



Macter International Limited



HALF YEARLY REPORT

DECEMBER 31
2020

WORKING TODAY
FOR A HEALTHIER TOMORROW

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COMPANY INFORMATION

BOARD OF DIRECTORS

| | | | |
|----|---------------------------|-----------------|------------------------|
| 1. | Mr. Amanullah Kassim | Chairman | Independent Director |
| 2. | Mr. Asif Misbah | Chief Executive | Executive Director |
| 3. | Mr. Swaleh Misbah Khan | | Executive Director |
| 4. | Sheikh Muhammed Waseem | | Non-Executive Director |
| 5. | Syed Anis Ahmad Shah | | Independent Director |
| 6. | Mr. Sohaib Umar | | Independent Director |
| 7. | Mr. Tariq Wajid | | Independent Director |
| 8. | Ms. Masarrat Misbah | | Non-Executive Director |
| 9. | Mr. Muhammad Yahya Chawla | | Non-Executive Director |

BOARD AUDIT COMMITTEE

| | | |
|----|------------------------|----------|
| 1. | Syed Anis Ahmad Shah | Chairman |
| 2. | Sheikh Muhammed Waseem | Member |
| 3. | Mr. Sohaib Umar | Member |
| 4. | Mr. Swaleh Misbah Khan | Member |

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

| | | |
|----|---------------------------|----------|
| 1. | Mr. Tariq Wajid | Chairman |
| 2. | Mr. Asif Misbah | Member |
| 3. | Mr. Muhammad Yahya Chawla | Member |

CHIEF FINANCIAL OFFICER

Syed Khalid Noor

COMPANY SECRETARY

Mr. Asif Javed

INTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

EXTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

SHARIAH ADVISOR

Mufti Muhammad Najeeb Khan

BANKERS

Al Baraka (Pakistan) Limited
Bank Al Habib Limited - Islamic Banking Branch
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited - Islamic Banking Branch
Habib Metropolitan Bank Pakistan Limited - Islamic Banking Branch
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited

SHARE REGISTRAR

F.D. Registrar Services (Pvt) Limited
17th Floor, Saima Trade Tower-A
I. I. Chundrigar Road, Karachi
Telephone: +92 21 32271905-6
Fax: +92 21 32621233
Email: fdregistrar@yahoo.com

REGISTERED OFFICE

F-216, SITE, Karachi - 75700
Telephone: +92 21 32591000 / +92 21 32575311-14 (4 Lines)
Fax: +92 21 32564236
Email: info@macter.com

WEBSITE

www.macter.com

DIRECTORS' REVIEW REPORT

We are pleased to present the un-audited un-consolidated and consolidated condensed interim financial statements for the half year ended December 31, 2020:

FINANCIAL RESULTS

Rupees Millions

| DESCRIPTION | July - December | | | |
|----------------------------|-----------------|---------|--------------|---------|
| | Unconsolidated | | Consolidated | |
| | 2020 | 2019 | 2020 | 2019 |
| Turnover - Net | 2,540.5 | 2,529.4 | 2,652.7 | 2,629.1 |
| Gross profit | 1,010.6 | 995.8 | 1,061.9 | 1,051.2 |
| Operating Profit | 187.7 | 55.1 | 169.7 | 33.1 |
| Profit / (Loss) before tax | 114.2 | (55.0) | 91.3 | (81.9) |
| Profit / (Loss) after tax | 74.5 | (83.7) | 47.9 | (114.7) |

FINANCIAL PERFORMANCE

During the period under review, company's prescription sales remained affected due to the COVID-19 pandemic. Patient flow in clinics and hospitals have improved, however, they remain lower versus last year.

Our medical representatives' doctor visits have resumed with strict compliance to SOPs as prescribed by the government to ensure safety of our people, doctors, medical staff and patients. However all large scale meetings and events are still on hold.

Net Sales in prescription sales were flat on account of Covid-19, however sales in Quarter 2 reflected a positive uptake over Quarter 1. Our public tender business grew strongly in Quarter 1 due to carry over/ additional orders from DG Health (Punjab) Tender of financial year 2019-20.

All Profit indicators showed strong improvement through margin improvement and optimizing our Selling and Distribution expenses. Increase in manufacturing unit volumes on account of tender business helped overhead absorption.

EARNINGS PER SHARE

Earnings per share as per unconsolidated financial statements of the Company during July-December was Rupees 1.90 (2019: loss per share of Rupees 2.14).

DIVIDEND

The board of directors have recommended an interim cash dividend of 19% for the period ended December 31, 2020.

FUTURE OUTLOOK

Our outlook for second half is positive. We expect prescription sales to pick up with normalization of patient flow as the intensity of the second wave of Covid 19 reduces. Annual inflation linked price increase and improved operational efficiencies are expected to support financial performance. A resurgence or spike in Covid 19 infections remains a significant external risk.

ACKNOWLEDGEMENTS

We appreciate Government and State Bank of Pakistan for extension in policy relief measures to support industries and businesses. These measure will help economy and industry to return to growth.

The Board of Directors appreciates the commitment, dedication, and devotion of our employees ensuring uninterrupted supply of lifesaving medicine to the patients.

We also acknowledge the support and cooperation received from our valued shareholders, customers, distributors, suppliers, financial institutions and regulatory authorities in these challenging times.

All praise and gratitude to Allah SWT for His continued blessings.

ON BEHALF OF THE BOARD



ASIF MISBAH
Chief Executive

Karachi
January 30, 2021



MUHAMMAD YAHYA CHAWLA
Director

مستقبل کا جائزہ

دوسری ششماہی کے لیے ہمارا نقطہ نظر مثبت ہے۔ ہم توقع کرتے ہیں کہ مریضوں کی آمدورفت معمول پر آتے ہی بذریعہ نسخہ فروخت اوپر اٹھے گی کیونکہ COVID-19 کی دوسری لہر کی شدت میں کمی واقع ہو رہی ہے۔ سالانہ افراط زر سے منسلک قیمتوں میں اضافہ اور آپریشنل قابلیت میں بہتری کی وجہ سے مالیاتی کارکردگی کو سہارا ملنے کی توقع کی جاتی ہے۔ COVID-19 انفیکشن کے دوبارہ سے پھیلنا یا اضافہ کا بیرونی خطرہ بدستور باقی ہے۔

اعتراف


صنعتوں اور کاروباری اداروں کی مدد کے لئے ہم حکومت اور اسٹیٹ بینک آف پاکستان کی امدادی اقدامات پالیسی میں توسیع پر تعریف کرتے ہیں۔ ان اقدامات سے معیشت اور صنعت کو ترقی کی طرف واپسی میں مدد ملے گی۔

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کو ان کے عزم، لگن اور قربانی پر خراج تحسین پیش کرتا ہے جنہوں نے مریضوں کی زندگی بچانے والی دوا کی بلا قطل فراہمی کو یقینی بنایا۔

ہم اپنے قابل قدر شیئر ہولڈرز، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز کی اس مشکل وقت میں حمایت اور تعاون کا بھی اعتراف کرتے ہیں۔

اللہ سبحانہ و تعالیٰ کے مسلسل فضل و کرم پر تمام تر تعریفیات اور شکریہ اُسی کے لیے ہے۔

