



QUARTERLY REPORT

SEPTEMBER 30 **2022**

Macter International Limited

CONTENTS

Company Information	02
Directors' Review Report	04
Un-consolidated Condensed Interim Statement of Financial Position	09
Un-consolidated Condensed Interim Statement of Profit or Loss	10
Un-consolidated Condensed Interim Statement of Comprehensive Income	11
Un-consolidated Condensed Interim Statement of Cash Flows	12
Un-consolidated Condensed Interim Statement of Changes in Equity	13
Notes to the Un-consolidated Condensed Interim Financial Statements	14
Consolidated Condensed Interim Statement of Financial Position	24
Consolidated Condensed Interim Statement of Profit or Loss	25
Consolidated Condensed Interim Statement of Comprehensive Income	26
Consolidated Condensed Interim Statement of Cash Flows	27
Consolidated Condensed Interim Statement of Changes in Equity	28
Notes to the Consolidated Condensed Interim Financial Statements	29

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.	Sheikh Perwez Ahmed		Non-Executive Director
7.	Mr. Tariq Wajid		Independent Director
8.	Ms. Masarrat Misbah		Non-Executive Director
9.	Mr. Muhammad Ather Sultan		Non-Executive Director

BOARD AUDIT COMMITTEE

1.	Syed Anis Ahmad Shah	Chairman
2.	Sheikh Muhammed Waseem	Member
3.	Mr. Muhammad Ather Sultan	Member

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

1.	Mr. Tariq Wajid	Chairman
2.	Mr. Asif Misbah	Member
3.	Mr. Muhammad Ather Sultan	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
Askari Bank Limited – Islamic Banking Branch
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
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 quarter ended September 30, 2022:

FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - September			
	Un-consolidated		Consolidated	
	2022	2021	2022	2021
Turnover - Net	1,946	1,245	2,003	1,300
Gross profit	764	537	795	567
Gross margin	39%	43%	40%	44%
Operating Profit	218	124	212	116
Operating Margin	11%	10%	11%	9%
Profit before tax	208	104	201	95
Profit after tax	138	74	129	63

FINANCIAL PERFORMANCE

Net Turnover for the period ended 30th September 2022 at Rs. 1,946m grew by 56% over last year.

Our core prescription sales business grew strongly by +50% (Current period: Rs. 1,445m vs Same period Last year: Rs. 964m) on account of: strong uptake of our recently launched Pegstim (Pegylated GCSF) in Oncology and Tofacnet (Tofacitinib) in Rheumatology; successful promotional campaigns for our growth brand Cobolmin (Mecobalamin); higher gastrointestinal disease incidence due to recent floods that increased demand for our lead brand Titan (Ceftriaxone); higher induction of kidney dialysis patients on our Epocan (Erythropoietin); enhanced CME (continued medical education) events for family physicians, and improved patient flow post Covid19 pandemic.

Our institution business sales were higher by +190%, on account of carry-over supplies of last year's public tender sales orders (Current period: Rs.316m vs Same period Last year: Rs. 109m).

Gross margins reduced by -4% due to Rupee devaluation resulting in higher import cost of APIs and excipients and significant inflation in costs of packaging materials, utilities, fuel and increase in minimum wages. Annual CPI linked price increase under current Drug Pricing laws is insufficient to fully cover the above impacts. In addition changes in tax laws with inclusion of super tax and imposition of non-adjustable sales tax have further eroded business profitability. Industry Trade Associations have appealed to Drug Regulatory Authority for price adjustment beyond the yearly CPI linked price increase to offset these increased costs.

Operating Profit margin improved by 1% which is attributable to higher growth in our Prescription sales, cost optimization and efficiency improvements. Profit after Tax increased by 86% to Rs. 138m.

EARNINGS PER SHARE

Earnings per share as per unconsolidated financial statements for the quarter ended September 2022 was: Rs. 3.02 (2021: Restated earnings per share was: Rs. 1.68).

FUTURE OUTLOOK

Future business outlook remains uncertain in the current economic scenario as margins continue to remain under pressure due to inflationary cost increase. We trust that the government will take urgent action in compensating for cost increases by a special price adjustment to save the pharmaceutical industry.

