101,000	-
Sabrina Serrant	65,000	65,000	-
Ebany Gayle	77,900	77,900	-
Dwight Brown	50,000	50,000	-