منجانب بورڈ


محمد یحییٰ چاولہ
ڈائریکٹر


آصف مصباح
چیف ایگزیکٹو

کراچی

تاریخ: 30 جنوری، 2021

ڈائریکٹرز جائزہ رپورٹ

ہم 31 دسمبر، 2020ء کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مختصر غیر مدغم شدہ اور مدغم شدہ مالیاتی عبوری معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

| جولائی - دسمبر | | | | مندرجات |
|----------------|---------|--------------|---------|-----------------------------|
| مدغم شدہ | | غیر مدغم شدہ | | |
| 2019 | 2020 | 2019 | 2020 | |
| 2,629.1 | 2,652.7 | 2,529.4 | 2,540.5 | فروخت خالص |
| 1,051.2 | 1,061.9 | 995.8 | 1,010.6 | خام منافع |
| 33.1 | 169.7 | 55.1 | 187.7 | آپریٹنگ منافع |
| (81.9) | 91.3 | (55.0) | 114.2 | قبل از ٹیکس (خسارہ) / منافع |
| (114.7) | 47.9 | (83.7) | 74.5 | بعد از ٹیکس (خسارہ) / منافع |

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، COVID-19 وباء کی وجہ سے کمپنی کی بذریعہ نسخہ فروخت متاثر رہی۔ کلائنکس اور ہسپتالوں میں مریضوں کی آمدورفت اگرچہ بہتر ہوئی ہے تاہم یہ گزشتہ سال کے مقابلے میں کم رہی ہے۔

حکومت کی جانب سے لوگوں، ڈاکٹرز، طبی عملے اور مریضوں کی حفاظت کو یقینی بنانے کے لیے تجویز کردہ SOPs کی سخت تعمیل کے ساتھ ہمارے طبی نمائندوں کے ڈاکٹرز کے دورے دوبارہ بحال ہو گئے ہیں۔ تاہم بڑے پیمانے پر ملاقاتیں اور تقریبات ابھی تک معرض التوا ہیں۔

خالص فروخت میں بذریعہ نسخہ فروخت COVID-19 کی وجہ سے مندی کا شکار رہی، تاہم دوسری سہ ماہی میں فروخت پہلی سہ ماہی کے مقابلے میں ایک مثبت بڑھوتری کی عکاسی کرتی ہے۔ ڈی جی ہیلتھ (پنجاب) کے مالی سال 2019-20 کے ٹینڈر سے نئے اندراج / اضافی آرڈر ملنے کی وجہ سے پہلی سہ ماہی میں ہمارے پبلک ٹینڈر کاروبار میں مضبوط اضافہ ہوا۔

منافع کے تمام اشارے مجموعی نفع میں بہتری اور ہماری فروخت اور تقسیم کے اخراجات میں اصلاح کی وجہ سے مضبوط بہتری کو ظاہر کر رہے ہیں۔ ٹینڈر کاروبار کی وجہ سے مینوفیکچرنگ ٹکنالوجی کے حجم میں اضافے سے اوور ہیڈ اخراجات جذب ہونے میں مدد ملی ہے۔

فی حصص منافع

جولائی تا دسمبر کے دوران کمپنی کی غیر مدغم شدہ عبوری مالیاتی معلومات کے مطابق فی حصص منافع 1.90 روپے رہا (2019: فی حصص خسارہ 2.14 روپے)۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2020ء کو ختم ہونے والی مدت کے لئے 19 فیصد کے عبوری کیش ڈیویڈنڈ کی سفارش کی ہے۔



EY Ford Rhodes
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF MACTER INTERNATIONAL LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Macter International Limited** (the Company) as at **31 December 2020**, and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated 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 unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income and the notes forming part thereof for the three-months period ended 31 December 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2020.

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 unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with 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 Mr. Shaikh Ahmed Salman.

Chartered Accountants

Place: Karachi

Date: 04 February 2021

**UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
HALF YEAR ENDED
DECEMBER 31, 2020**

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

| | | DECEMBER 31, 2020 | JUNE 30, 2020 |
|---|------|------------------------------|------------------|
| | NOTE | (RUPEES IN '000) | |
| ASSETS | | UN-AUDITED | AUDITED |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,318,757 | 1,332,885 |
| Intangible assets | | 5,125 | 6,343 |
| Long-term investment | 6 | 200,000 | 200,000 |
| Long-term loans | | 2,312 | 2,065 |
| Long-term deposits | | 81,204 | 81,016 |
| Deferred tax asset | | 44,370 | 46,665 |
| | | 1,651,768 | 1,668,974 |
| CURRENT ASSETS | | | |
| Stores and spares | | 6,116 | 3,767 |
| Stock-in-trade | 7 | 1,181,625 | 1,038,064 |
| Trade debts | 8 | 692,871 | 762,635 |
| Loans and advances | | 122,340 | 88,243 |
| Trade deposits, prepayments and other receivables | | 110,865 | 97,305 |
| Taxation - net | | 114,561 | 168,958 |
| Cash and bank balances | 9 | 208,624 | 129,745 |
| | | 2,437,002 | 2,288,717 |
| TOTAL ASSETS | | 4,088,770 | 3,957,691 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | 391,444 | 391,444 |
| Reserves | | 850,795 | 776,274 |
| | | 1,242,239 | 1,167,718 |
| NON-CURRENT LIABILITIES | | | |
| Deferred liabilities | | 204,739 | 203,128 |
| Long-term financing | 10 | 541,153 | 544,357 |
| Long-term provision | 11 | 71,545 | - |
| Lease liabilities | | 31,326 | 35,081 |
| | | 848,763 | 782,566 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 790,525 | 979,457 |
| Accrued profit | | 20,623 | 26,975 |
| Short-term borrowings | 13 | 872,750 | 883,472 |
| Current portion of long-term financing | 10 | 288,921 | 94,401 |
| Current portion of lease liabilities | | 24,681 | 22,834 |
| Unclaimed dividend | | 268 | 268 |
| | | 1,997,768 | 2,007,407 |
| CONTINGENCIES AND COMMITMENTS | 14 | | |
| TOTAL EQUITY AND LIABILITIES | | 4,088,770 | 3,957,691 |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE


 DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | HALF YEAR ENDED | | QUARTER ENDED | |
|--|----------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| NOTE | (RUPEES IN '000) | | | |
| Turnover | 2,540,506 | 2,529,423 | 1,221,288 | 1,396,642 |
| Cost of sales | (1,529,927) | (1,533,605) | (704,247) | (824,731) |
| Gross profit | 1,010,579 | 995,818 | 517,041 | 571,911 |
| Distribution costs | (697,818) | (832,444) | (356,096) | (471,512) |
| Administrative expenses | (122,708) | (111,820) | (57,523) | (54,637) |
| Other expenses | (9,705) | - | (5,558) | - |
| Other income | 7,386 | 3,504 | 2,930 | 3,203 |
| | (822,845) | (940,760) | (416,247) | (522,946) |
| Operating profit | 187,734 | 55,058 | 100,794 | 48,965 |
| Financial charges 10.5 & 13.2 | (73,502) | (110,054) | (35,367) | (64,872) |
| Profit / (loss) before taxation | 114,232 | (54,996) | 65,427 | (15,907) |
| Taxation 15 | (39,711) | (28,698) | (20,194) | (15,761) |
| Net profit / (loss) for the period | 74,521 | (83,694) | 45,233 | (31,668) |
| | (RUPEES) | | | |
| Basic and diluted earnings / (loss) per share | 1.90 | (2.14) | 1.16 | (0.81) |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | HALF YEAR ENDED | | QUARTER ENDED | |
|---|------------------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | (RUPEES IN '000) | | | |
| Net profit / (loss) for the period | 74,521 | (83,694) | 45,233 | (31,668) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income / (loss) for the period | 74,521 | (83,694) | 45,233 | (31,668) |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED DECEMBER 31, 2020