Our company under the Board's guidance is executing an aggressive organizational development strategy and we expect that despite an extremely challenging environment the company will sustain its growth trajectory.

ACKNOWLEDGEMENTS

The Board of Directors appreciate the commitment and dedication of all our employees who have worked to ensure supply of our lifesaving medicines. Directors also acknowledge the support and cooperation received from our valued shareholders, customers, distributors, suppliers, financial institutions and regulatory authorities.

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

On behalf of the board



Asif Misbah
Chief Executive



Sheikh Perwez Ahmed
Director

Karachi
October 22, 2022

فی حصص منافع

ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لئے غیر مدغم شدہ مالیاتی گوشوارے کے مطابق فی حصص آمدنی 3.02 روپے تھی (2021: فی حصص آمدنی: 1.68 روپے تھی)۔

مستقبل کا جائزہ

موجودہ معاشی منظر نامے میں مستقبل کا کاروباری نقطہ نظر غیر یقینی ہے کیونکہ افراط زر کی لاگت میں اضافے کی وجہ سے مارجن پر دباؤ رہتا ہے۔ ہمیں بھروسہ ہے کہ حکومت دواسازی کی صنعت کو بچانے کے لئے خصوصی قیمت ایڈجسٹمنٹ کے ذریعہ لاگت میں اضافے کی تلافی کے لئے فوری اقدام کرے گی۔


بورڈ کی رہنمائی میں کمپنی ایک جارحانہ تنظیمی ترقیاتی حکمت عملی پر عمل پیرا ہے اور ہم توقع کرتے ہیں کہ چیلنجنگ ماحول کے باوجود کمپنی اپنی ترقی کی رفتار کو برقرار رکھے گی۔


اعتراف

بورڈ آف ڈائریکٹرز ہمارے تمام ملازمین کے عزم اور لگن کو سراہتے ہیں جنہوں نے ہماری زندگی بچانے والی ادویات کی فراہمی کو یقینی بنانے کے لئے کام کیا ہے۔ ڈائریکٹرز اپنے قابل قدر شیئر ہولڈرز، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز کی حمایت اور تعاون کا بھی اعتراف کرتے ہیں۔

مسلل فضل و کرم پر تمام تعریقات اور تشکر اللہ سبحانہ و تعالیٰ کے لیے ہے۔

منجانب بورڈ


شجید پرویز احمد
ڈائریکٹر


آصف مصباح
چیف ایگزیکٹو

کراچی

اکتوبر 22، 2022ء

ڈائریکٹرز جائزہ رپورٹ

ہم 30 ستمبر، 2022ء کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ غیر مدغم شدہ اور مدغم شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

جولائی - ستمبر				مندرجات
نمبر مدغم شدہ		نمبر مدغم شدہ		
2021	2022	2021	2022	
1,300	2,003	1,245	1,946	فروخت خالص
567	795	537	764	مجموعی منافع
44%	40%	43%	39%	مجموعی راجن
116	212	124	218	آپریٹنگ منافع
9%	11%	10%	11%	آپریٹنگ راجن
95	201	104	208	قبل از ٹیکس منافع
63	129	74	138	بعد از ٹیکس منافع

مالیاتی کارکردگی

30 ستمبر 2022ء کو ختم ہونے والی مدت کے دوران خالص فروخت گزشتہ سال کے مقابلے میں 56 فیصد اضافے کے ساتھ 1,946 ملین روپے رہا۔

ہمارے بنیادی بڈریج نیسٹ کاروبار میں 50 فیصد (موجودہ مدت: 1,445 ملین روپے بمقابلہ گزشتہ سال اسی مدت: 964 ملین روپے) مضبوط اضافہ ہوا ہے جس کی وجہ سے ہمارے حالیہ اجراء Oncology – Pegstim (Pegylated GCSF) اور Rheumatology – Tofacnet (Tofacitinib) میں اضافہ ہوا ہے؛ حالیہ سیلاب کی وجہ سے معدے کی شدید بیماری کے واقعات جس سے ہمارے اہم برانڈ Cobolmin (Mecobalamin) کے لئے کامیاب پروموشنل مہمات کا نتیجہ؛ حالیہ سیلاب کی وجہ سے معدے کی شدید بیماری کے واقعات جس سے ہمارے اہم برانڈ Titan (Ceftriaxone) کی طلب میں اضافہ؛ ہمارے Epocan (Erythropoietin) پر گروے کے ڈائلاکس کے مریضوں کی زیادہ شمولیت؛ فیملی فزیشنز کے لئے بہتر CME (مسلط طبی تعلیم) کے مواقع، اور Covid-19، وبائی امراض کے بعد مریضوں کی آمدورفت میں بہتری۔

گزشتہ سال کے پبلک ٹینڈر سیکڑ آرڈرز کی کیری اوور سپلائی کی وجہ سے ہمارے ادارے کے کاروباری فروخت میں مثبت 190 فیصد زیادہ تھی (موجودہ مدت: 316 ملین روپے بمقابلہ گزشتہ سال کی اسی مدت: 109 ملین روپے)۔

روپے کی قدر میں کمی کی وجہ سے مجموعی مارجن میں منفی 4 فیصد کی کمی واقع ہوئی جس کے نتیجے میں APIs اور ایکسیپٹیشنس کی زیادہ درآمدی لاگت اور بیکیٹنگ میٹرل، یوٹیلٹیز، ایندھن کی قیمتوں اور کم از کم اجرت میں نمایاں اضافہ ہوا۔ موجودہ ادویات کی قیمتوں کا تعین کرنے والے قوانین کے تحت سالانہ CPI سے منسلک قیمتوں میں اضافہ مندرجہ بالا اثرات کا مکمل طور پر احاطہ کرنے کے لئے ناکافی ہے۔ اس کے علاوہ ٹیکس قوانین میں تبدیلیوں کے ساتھ ساتھ سپر ٹیکس کی شمولیت اور نان ایڈجسٹبل سیلز ٹیکس کے نفاذ سے کاروباری منافع میں مزید کمی آئی ہے۔ انڈسٹری ٹریڈ ایسوسی ایشنز نے ڈرگ ریگولیٹری اتھارٹی سے اپیل کی ہے کہ وہ سالانہ CPI سے منسلک قیمتوں میں اضافے سے زیادہ قیمت ایڈجسٹمنٹ کرے تاکہ ان بڑھتے ہوئے اخراجات کو پورا کیا جاسکے۔

آپریٹنگ منافع مارجن میں 1% کی بہتری واقع ہوئی ہے جو ہمارے بڈریج نیسٹ فروخت کاروبار میں اعلیٰ نمو، لاگت کی اصلاح اور کارکردگی میں بہتری کی وجہ سے ہے۔ بعد از ٹیکس منافع 86 فیصد سے بڑھ کر 138 ملین روپے ہو گیا۔

**UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
SEPTEMBER 30, 2022**

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		SEPTEMBER 30, 2022	JUNE 30, 2022
	NOTE	..... (RUPEES IN '000) .....	.....
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,746,770	1,735,143
Intangible assets		2,815	2,301
Long-term investment	6	300,000	300,000
Long-term loans		1,858	1,982
Long-term deposits		28,721	24,611
		2,080,164	2,064,037
CURRENT ASSETS			
Stores and spares		18,227	16,799
Stock-in-trade	7	1,376,696	1,260,445
Trade debts	8	694,326	301,364
Loans and advances		97,088	116,190
Trade deposits, prepayments and other receivables		103,200	101,707
Sales tax - net	9	69,998	179,499
Taxation - net		-	26,008
Short-term investment	10	179,198	159,707
Cash and bank balances	11	326,441	212,728
		2,865,174	2,374,447
TOTAL ASSETS		4,945,338	4,438,484
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 65,000,000 (2022: 65,000,000) ordinary shares of Rs 10/- each		650,000	650,000
Issued, subscribed and paid-up capital	12	458,111	458,111
Capital reserve		1,225,860	1,225,860
Revenue reserve - accumulated profit		1,029,598	891,385
		2,713,569	2,575,356
NON-CURRENT LIABILITIES			
Deferred liabilities		212,514	215,358
Long-term financing	13	159,967	151,812
Long-term provision	14	68,419	66,985
Lease Liabilities		15,892	39,928
		456,792	474,083
CURRENT LIABILITIES			
Trade and other payables	15	1,624,734	1,234,937
Accrued profit		613	667
Taxation - net		15,027	-
Current portion of long-term financing	13	83,473	124,811
Current portion of lease liabilities		49,735	27,235
Unclaimed dividends		1,395	1,395
		1,774,977	1,389,045
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITY AND LIABILITIES		4,945,338	4,438,484