| | NOTE | HALF YEAR ENDED | |
|---|------|------------------------------|-------------------|
| | | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | | (RUPEES IN '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit / (loss) before taxation | | 114,232 | (54,996) |
| Adjustments for non-cash and other items: | | | |
| Depreciation on: | | | |
| - Right of use assets | | 11,631 | 11,631 |
| - Others | | 52,379 | 48,919 |
| Amortization | | 1,530 | 1,679 |
| Financial charges on: | | | |
| - Lease liability | | 4,017 | 5,340 |
| - Others | | 69,485 | 104,714 |
| Provision for gratuity | | 9,490 | 12,974 |
| Gain on sale of operating fixed assets | | (3,801) | (2,457) |
| Provision for slow moving and obsolete stock-in-trade | | 20,664 | 17,145 |
| Allowance for expected credit loss | | 10,679 | 16,206 |
| Provision for Gas Infrastructure Development Cess - net | | (11,247) | 7,869 |
| | | 164,827 | 224,020 |
| | | 279,059 | 169,024 |
| (Increase) / decrease in current assets | | | |
| Stores and spares | | (2,349) | (1,002) |
| Stock-in-trade | | (164,225) | (194,150) |
| Trade debts | | 59,085 | (77,897) |
| Loans and advances | | (34,097) | (69,118) |
| Trade deposits, prepayments and other receivables | | (13,560) | (21,895) |
| | | (155,146) | (364,062) |
| (Decrease) / increase in current liabilities | | | |
| Trade and other payables | | (177,685) | 190,272 |
| | | (53,772) | (4,766) |
| Financial charges paid | | (75,837) | (91,174) |
| Income tax refunded - net | | 16,980 | (62,829) |
| Gratuity paid | | (7,880) | (13,028) |
| Long-term loans - net | | (247) | 67 |
| Provision for Gas Infrastructure Development Cess | | 71,545 | - |
| Long-term deposits - net | | (188) | (2,020) |
| Deferred liabilities - net | | 1 | 306 |
| | | 4,374 | (168,678) |
| Net cash used in operating activities | | (49,398) | (173,444) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to property plant and equipment - net | | (53,525) | (102,580) |
| Proceeds from disposal of operating fixed assets | | 7,444 | 5,480 |
| Additions to intangible assets | | (311) | - |
| Investment made | | - | (100,000) |
| Net cash used in investing activities | | (46,392) | (197,100) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | - | (35,230) |
| Short-term borrowings - net | | (10,722) | 310,915 |
| Long-term financing - net | | 191,316 | 83,307 |
| Lease rentals paid | | (5,925) | (12,787) |
| Net cash generated from financing activities | | 174,669 | 346,205 |
| Net increase / (decrease) in cash and cash equivalents | | 78,879 | (24,339) |
| Cash and cash equivalents at the beginning of the period | | 129,745 | 142,578 |
| Cash and cash equivalents at the end of the period | 9 | 208,624 | 118,239 |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | Issued, Subscribed And Paid-up Capital | Capital Reserves | Reserves Reserves Unappropriated Profit | Sub-total | Total |
|--|---|-----------------------|---|-----------------------|-------------------------|
| (RUPEES IN '000) | | | | | |
| Balance as at July 01, 2019 | 391,444 | 217,808 | 584,694 | 802,502 | 1,193,946 |
| Net loss for the period | - | - | (83,694) | (83,694) | (83,694) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (83,694) | (83,694) | (83,694) |
| Final cash dividend @ Rs. 0.90 per share for the year ended June 30, 2019 | - | - | (35,230) | (35,230) | (35,230) |
| Balance as at December 31, 2019 | <u>391,444</u> | <u>217,808</u> | <u>465,770</u> | <u>683,578</u> | <u>1,075,022</u> |
| Balance as at July 01, 2020 | 391,444 | 217,808 | 558,466 | 776,274 | 1,167,718 |
| Net profit for the period | - | - | 74,521 | 74,521 | 74,521 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | 74,521 | 74,521 | 74,521 |
| Balance as at December 31, 2020 | <u>391,444</u> | <u>217,808</u> | <u>632,987</u> | <u>850,795</u> | <u>1,242,239</u> |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE PERIOD ENDED DECEMBER 31, 2020

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company and was converted into a public limited company in 2011. Effective from August 01, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The geographical location of the registered office of the Company is F-216, S.I.T.E., Karachi.
- 1.2** The principal activity of the Company is to manufacture and market pharmaceutical products.
- 1.3** These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the company 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:

- Provisions of and directives issued under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Act; and
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Act.

Where the provisions of and directives issued under the Act or IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act or IFAS have been followed.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2020.

These unconsolidated condensed interim financial statements are unaudited, but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they have reviewed the cumulative figures for the six months ended December 31, 2020 and December 31, 2019.

2.2 Adoption of amendments and framework effective during the period

The Company has adopted the following amendments of IFRSs and the framework for financial reporting which became effective for the current period:

Amendments and framework:

IFRS 3 - Definition of a Business (amendments);
 IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (amendments);
 IAS 1 / IAS 8 - Definition of Material (amendments);
 IFRS 16 - COVID 19 Related Rent Concessions (amendments); and
 The Conceptual Framework for Financial Reporting issued on March 29, 2018

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above amendments and framework did not have any effect on the unconsolidated condensed interim financial statements.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's unconsolidated annual audited financial statements for the year ended June 30, 2020.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements is in conformity with the approved accounting standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates and assumptions.

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2020.

| | | DECEMBER 31, 2020 | JUNE 30, 2020 |
|---|------|------------------------------|------------------|
| | NOTE | (RUPEES IN '000) | |
| | | UN-AUDITED | AUDITED |
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 1,253,015 | 1,246,670 |
| Right-of-use assets | | 48,094 | 59,725 |
| Capital work-in-progress | 5.2 | 17,648 | 26,490 |
| | | <u>1,318,757</u> | <u>1,332,885</u> |

5.1 Detail of additions (excluding transfers from capital work-in-progress) and deletions to operating fixed assets are as follow:

| | ADDITIONS (COST) | | DELETIONS (NET BOOK VALUE) | |
|-----------------------------|------------------------------|----------------------|----------------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | (UN-AUDITED) | | | |
| | (RUPEES IN '000) | | | |
| Buildings on leasehold land | 176 | 50 | - | - |
| Plant and machinery | 25,588 | 15,856 | 245 | 2,414 |
| Tools and equipment | 16,300 | 8,677 | - | - |
| Gas and other installation | 9,337 | 19,437 | - | 53 |
| Furniture and fixtures | - | 1,813 | - | - |
| Office equipment | 1,067 | 1,400 | - | - |
| Computer equipment | 670 | 1,293 | 80 | - |
| Motor vehicles | 2,274 | 35,503 | 3,318 | 556 |
| | 55,412 | 84,029 | 3,643 | 3,023 |

5.2 Capital work-in-progress

| | DECEMBER 31, 2020 | | |
|---|----------------------------------|---------------------------|----------|
| | BUILDING ON LEASEHOLD LAND | PLANT AND MACHINERY | TOTAL |
| | (UN-AUDITED) | | |
| | (RUPEES IN '000) | | |
| Balance at beginning of the period | 7,006 | 19,484 | 26,490 |
| Capital expenditure incurred / advances made | 81 | 9,266 | 9,347 |
| Adjustments (note 5.2.1) | - | (11,234) | (11,234) |
| Transferred to operating fixed assets | - | (6,955) | (6,955) |
| Balance at end of the period | 7,087 | 10,561 | 17,648 |

5.2.1 Represents reimbursement of advances against the purchase of plant and machinery by an Islamic bank. The Islamic bank has provided the said assets to the Company under Ijarah arrangement.