The annexed notes from 1 to 21 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 SEPTEMBER 30, 2022

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
		..... (RUPEES IN '000)	
Turnover		1,945,631	1,244,499
Cost of sales		(1,182,022)	(708,000)
Gross profit		763,609	536,499
Distribution costs		(449,891)	(348,428)
Administrative expenses		(88,356)	(65,113)
Other expenses		(17,852)	(8,874)
Other income		10,182	9,815
		(545,917)	(412,600)
Operating profit		217,692	123,899
Financial charges	13.3	(9,569)	(19,456)
Profit before taxation		208,123	104,443
Taxation	17	(69,910)	(30,131)
Net profit for the period		138,213	74,312
		..... (RUPEES)	
			(Re-stated)
Basic and diluted earnings per share		3.02	1.68

The annexed notes from 1 to 21 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 SEPTEMBER 30, 2022

	QUARTER ENDED	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
	..... (RUPEES IN '000)	
Net profit for the period	138,213	74,312
Other comprehensive income for the period	-	-
Total comprehensive income for the period	138,213	74,312

The annexed notes from 1 to 21 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 SEPTEMBER 30, 2022

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
		..... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		208,123	104,443
Adjustments:			
Depreciation on operating fixed assets		36,568	31,261
Depreciation on right-of-use assets		6,442	10,251
Amortization		403	505
Financial charges		7,916	17,091
Markup on Lease liabilities		1,653	2,365
Provision for gratuity		9,785	5,334
Gain on disposal of property, plant and equipment		935	(6,839)
Dividend income on mutual fund units		(5,284)	-
Provision for slow moving and obsolete stock-in-trade		40,648	15,150
Allowance for expected credit loss		5,606	1,933
		104,672	77,051
		312,795	181,494
(Increase) / decrease in current assets			
Stores and spares		(1,428)	(1,470)
Stock-in-trade		(156,899)	(108,949)
Trade debts		(398,568)	(97,848)
Loans and advances		19,102	(60,042)
Trade deposits, prepayments and other receivables		(1,493)	6,858
Sales tax (paid)/ refund - net		109,501	-
		(429,785)	(261,451)
Increase in current liabilities			
Trade and other payables		389,797	101,770
		272,807	21,813
Financial charges paid		(7,970)	(21,182)
Income tax (paid) / refunded - net		(33,752)	(29,914)
Gratuity paid		(7,969)	(2,387)
Long-term loans - net		124	(305)
Long-term deposits - net		(4,110)	59,603
Deferred liabilities - net		216	(1,125)
		(53,461)	4,690
Net cash generated from operating activities		219,346	26,503
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(58,340)	(141,044)
Proceeds from disposal of property, plant and equipment		2,770	8,595
Additions to intangible assets		(918)	-
Short-term investment made		(44,491)	(250,954)
Proceeds from disposal of short-term investment		25,000	-
Dividend income on mutual fund units		5,284	-
Net cash used in investing activities		(70,695)	(383,403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share - net		-	1,076,609
Short-term borrowings - net		-	(91,213)
Long-term financing - net		(33,183)	(596,511)
Long-term provision		1,434	5,833
Principal portion of lease liabilities paid		(3,189)	(3,035)
Net cash (used in) / generated from financing activities		(34,938)	391,683
Net increase in cash and cash equivalent		113,713	34,783
Cash and cash equivalents at the beginning of the period		212,728	81,993
Cash and cash equivalents at the end of the period	11	326,441	116,776