| | NOTE | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|--|------|--|--|
| | | UN-AUDITED | AUDITED |
| 6. LONG-TERM INVESTMENT | | | |
| Investment in subsidiary - at cost | | | |
| Misbah Cosmetics (Private) Limited | | | |
| 20,000,000 (June 30, 2020: 20,000,000) ordinary shares | | | |
| representing 72.53% (June 30, 2020: 72.53%) voting shares | | <u>200,000</u> | <u>200,000</u> |
| 7. STOCK-IN-TRADE | | | |
| In hand: | | | |
| - raw material | | 501,516 | 472,026 |
| - packing material | | 209,519 | 235,025 |
| - work-in-process | | 118,696 | 72,265 |
| - finished goods | | 407,834 | 296,322 |
| | | <u>1,237,565</u> | <u>1,075,638</u> |
| Less: Provision for slow moving and | | | |
| obsolete stock-in-trade | 7.1 | (58,918) | (39,878) |
| | | <u>1,178,647</u> | <u>1,035,760</u> |
| In transit | | 2,978 | 2,304 |
| | | <u>1,181,625</u> | <u>1,038,064</u> |
| 7.1 Provision for slow moving and obsolete stock-in-trade | | | |
| Balance at the beginning of the period / year | | 39,878 | 27,376 |
| Charge for the period / year | | 20,664 | 25,817 |
| Write off during the period / year | | (1,624) | (13,315) |
| Balance at the end of the period / year | | <u>58,918</u> | <u>39,878</u> |
| 8. TRADE DEBTS - unsecured | | | |
| Considered good | | 692,871 | 762,635 |
| Considered doubtful | | 92,445 | 81,765 |
| | | <u>785,316</u> | <u>844,400</u> |
| Allowance for expected credit loss | 8.1 | (92,445) | (81,765) |
| Trade debts - net | | <u>692,871</u> | <u>762,635</u> |

| | NOTE | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|--|--|--|--|
| | | UN-AUDITED | AUDITED |
| 8.1 Allowance for expected credit loss | | | |
| The movement in expected credit loss during the period / year is as follows: | | | |
| Balance at beginning of the period / year | | 81,765 | 63,269 |
| Provision recognised during the period / year | | 10,680 | 20,999 |
| Write offs during the period / year | | - | (2,503) |
| | | 10,680 | 18,496 |
| Balance at end of the period / year | | 92,445 | 81,765 |
| 9. CASH AND BANK BALANCES | | | |
| Cash in hand | | 7 | - |
| Bank balances in: | | | |
| - current accounts | | 22,652 | 46,740 |
| - dividend account | | 268 | 268 |
| - saving accounts | 9.1 | 185,697 | 82,737 |
| | | 208,617 | 129,745 |
| | | 208,624 | 129,745 |
| 9.1 | These carry profit at the rates ranging from 2.83% to 3.43% (June 30, 2020: 3.54% to 7.55%) per annum. | | |
| | | | |
| | | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
| | NOTE | UN-AUDITED | AUDITED |
| 10. LONG-TERM FINANCING - secured | | | |
| Secured | | | |
| Diminishing musharakah on: | | | |
| - leasehold land | 10.1 | 152,500 | 152,500 |
| - plant and machinery | 10.2 | 238,905 | 217,681 |
| - vehicles | 10.3 | 93,177 | 97,221 |
| - salaries and wages | 10.4 | 345,492 | 171,356 |
| | | 830,074 | 638,758 |
| Less: Current maturity shown under current liabilities | | (288,921) | (94,401) |
| | | 541,153 | 544,357 |

- 10.1** These facilities have been obtained from Meezan Bank Limited for different leasehold lands which carry profit at the rate of 6 Months KIBOR plus 1.25% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.25% to 1.50%) per annum and having maturity till May 2025 (June 30, 2020: May 2025). These facilities are secured against the respective assets.
- 10.2** These facilities have been obtained from First Habib Modaraba, Dubai Islamic Bank and MCB Islamic Bank for different machineries which carry profit at the rates of 1 Month, 3 Months and 6 Months KIBOR plus 1.00% to 2.00% (June 30, 2020: 6 Months KIBOR plus 1.25% to 2.00%) per annum and having maturity latest by September 2025 (June 30, 2020: March 2025). These facilities are secured against the respective assets.
- 10.3** These facilities have been obtained from First Habib Modaraba and Albaraka Bank (Pakistan) Limited. These carry profit at the rates of 6 Months KIBOR plus 1.00% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.00% to 1.40%) per annum and having maturity latest by January 2026 (June 30, 2020: January 2026). These facilities are secured against the respective assets.
- 10.4** Represents financing obtained under Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its IH&SMEFD Circular No. 07 dated April 10, 2020. During the period, the Company made further draw down of Rs. 180 million against SBP's circular letter No. 14 dated June 30, 2020 which extended the aforesaid relief package for a further period of three months. These facilities carries profit at the subsidised rate of 3% and is repayable latest by December 2022. The differential profit has been recognised as government grant which will be amortised over the period of the facility. The facility is secured through an existing equitable mortgage charge over the properties of the Company namely; E-40/A S.I.T.E., F-216 S.I.T.E., Karachi and Neiclass No. 158 of of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.
- 10.5** Financial charges on long-term financing for the period ended December 31, 2020 is Rs. 25.22 million (December 31, 2019: Rs. 32.44 million).

11. LONG-TERM PROVISION

Represents Gas Infrastructure Development Cess (GIDC) against which the Honourable Supreme Court of Pakistan in its order dated August 13, 2020 held that the same is constitutional. Subsequent to the order, the SSGC issued GIDC bill under which the total amount would be recovered in forty eight equal monthly installments.

The above demand of the SSGC was not acknowledged as liability by the Company and it filed an appeal before the Honourable High Court of Sindh (the Court) on the grounds that no burden of GIDC had been passed to its customers and thus the Company is not liable to pay GIDC under GIDC Act 2015. Based on the above appeal, the Court was pleased to grant stay vide order dated September 29, 2020 against the demand raised by the SSGC and restrained them from take any coercive action.

However, as a matter of abundant caution and without prejudice to the suit filed, the Company has made aggregate provision of Rs. 85.65 million for GIDC in the financial statements.

| | | DECEMBER 31, 2020 | JUNE 30, 2020 |
|---|------|------------------------------|------------------------------|
| | NOTE | (RUPEES IN '000) | (RUPEES IN '000) |
| | | UN-AUDITED | AUDITED |
| 12. TRADE AND OTHER PAYABLES | | | |
| Trade and other creditors | | 545,002 | 610,296 |
| Advances from customers - contract liabilities | | 101,682 | 131,453 |
| Accrued liabilities | | 57,420 | 88,579 |
| Provision for Gas Infrastructure Development Cess | | - | 82,792 |
| Sindh Workers' Profit Participation Fund | | 6,197 | 3,392 |
| Workers' Welfare Fund | | 25,368 | 23,014 |
| Central Research Fund | | 1,153 | 632 |
| Payable to provident fund | | 2,834 | 3,319 |
| Current portion of Government Grant | | 14,854 | 8,722 |
| Ijarah rentals payable | | 10,488 | 9,426 |
| Auditors' remuneration | | 1,937 | 2,406 |
| Other government levies | | 10,989 | 7,650 |
| Others | | 12,601 | 7,776 |
| | | 790,525 | 979,457 |

13. SHORT-TERM BORROWINGS - secured

| | | | |
|----------------------------|------|----------------|----------------|
| Istisna'a | | - | 45,284 |
| Musharakah running finance | | - | 200,000 |
| Murabaha | 13.1 | 872,750 | 638,188 |
| | | 872,750 | 883,472 |

13.1 This represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of stock-in-trade. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.00% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.00% to 1.50%) per annum and having maturity latest by June 2021 (June 30, 2020: December 2020). These are secured against hypothecation of stock-in-trade and trade debts of the Company.

13.2 Financial charges on short-term borrowings for the period ended December 31, 2020 is Rs. 43.24 million (December 31, 2019: Rs. 71.52 million).

| | DECEMBER 31, 2020 | JUNE 30, 2020 |
|--|------------------------------|------------------------------|
| | (RUPEES IN '000) | (RUPEES IN '000) |
| | UN-AUDITED | AUDITED |

14. CONTINGENCIES AND COMMITMENTS**14.1 Contingencies**

| | | |
|---|-------|-------|
| 14.1.1 Claims not acknowledged as debt by the Company | 6,801 | 9,530 |
|---|-------|-------|

14.1.2 There is no material change in the status of contingencies as disclosed in note 22.1 to the annual audited financial statements for the year ended June 30, 2020.

14.2 Commitments

| | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|----------------------------------|--|--|
| | UN-AUDITED | AUDITED |
| Capital commitments | 34,066 | 22,174 |
| Outstanding letters of credit | 21,423 | 143,613 |
| Outstanding letters of guarantee | 124,955 | 115,231 |

Commitments for ljarah rentals in respect of plant and machinery, motor vehicles and equipment are as follows:

| | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|------|--|--|
| | UN-AUDITED | AUDITED |
| Year | | |
| 2021 | 28,509 | 81,402 |
| 2022 | 91,555 | 73,073 |
| 2023 | 66,214 | 33,188 |
| 2024 | 17,649 | 14,769 |
| 2025 | 9,412 | 7,863 |
| | 213,339 | 210,295 |

15. TAXATION

| | HALF YEAR ENDED | | QUARTER ENDED | |
|----------|------------------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | (RUPEES IN '000) | | | |
| | (UN-AUDITED) | | | |
| Current | 40,408 | 37,442 | 19,633 | 22,255 |
| Prior | (2,991) | - | (2,991) | - |
| Deferred | 2,294 | (8,744) | 3,552 | (6,494) |
| | 39,711 | 28,698 | 20,194 | 15,761 |

16. TRANSCATIONS WITH RELATED PARTIES

Related parties of the Company comprise of the subsidiary company, employee benefit fund, directors and key management personnel. Details of transactions with related parties during the period are as follows:

| | | HALF YEAR ENDED | |
|--------------------------|---|------------------------------|-------------------|
| | | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | | (RUPEES IN '000) | |
| | | (UN-AUDITED) | |
| Relationship | Nature of transaction | | |
| Subsidiary | Investment made | - | 100,000 |
| | Expenses incurred and reimbursement thereon | - | 1,084 |
| Provident Fund | Contribution made | 20,517 | 19,269 |
| Non-executives directors | Fee for attending meetings | 875 | 382 |
| Key management personnel | Salary and other benefits | 79,861 | 81,557 |
| | Dividend | - | 23,002 |

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2020. There has been no change in any risk management policies since the year-end.

18. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on January 30, 2021, by the Board of Directors of the Company.

19. GENERAL AND NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE**19.1 General**

19.1.1 Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report.

19.1.2 All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

19.2 Non-adjusting event after balance sheet date

The Board of Directors in their meeting held on January 30, 2021 declared interim cash dividend amounting to Rs. 1.9 per share.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
HALF YEAR ENDED
DECEMBER 31, 2020**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

| | | DECEMBER 31, 2020 | JUNE 30, 2020 |
|---|------|------------------------------|------------------|
| | NOTE | (RUPEES IN '000) | |
| ASSETS | | UN-AUDITED | AUDITED |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 1,334,949 | 1,349,992 |
| Intangible assets | | 57,803 | 60,410 |
| Long-term loans | | 2,312 | 2,065 |
| Long-term deposits | | 82,682 | 82,494 |
| Deferred tax asset | | 44,370 | 46,665 |
| | | 1,522,116 | 1,541,626 |
| CURRENT ASSETS | | | |
| Stores and spares | | 6,116 | 3,767 |
| Stock-in-trade | 6 | 1,238,322 | 1,101,269 |
| Trade debts | 7 | 734,596 | 785,142 |
| Loans and advances | | 127,529 | 91,270 |
| Trade deposits, prepayments and other receivables | | 116,346 | 106,759 |
| Taxation-net | | 114,561 | 168,958 |
| Cash and bank balances | 8 | 237,949 | 139,056 |
| | | 2,575,419 | 2,396,221 |
| TOTAL ASSETS | | 4,097,535 | 3,937,847 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | 391,444 | 391,444 |
| Reserves | | 721,991 | 667,144 |
| | | 1,113,435 | 1,058,588 |
| Non controlling interest | | 7,017 | 13,956 |
| | | 1,120,452 | 1,072,544 |
| NON-CURRENT LIABILITIES | | | |
| Deferred liabilities | | 204,739 | 203,128 |
| Long-term financing | 9 | 591,197 | 596,243 |
| Long-term provision | 10 | 71,545 | - |
| Lease liabilities | | 31,326 | 35,081 |
| | | 898,807 | 834,452 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 808,714 | 990,959 |
| Accrued profit | | 21,918 | 27,474 |
| Short-term borrowings | 12 | 930,090 | 891,231 |
| Current portion of long-term financing | 9 | 292,605 | 98,085 |
| Current portion of lease liabilities | | 24,681 | 22,834 |
| Unclaimed dividend | | 268 | 268 |
| | | 2,078,276 | 2,030,851 |
| CONTINGENCIES AND COMMITMENTS | 13 | | |
| TOTAL EQUITY AND LIABILITIES | | 4,097,535 | 3,937,847 |

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | HALF YEAR ENDED | | QUARTER ENDED | |
|--|----------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| NOTE | (RUPEES IN '000) | | | |
| Turnover | 2,652,670 | 2,629,073 | 1,288,185 | 1,468,267 |
| Cost of sales | (1,591,747) | (1,577,867) | (743,082) | (856,846) |
| Gross profit | 1,060,923 | 1,051,206 | 545,103 | 611,421 |
| Distribution costs | (761,938) | (907,484) | (391,435) | (510,950) |
| Administrative expenses | (126,952) | (114,077) | (58,423) | (55,496) |
| Other expenses | (9,705) | - | (5,558) | - |
| Other income | 7,386 | 3,504 | 2,930 | 3,203 |
| | (891,209) | (1,018,057) | (452,486) | (563,243) |
| Operating profit | 169,714 | 33,149 | 92,617 | 48,178 |
| Financial charges 9.6 & 12.2 | (78,415) | (115,047) | (38,195) | (67,408) |
| Profit / (Loss) before taxation | 91,299 | (81,898) | 54,422 | (19,230) |
| Taxation 15 | (43,391) | (32,808) | (22,193) | (19,277) |
| Net profit / (loss) for the period | 47,908 | (114,706) | 32,229 | (38,507) |
| | (RUPEES) | | | |
| Basic and diluted earnings / (loss) per share | 1.22 | (2.93) | 0.82 | (0.98) |

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Attributable to:

| | | | | |
|------------------------------|---------------|-----------|---------------|----------|
| Owner of the Holding Company | 54,847 | (106,500) | 35,616 | (30,301) |
| Non- controlling interest | (6,939) | (8,206) | (3,387) | (8,206) |
| | 47,908 | (114,706) | 32,229 | (38,507) |