The annexed notes from 1 to 21 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 SEPTEMBER 30, 2022

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	TOTAL
		CAPITAL RESERVES SHARE PREMIUM	RESERVES UNAPPROP- -RIATED PROFIT		
	(RUPEES IN '000)				
Balance as at July 01, 2021	391,444	217,808	740,257	958,065	1,349,509
Transactions with the owners					
Issue of right shares at premium - 6,666,667 shares at Rs. 165 per share	66,667	1,033,333	-	1,033,333	1,100,000
Issue cost of right shares	-	(23,391)	-	(23,391)	(23,391)
Net profit for the period	-	-	74,312	74,312	74,312
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	74,312	74,312	74,312
Balance as at September 30, 2021	458,111	1,227,750	814,569	2,042,319	2,500,430
Balance as at July 01, 2022	458,111	1,225,860	891,385	2,117,245	2,575,356
Net profit for the period	-	-	138,213	138,213	138,213
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	138,213	138,213	138,213
Balance as at September 30, 2022	458,111	1,225,860	1,029,598	2,255,458	2,713,569

The annexed notes from 1 to 21 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 SEPTEMBER 30, 2022**

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.
- 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, 2022.

2.2 Standards, amendments and interpretations adopted during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

- | | |
|--------|--------------------------------------------------------------------------|
| IFRS 3 | Reference to the Conceptual Framework (Amendments) |
| IAS 16 | Property, Plant and Equipment: Proceeds before Intended Use (Amendments) |
| IAS 37 | Onerous Contracts – Costs of Fulfilling a Contract (Amendments) |

The above amendments are not expected to have any material impact on the Company's unconsolidated condensed interim financial statements in the period of initial application.

3. SIGNIFICANT 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, 2022 except for the adoption of amendments to approved accounting standards, which became effective for the current period as disclosed in note 2.2 to these unconsolidated condensed interim financial statements.

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, 2022.

	NOTE	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 AUDITED
5. PROPERTY, PLANT AND EQUIPMENT		UN-AUDITED	
Operating fixed assets	5.1	1,556,270	1,477,164
Capital work-in-progress	5.2	141,138	202,175
Right-of-use asset		49,362	55,804
		<u>1,746,770</u>	<u>1,735,143</u>

5.1 Detail of additions and deletions to operating fixed assets are as follow:

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Buildings on leasehold land	1,321	795	-	-
Plant and machinery	2,717	30,255	309	-
Tools and equipment	745	54,391	-	-
Gas and other installation	7,260	12,582	2,898	-
Furniture and fixtures	583	-	-	-
Office equipment	100	-	-	-
Computer equipment	490	696	77	28
Motor vehicles	106,162	55,615	420	1,729
	<u>119,378</u>	<u>154,334</u>	<u>3,704</u>	<u>1,757</u>

5.2 Capital work-in-progress

	SEPTEMBER 30, 2022		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	..... (RUPEES IN '000)		
	..... (UN-AUDITED)		
Balance at beginning of the period	15,068	187,107	202,175
Capital expenditure incurred / advances made	8,374	44,773	53,147
Transferred to operating fixed assets	(1,680)	(112,504)	(114,184)
Balance at end of the period	21,762	119,376	141,138

	NOTE	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
		UN-AUDITED	AUDITED
6. LONG-TERM INVESTMENT			
Investment in subsidiary - at cost			
Misbah Cosmetic (Private) Limited			
30,000,000 (2022 : 30,000,000) ordinary shares			
representing 79.84% (2022 : 79.84%) voting shares		300,000	300,000

6.1 The Subsidiary Company is Engaged in selling and distribution of cosmetic products.

7. STOCK IN TRADE

In hand			
- raw material		635,696	470,859
- packing material		245,767	211,255
- work-in-process		183,916	190,105
- finished goods		421,787	484,262
		1,487,166	1,356,481
Less: Provision for slow moving and obsolete stock-in-trade	7.1	(113,862)	(99,909)
		1,373,304	1,256,572
In transit		3,392	3,873
		1,376,696	1,260,445