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

| | HALF YEAR ENDED | | QUARTER ENDED | |
|---|------------------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | (RUPEES IN '000) | | | |
| Net profit / (loss) for the period | 47,908 | (114,706) | 32,229 | (38,507) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income / (loss) for the period | 47,908 | (114,706) | 32,229 | (38,507) |

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Attributable to:

| | | | | |
|------------------------------|---------------|------------------|---------------|-----------------|
| Owner of the Holding Company | 54,847 | (106,500) | 35,616 | (30,301) |
| Non- controlling interest | (6,939) | (8,206) | (3,387) | (8,206) |
| | 47,908 | (114,706) | 32,229 | (38,507) |



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED DECEMBER 31, 2020

| | NOTE | HALF YEAR ENDED | |
|---|------|------------------------------|----------------------|
| | | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | | (RUPEES IN '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit / (Loss) before taxation | | 91,299 | (81,898) |
| Adjustments for non-cash and other items: | | | |
| Depreciation on: | | | |
| - Right of use assets | | 11,631 | 11,631 |
| - Others | | 53,295 | 49,831 |
| Amortization | | 2,920 | 3,064 |
| Financial charges on: | | | |
| - Lease liability | | 4,017 | 5,340 |
| - Others | | 74,398 | 109,707 |
| Provision for gratuity | | 9,490 | 12,974 |
| Gain on sale of operating fixed assets | | (3,801) | (2,457) |
| Provision for slow moving and obsolete stock-in-trade | | 26,397 | 17,145 |
| Allowance for expected credit loss | | 10,679 | 18,206 |
| Provision for Gas Infrastructure Development Cess - net | | (11,247) | 7,869 |
| | | 177,779 | 233,310 |
| | | 269,078 | 151,412 |
| (Increase) / decrease in current assets | | | |
| Stores and spares | | (2,349) | (1,002) |
| Stock-in-trade | | (163,451) | (201,141) |
| Trade debts | | 39,867 | (106,271) |
| Loans and advances | | (36,259) | (68,814) |
| Trade deposits, prepayments and other receivables | | (9,587) | (26,993) |
| | | (171,779) | (404,221) |
| (Decrease) / increase in current liabilities | | | |
| Trade and other payables | | (170,998) | 190,848 |
| | | (73,699) | (61,961) |
| Financial charges paid | | (79,954) | (97,060) |
| Income tax refunded - net | | 13,299 | (66,941) |
| Gratuity paid | | (7,880) | (13,028) |
| Long-term loans - net | | (247) | 67 |
| Provision for Gas Infrastructure Development Cess | | 71,545 | - |
| Long-term deposits - net | | (188) | (2,580) |
| Deferred liabilities - net | | 1 | 306 |
| | | (3,424) | (179,236) |
| | | (77,123) | (241,197) |
| Net cash used in operating activities | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to property, plant and equipment - net | | (53,525) | (106,007) |
| Proceeds from disposal of operating fixed assets | | 7,444 | 5,480 |
| Additions of intangible asset | | (311) | - |
| Net cash used in investing activities | | (46,392) | (100,527) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | - | (35,230) |
| Short-term borrowings - net | | 38,859 | 303,143 |
| Long-term financing - net | | 189,474 | 81,465 |
| Lease rentals paid | | (5,925) | (12,787) |
| Net cash generated from financing activities | | 222,408 | 336,591 |
| Net increase / (decrease) in cash and cash equivalents | | 98,893 | (5,133) |
| Cash and cash equivalents at the beginning of the period | | 139,056 | 144,969 |
| Cash and cash equivalents at the end of the period | 8 | 237,949 | 139,836 |

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020

| PARTICULARS | ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | RESERVES | | | NON- CONTROLLING INTEREST | TOTAL EQUITY |
|--|---|---------------------|-----------------------------|-------------------|---------------------------------|-----------------|
| | | CAPITAL RESERVES | UNAPPROP- -RIATED PROFIT | TOTAL RESERVES | | |
| | | (RUPEES IN '000) | | | | |
| Balance as at July 01, 2019 | 391,444 | 217,808 | 546,744 | 764,552 | 4,031 | 1,160,027 |
| Adjustment due to further acquisition of shares in subsidiary company | - | - | (28,804) | (28,804) | 28,804 | - |
| Issuance cost against right issue | - | - | (393) | (393) | (297) | (690) |
| Net loss for the period | - | - | (30,301) | (30,301) | (8,206) | (38,507) |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | (30,301) | (30,301) | (8,206) | (38,507) |
| Balance as at December 31, 2019 | 391,444 | 217,808 | 516,443 | 734,251 | 24,332 | 1,121,520 |
| Balance as at July 01, 2020 | 391,444 | 217,808 | 449,336 | 667,144 | 13,956 | 1,072,544 |
| Net profit for the period | - | - | 54,847 | 54,847 | (6,939) | 47,908 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | 54,847 | 54,847 | (6,939) | 47,908 |
| Balance as at December 31, 2020 | 391,444 | 217,808 | 504,183 | 721,991 | 7,017 | 1,120,452 |

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2020**

1. THE COMPANY AND ITS OPERATIONS

1.1 Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company and was converted into a public limited company in 2011. Effective from August 01, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and market pharmaceutical products. The geographical location and registered office of the Company is situated at F-216, S.I.T.E. Karachi.

1.2 Following is the Subsidiary Company

| | Effective %age of holding | |
|-----------------------------------|---|--------------------------------------|
| | DECEMBER 31, 2020 UN-AUDITED | JUNE 30, 2020 AUDITED |
| Misbah Cosmetic (Private) Limited | 72.5% | 72.5% |

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated condensed interim financial statements of the group 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:

- Provisions of and directives issued under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Act; and
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Act.

Where the provisions of and directives issued under the Act or IFAS differ with the requirements of IAS 34, the provisions of and directives issued under the Act or IFAS have been followed.

These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's consolidated annual audited financial statements for the year ended June 30, 2020.

2.2 Adoption of amendments and framework effective during the period

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

Amendments and framework:

IFRS 3 - Definition of a Business (amendments);

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (amendments);

IAS 1 / IAS 8 - Definition of Material (amendments);

IFRS 16 - COVID 19 Related Rent Concessions (amendments); and

The Conceptual Framework for Financial Reporting issued on March 29, 2018

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's consolidated condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended June 30, 2020.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated condensed interim financial statements is in conformity with the approved accounting standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates and assumptions.

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2020.

| | | DECEMBER 31, 2020 | JUNE 30, 2020 |
|---|------|------------------------------|------------------|
| | NOTE | (RUPEES IN '000) | |
| | | UN-AUDITED | AUDITED |
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 1,269,207 | 1,263,777 |
| Right-of-use asset | | 48,094 | 59,725 |
| Capital work-in-progress | 5.2 | 17,648 | 26,490 |
| | | <u>1,334,949</u> | <u>1,349,992</u> |

5.1 Detail of additions (excluding transfers from capital work-in-progress) and deletions to operating fixed assets are as follow:

| | ADDITIONS (COST) | | DELETIONS (NET BOOK VALUE) | |
|-----------------------------|------------------------------|----------------------|----------------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | (UN-AUDITED) | | | |
| | (RUPEES IN '000) | | | |
| Buildings on leasehold land | 176 | 50 | - | - |
| Plant and machinery | 25,588 | 15,856 | 245 | 2,414 |
| Tools and equipment | 16,300 | 8,677 | - | - |
| Gas and other installation | 9,337 | 19,437 | - | 53 |
| Furniture and fixture | - | 5,230 | - | - |
| Office equipment | 1,067 | 1,400 | - | - |
| Computer equipment | 670 | 1,309 | 80 | - |
| Motor vehicles | 2,274 | 35,503 | 3,318 | 556 |
| | 55,412 | 87,462 | 3,643 | 3,023 |

5.2 Capital work-in-progress

| | DECEMBER 31, 2020 | | |
|---|----------------------------------|---------------------------|----------|
| | BUILDING ON LEASEHOLD LAND | PLANT AND MACHINERY | TOTAL |
| | (UN-AUDITED) | | |
| | (RUPEES IN '000) | | |
| Balance at beginning of the period | 7,006 | 19,484 | 26,490 |
| Capital expenditure incurred / advances made | 81 | 9,266 | 9,347 |
| Adjustments (5.2.1) | - | (11,234) | (11,234) |
| Transferred to operating fixed assets | - | (6,955) | (6,955) |
| Balance at end of the period | 7,087 | 10,561 | 17,648 |

5.2.1 Represents reimbursement of advances against the purchase of plant and machinery by an Islamic bank. The Islamic bank has provided the said assets to the Company under Ijarah arrangement.

| | | DECEMBER 31, 2020 | JUNE 30, 2020 |
|--|------|------------------------------|------------------|
| | NOTE | (RUPEES IN '000) | |
| | | UN-AUDITED | AUDITED |
| 6. STOCK-IN-TRADE | | | |
| In hand | | | |
| - raw material | | 501,516 | 472,026 |
| - packing material | | 209,519 | 235,025 |
| - work-in-process | | 118,696 | 72,265 |
| - finished goods | | 458,752 | 357,075 |
| | | <u>1,288,483</u> | <u>1,136,391</u> |
| Less: Provision for slow moving and obsolete stock-in-trade | 6.1 | (69,595) | (44,822) |
| | | <u>1,218,888</u> | <u>1,091,569</u> |
| In transit | | 19,434 | 9,700 |
| | | <u>1,238,322</u> | <u>1,101,269</u> |
| 6.1 Provision for slow moving and obsolete stock-in-trade | | | |
| Balance at the beginning of the period / year | | 44,822 | 27,376 |
| Charge for the period / year | | 26,397 | 30,761 |
| Write off during the period / year | | (1,624) | (13,315) |
| Balance at the end of the period / year | | <u>69,595</u> | <u>44,822</u> |
| 7. TRADE DEBTS - unsecured | | | |
| Considered good | | 734,597 | 785,142 |
| Considered doubtful | | 101,736 | 91,056 |
| | | <u>836,333</u> | <u>876,198</u> |
| Allowance for expected credit loss | 7.1 | (101,736) | (91,056) |
| Trade debts - net | | <u>734,597</u> | <u>785,142</u> |

| | NOTE | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|---|------|--|--|
| | | UN-AUDITED | AUDITED |
| 7.1 Allowance for expected credit loss | | | |
| The movement in expected credit loss during the period / year is as follows: | | | |
| Balance at beginning of the period / year | | 91,056 | 68,415 |
| Provision recognised during the period / year | | 10,680 | 25,144 |
| Write offs during the period / year | | - | (2,503) |
| | | 10,680 | 22,641 |
| Balance at end of the period / year | | 101,736 | 91,056 |
| 8. CASH AND BANK BALANCES | | | |
| Cash in hand | | 7 | - |
| Bank balances in: | | | |
| - current accounts | | 51,977 | 56,051 |
| - dividend account | | 268 | 268 |
| - saving accounts | 8.1 | 185,697 | 82,737 |
| | | 237,942 | 139,056 |
| | | 237,949 | 139,056 |
| 8.1 These carry profit at the rates ranging from 2.83% to 3.43% (June 30, 2020: 3.54% to 7.55%) per annum. | | | |
| | NOTE | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
| | | UN-AUDITED | AUDITED |
| 9. LONG-TERM FINANCING | | | |
| Loan from related party | 9.1 | 53,728 | 55,570 |
| Secured | | | |
| Diminishing musharakah on | | | |
| - leasehold land | 9.2 | 152,500 | 152,500 |
| - plant and machinery | 9.3 | 238,905 | 217,681 |
| - vehicles | 9.4 | 93,177 | 97,221 |
| - salaries and wages | 9.5 | 345,492 | 171,356 |
| | | 883,802 | 694,328 |
| Less : Current maturity shown under current liabilities | | (292,605) | (98,085) |
| | | 591,197 | 596,243 |

- 9.1** This represents loan obtained from one of the director of the Holding Company, under mark-up arrangements. It carries profit at 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2020 which is fixed for the period as 8.73% per annum. (June 30, 2020: 90 days average of 12 months KIBOR for 3rd calendar Quarter-2019 which was fixed for the period as 12.30% per annum). The profit is payable on monthly basis.
- 9.2** These facilities have been obtained from Meezan Bank Limited. These carry mark-up at the rate of 3 to 6 Months KIBOR plus 1.25% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.25% to 1.50%) per annum and having maturity till May 2025 (June 30, 2020: May 2025). These facilities are secured against the respective assets.
- 9.3** These facilities have been obtained from First Habib Modaraba, Dubai Islamic Bank and MCB Islamic Bank. These carry mark-up at the rates of 1 Month, 3 Months and 6 Months KIBOR plus 1.00% to 2.00% (June 30, 2020: 6 Months KIBOR plus 1.25% to 2.00%) per annum and having maturity till September 2025 (June 30, 2020: March 2025). These facilities are secured against the respective assets.
- 9.4** These facilities have been obtained from First Habib Modaraba and Albaraka Bank (Pakistan) Limited. These carry mark-up at the rates of 6 Months KIBOR plus 1.00% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.00% to 1.40%) per annum and are having maturity till January 2026 (June 30, 2020: January 2026). These facilities are secured against the respective assets.
- 9.5** Represents financing obtained under Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its IH&SMEFD Circular No. 07 dated April 10, 2020. During the period, the Holding Company made further draw down of Rs. 180 million against SBP's circular letter No. 14 dated June 30, 2020 which extended the aforesaid relief package for a further period of three months. These facilities carries profit at the subsidised rate of 3% and is repayable latest by December 2022. The differential profit has been recognised as government grant which will be amortised over the period of the facility. The facility is secured through an existing equitable mortgage charge over the properties of the Company namely; E-40/A S.I.T.E., F-216 S.I.T.E., Karachi and Neclash No. 158 of of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.
- 9.6** Financial charges on long term financing for the period ended December 31, 2020 is Rs.28.662 million (December 31, 2019: Rs.36.70 million).

10. LONG-TERM PROVISION

Represents Gas Infrastructure Development Cess (GIDC) against which the Honourable Supreme Court of Pakistan in its order dated August 13, 2020 held that the same is constitutional. Subsequent to the order, the SSGC issued GIDC bill under which the total amount would be recovered in forty eight equal monthly installments.

The above demand of the SSGC was not acknowledged as liability by the Company and it filed an appeal before the Honourable High Court of Sindh (the Court) on the grounds that no burden of GIDC had been passed to its customers and thus the Company is not liable to pay GIDC under GIDC Act 2015. Based on the above appeal, the Court was pleased to grant stay vide order dated September 29, 2020 against the demand raised by the SSGC and restrained them from take any coercive action.