	NOTE	SEPTEMBER 30, 2022	JUNE 30, 2022
		..... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
7.1 Provision for slow moving and obsolete stock-in-trade			
The movement of provision for slow moving and obsolete stock-in-trade during the period / year is as follows:			
Balance at beginning of the period / year		99,909	75,619
Provision recognised during the period / year		40,648	70,209
Write offs during the period / year		(26,695)	(45,919)
		13,953	24,290
Balance at end of the period / year		113,862	99,909
8. TRADE DEBTS - unsecured			
Considered good		694,326	301,364
Considered doubtful		116,952	111,346
		811,278	412,710
Allowance for expected credit loss	8.1	(116,952)	(111,346)
Trade debts - net		694,326	301,364
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		111,346	100,910
Provision recognised during the period / year		5,606	10,706
Write offs during the period / year		-	(270)
		5,606	10,436
Balance at end of the period / year		116,952	111,346
9. SALES TAX - net			
The entire pharma sector was exempt from levy of sales tax both at input as well as output stage, except for certain excipient and packing materials but through Finance (Supplementary) Act, 2021 exemption regime was converted into a Zero-rating regime for finished items of pharma products with effective from January 17, 2022, however, sales tax was imposed at standard rate of 17% on purchase/ import of Active Pharmaceutical Ingredients (API). As a result, the pharma sector was allowed to claim sales tax refund on all purchases including APIs, excipient and packing materials on consumption basis. In this respect net Rs.69.99 (2022: 179.49) million is sales tax input paid on purchases/import of materials up to June 30, 2022 which is refundable on consumption basis.			
Moreover, aforesaid law has further been amended through the Finance Act, 2022 with effective from July 01, 2022, a special tax regime for Pharma Sector has been introduced whereby manufacture or import of substances registered as drugs under the Drugs Act, 1976 shall be subject to 1% sales tax with the condition that such tax shall be final discharge of tax in the supply chain and no input tax shall be allowed to the importer and manufacturer of such goods. Furthermore, APIs, excluding excipients, for manufacture of drugs registered under the Drugs Act, 1976 or raw materials for the basic manufacture of Active Pharmaceutical Ingredients shall also be subject to 1% sales tax with no input tax adjustment.			

	NOTE	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022
		UN-AUDITED	AUDITED
10. SHORT TERM INVESTMENT			
Fair value through profit or loss:			
Investment in mutual funds	10.1	179,198	159,707
		<u>179,198</u>	<u>159,707</u>
10.1	Represents investment in shariah compliant mutual funds of Meezan Rozana Amdani fund and Meezan Sovereign Fund of 3,583,953 units (2022: 3,194,128 units) and 6 units (2022: 6 units) respectively.		

	NOTE	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022
		UN-AUDITED	AUDITED
11. CASH AND BANK BALANCES			
Cash in hand		10	-
Balances with banks in:			
- current accounts		103,163	58,489
- saving accounts - with Islamic banks	11.1	221,873	152,844
- dividend accounts - with Islamic banks		1,395	1,395
		<u>326,431</u>	<u>212,728</u>
		<u>326,441</u>	<u>212,728</u>

11.1 These carry profit at the rates ranging from 5.75% to 7.50% (2022: 2.75% to 7.00%) per annum.

12. SHARE CAPITAL

12.1 Authorized share capital

SEPTEMBER 30, 2022	JUNE 30, 2021		SEPTEMBER 30, 2022	JUNE 30, 2021
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
<u>65,000,000</u>	65,000,000	Ordinary shares of Rs.10 each	<u>650,000</u>	650,000

12.2 Issued, subscribed and paid-up share capital

SEPTEMBER 30, 2022	JUNE 30, 2021		SEPTEMBER 30, 2022	JUNE 30, 2021
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
<u>15,097,535</u>	15,097,535	Issued for cash	<u>150,976</u>	150,976
<u>30,489,649</u>	30,489,649	Issued as fully paid bonus shares	<u>304,897</u>	304,897
<u>223,834</u>	223,834	Issued pursuant to merger with Associated Services Limited	<u>2,238</u>	2,238
<u>45,811,018</u>	45,811,018		<u>458,111</u>	458,111

		SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	NOTE	UN-AUDITED	AUDITED
13. LONG-TERM FINANCING - secured			
Secured			
Diminishing musharakah on			
- vehicles	13.1	198,174	186,899
- salaries and wages	13.2	45,266	89,724
		243,440	276,623
Less : Current maturity shown under current liabilities		(83,473)	(124,811)
		159,967	151,812

13.1 These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% to 1.25% (2022: 6 Months KIBOR plus 1.00% to 1.50%) per annum and are having maturity till August 2027 (2022: June 2027). These facilities are secured against the respective assets.

13.2 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. 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 Neclass No. 158 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.

13.3 Financial charges on long-term financing for the period ended September 30, 2022 is Rs. 7.61 million (September 30, 2021: Rs. 8.43 million).

	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	UN-AUDITED	AUDITED
14. LONG-TERM PROVISION		
Gas Infrastructure Development Cess (GIDC)	68,419	66,985

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 unconsolidated financial statements.

	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	UN-AUDITED	AUDITED
15. TRADE AND OTHER PAYABLES		
Trade and other creditors	1,052,047	791,129
Advances from customers - contract liabilities	376,329	272,399
Accrued liabilities	20,268	12,001
Sindh Workers' Profit Participation Fund	11,299	1,591
Workers' Welfare Fund	37,623	33,329
Central Research Fund	7,578	5,318
Payable to provident fund	4,765	3,855
Current portion of Government Grant	593	1,771
Refund liability	47,298	42,391
Auditors' remuneration	1,640	3,101
Other government levies	12,715	8,580
Others	52,579	59,472
	1,624,734	1,234,937
16. CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
16.1.1 Claims not acknowledged as debt by the Company	10,979	10,446
16.1.2 There is no material change in the status of contingencies as disclosed in notes 25.1 to the annual audited financial statements for the year ended June 30, 2022 except as mentioned in above notes.		
	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	UN-AUDITED	AUDITED
16.2 Commitments		
Capital commitments	65,128	58,262
Outstanding letters of credit	392,093	411,322
Outstanding letters of guarantee	104,087	110,060
	SEPTEMBER 30, 2022 (RUPEES IN '000)	SEPTEMBER 30, 2021 (RUPEES IN '000)
	UN-AUDITED	UN-AUDITED
17. TAXATION		
Current	74,787	31,303
Deferred	(4,877)	(1,172)
	69,910	30,131

18. 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:

		QUARTER ENDED	
		SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
		..... (RUPEES IN '000)	
		..... (UN-AUDITED)	
Relationship	Nature of transactions		
Provident Fund	Contribution paid	13,169	11,203
Non-Executive Director	Fee for attending meetings	800	675
Key Management Personnel	Salary and other benefits	63,579	51,621

19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These ununconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual ununconsolidated financial statements and should be read in conjunction with the Company's annual ununconsolidated audited financial statements for the year ended June 30, 2022. There have been no change in any risk management policies since the year end, except as mentioned below:

Fair value of financial instruments

International financial reporting standard 7, 'Financial instruments: Disclosure' requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level2); and"
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level3).

Investment of the Company carried at fair value are categorised as follows:

	SEPTEMBER 30, 2022			JUNE 30, 2022		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
	..... (RUPEES IN '000)					
Financial assets ' at fair value through profit or loss'						
- Listed mutual fund units	-	179,198	-	-	159,707	-

20. DATE OF AUTHORISATION FOR ISSUE

These ununconsolidated condensed interim financial statements were authorised for issue on October 22, 2022, by the Board of Directors of the Company.