However, as a matter of abundant caution and without prejudice to the suit filed, the Company has made aggregate provision of Rs. 85.65 million for GIDC in the financial statements.

| | NOTE | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|---|------|--|--|
| | | UN-AUDITED | AUDITED |
| 11. TRADE AND OTHER PAYABLES | | | |
| Trade and other creditors | | 550,384 | 651,606 |
| Advances from customers - contract liabilities | | 102,104 | 131,760 |
| Accrued liabilities | | 69,205 | 57,987 |
| Provision for Gas Infrastructure Development Cess | | - | 82,792 |
| Sindh Workers' Profit Participation Fund | | 6,197 | 3,392 |
| Workers' Welfare Fund | | 25,368 | 23,014 |
| Central Research Fund | | 1,153 | 632 |
| Payable to provident fund | | 2,834 | 3,319 |
| Current portion of Government Grant | | 14,854 | 8,722 |
| Ijarah rentals payable | | 10,488 | 9,426 |
| Auditors' remuneration | | 1,937 | 2,406 |
| Other government levies | | 10,989 | 7,650 |
| Others | | 13,201 | 8,253 |
| | | 808,714 | 990,959 |

12. SHORT-TERM BORROWINGS - secured

| | | | |
|----------------------------|------|----------------|----------------|
| Istisna'a | | - | 45,284 |
| Musharakah running finance | | - | 200,000 |
| Murabaha | 12.1 | 930,090 | 645,947 |
| | | 930,090 | 891,231 |

12.1 These represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of inventory. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.00% to 2.25% (June 30, 2020: 6 Months KIBOR plus 1.00% to 2.25%) per annum and having maturity till June 2021 (June 30, 2020: December 2020). These are secured against hypothecation of stock in trade and trade debts of the Company.

12.2 Financial charges on short term borrowings for the period ended December 31, 2020 is Rs.23.15 million (December 31, 2019: Rs.72.22 million).

| | DECEMBER 31, 2020 (RUPEES IN '000) | JUNE 30, 2020 (RUPEES IN '000) |
|--|--|--|
| | UN-AUDITED | AUDITED |

13. CONTINGENCIES AND COMMITMENTS**13.1 Contingencies**

| | | |
|---|-------|-------|
| 13.1.1 Claims not acknowledged as debt by the Company | 6,801 | 9,530 |
|---|-------|-------|

13.1.2 There is no material change in the status of contingencies as disclosed in note 21.1 to the annual consolidated audited financial statements for the year ended June 30, 2020 except as mentioned above.

| | DECEMBER 31, 2020 | JUNE 30, 2020 |
|--|------------------------------|------------------------------|
| | (RUPEES IN '000) | (RUPEES IN '000) |
| | UN-AUDITED | AUDITED |

13.2 Commitments

| | | |
|----------------------------------|----------------|---------|
| Capital commitments | 34,066 | 22,174 |
| Outstanding letters of credit | 31,883 | 147,380 |
| Outstanding letters of guarantee | 124,955 | 115,231 |

Commitments for ljarah rentals in respect of plant and machinery, motor vehicles and equipment are as follows:

| | DECEMBER 31, 2020 | JUNE 30, 2020 |
|------|------------------------------|------------------------------|
| | (RUPEES IN '000) | (RUPEES IN '000) |
| | UN-AUDITED | AUDITED |
| Year | | |
| 2021 | 29,513 | 83,494 |
| 2022 | 93,563 | 75,165 |
| 2023 | 68,222 | 35,280 |
| 2024 | 18,341 | 15,252 |
| 2025 | 9,412 | 7,863 |
| | 219,051 | 217,054 |

14. OPERATING SEGMENTS

| | HOLDING COMPANY HALF YEAR ENDED | | SUBSIDIARY COMPANY HALF YEAR ENDED | | GROUP HALF YEAR ENDED | |
|----------------------------|------------------------------------|----------------------|---------------------------------------|----------------------|--------------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | (RUPEES IN '000) | | | | | |
| Turnover | 2,540,506 | 2,529,423 | 112,164 | 99,649 | 2,652,670 | 2,629,073 |
| Cost of sales | (1,529,927) | (1,533,605) | (61,820) | (44,262) | (1,591,747) | (1,577,867) |
| Gross profit | 1,010,579 | 995,818 | 50,344 | 55,387 | 1,060,923 | 1,051,206 |
| Other income | 7,386 | 3,504 | - | - | 7,386 | 3,504 |
| Distribution costs | (697,818) | (832,444) | (64,120) | (75,040) | (761,938) | (907,484) |
| Administrative expenses | (122,708) | (111,820) | (2,891) | (955) | (126,952) | (114,077) |
| Other expenses | (9,705) | - | - | - | (9,705) | - |
| Financial charges | (73,502) | (110,054) | (4,913) | (4,993) | (78,415) | (115,047) |
| Profit / (loss) before tax | 114,232 | (54,996) | (21,580) | (25,601) | 91,299 | (81,898) |

| | HOLDING COMPANY HALF YEAR ENDED | | SUBSIDIARY COMPANY HALF YEAR ENDED | | GROUP HALF YEAR ENDED | |
|------------------------------|------------------------------------|-----------------------------|---------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| | DECEMBER 31, 2020 UN-AUDITED | JUNE 30, 2020 AUDITED | DECEMBER 31, 2020 UN-AUDITED | JUNE 30, 2020 AUDITED | DECEMBER 31, 2020 UN-AUDITED | JUNE 30, 2020 AUDITED |
| (RUPEES IN '000) | | | | | | |
| Segment assets | 3,888,770 | 3,757,691 | 156,095 | 126,133 | 4,044,865 | 3,883,824 |
| Unallocated assets | - | - | - | - | 52,670 | 54,023 |
| Segment liabilities | 2,846,531 | 2,789,973 | 130,552 | 75,330 | 2,977,083 | 2,865,303 |

| | HALF YEAR ENDED | | QUARTER ENDED | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2020 | DECEMBER 31, 2019 | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| (RUPEES IN '000) | | | | |
| (UN-AUDITED) | | | | |
| 15. TAXATION | | | | |
| Current | 44,088 | 41,552 | 21,314 | 25,771 |
| Prior | (2,991) | - | (2,991) | - |
| Deferred | 2,294 | (8,744) | 3,552 | (6,494) |
| | 43,391 | 32,808 | 21,875 | 19,277 |

16. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of the subsidiary company, employee benefit fund, directors and key management personnel. Details of transactions and balances outstanding with related parties and associated undertakings are as follows:

| | | HALF YEAR ENDED | |
|--|---|------------------------------|------------------------------|
| | | DECEMBER 31, 2020 | DECEMBER 31, 2019 |
| | | (RUPEES IN '000) | (RUPEES IN '000) |
| | | (UN-AUDITED) | (UN-AUDITED) |
| Relationship | Nature of transaction | | |
| Provident Fund | Contribution | 20,517 | 19,269 |
| Non-executive director | Fee for attending meetings | 875 | 382 |
| Key management personnel | Salary and other benefits | 83,425 | 87,535 |
| | Repayment of loan | 1,842 | 1,228 |
| | Dividend | - | 23,002 |
| Depilex (Private) Limited (Common directorship) | Sales made by the Subsidiary Company | 2,319 | 2,614 |
| Balances outstanding | | | |
| Depilex (Private) Limited (Common directorship) | Amount due to the Subsidiary Company | 754 | 1,457 |

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These consolidated condensed interim financial statements does not include all financial risk management information and disclosures which are required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated audited financial statements for the year ended June 30, 2020. There have been no change in any risk management policies since the year end.

18. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on January 30, 2021 by the Board of Directors of the Company.

19. GENERAL AND NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE**19.1 General**

19.1.1 Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report.

19.1.2 All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

19.2 Non-adjusting event after balance sheet date

The Board of Directors in their meeting held on January 30, 2021 declared interim cash dividend amounting to Rs. 1.9 per share.



CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



Macter

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