21. GENERAL

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

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
SEPTEMBER 30, 2022**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		SEPTEMBER 30, 2022	JUNE 30, 2022
	NOTE	..... (RUPEES IN '000) .....	.....
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,762,305	1,751,087
Intangible assets		50,929	51,112
Long-term loans		1,858	1,982
Long-term deposits		30,838	26,401
		1,845,930	1,830,582
CURRENT ASSETS			
Stores and spares		18,227	16,799
Stock-in-trade	6	1,439,117	1,321,657
Trade debts	7	746,049	362,847
Loans and advances		116,499	135,206
Trade deposits, prepayments and other receivables		106,358	101,747
Sales tax - net	8	69,998	179,499
Taxation - net		-	26,008
Short-term investment	9	179,198	159,707
Cash and bank balances	10	339,834	215,306
		3,015,280	2,518,776
TOTAL ASSETS		4,861,210	4,349,358
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 65,000,000 (2022: 65,000,000) ordinary shares of Rs 10/- each		650,000	650,000
Issued, subscribed and paid-up capital	11	458,111	458,111
Capital reserve		1,225,860	1,225,860
Revenue reserve - accumulated profit		835,882	705,539
		2,519,853	2,389,510
Non controlling interest		14,734	16,550
		2,534,587	2,406,060
NON-CURRENT LIABILITIES			
Deferred liabilities		212,514	215,358
Long-term financing	12	203,564	196,330
Long-term provision	13	68,419	66,985
Lease liabilities		15,892	39,928
		500,389	518,601
CURRENT LIABILITIES			
Trade and other payables	14	1,656,585	1,263,471
Accrued profit		644	850
Short-term borrowings	15	15,691	3,251
Taxation - net		15,027	-
Current portion of long-term financing	12	87,157	128,495
Current portion of lease liabilities		49,735	27,235
Unclaimed dividends		1,395	1,395
		1,826,234	1,424,697
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITY AND LIABILITIES		4,861,210	4,349,358

The annexed notes from 1 to 22 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 SEPTEMBER 30, 2022

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
		..... (RUPEES IN '000)	
Turnover		2,003,060	1,299,538
Cost of sales		(1,208,408)	(732,256)
Gross profit		794,652	567,282
Distribution costs		(485,296)	(384,377)
Administrative expenses		(89,454)	(67,588)
Other expenses		(17,852)	(8,874)
Other income		10,194	9,815
		(582,408)	(451,024)
Operating profit		212,244	116,258
Financial charges	12.4 & 15.2	(11,508)	(21,394)
Profit before taxation		200,736	94,864
Taxation	18	(72,209)	(32,333)
Net profit for the period		128,527	62,531
		..... (RUPEES)	
Basic and diluted earnings per share		2.81	(Re-stated) 1.42
The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.			
Attributable to:			
Owner of the Holding Company		130,343	65,003
Non- controlling interest		(1,816)	(2,472)
		128,527	62,531


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE


 DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	QUARTER ENDED	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
	..... (RUPEES IN '000)	
Net profit for the period	128,527	62,531
Other comprehensive income for the period	-	-
Total comprehensive income for the period	128,527	62,531

The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Attributable to:

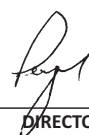
Owner of the Holding Company	130,343	65,003
Non- controlling interest	(1,816)	(2,472)
	128,527	62,531



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

NOTE	QUARTER ENDED	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
	..... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	200,736	94,864
Adjustments for non-cash and other items:		
Depreciation on operating fixed assets	37,000	31,694
Depreciation on right-of-use assets	6,442	10,251
Amortization	1,100	1,183
Financial charges	9,855	19,029
Markup on Lease liabilities	1,653	2,365
Provision for gratuity	9,785	5,334
Gain on disposal of property, plant and equipment	923	(6,839)
Dividend income on mutual fund units	(5,284)	-
Provision for slow moving and obsolete stock-in-trade	40,377	15,150
Allowance for expected credit loss	5,606	1,933
	107,457	80,100
	308,193	174,964
(Increase) / decrease in current assets		
Stores and spares	(1,428)	(1,470)
Stock-in-trade	(157,837)	(97,231)
Trade debts	(388,808)	(110,387)
Loans and advances	18,707	(96,934)
Trade deposits, prepayments and other receivables	(4,611)	14,129
Sales tax (paid)/ refund - net	109,501	-
	(424,476)	(291,893)
Increase in current liabilities		
Trade and other payables	393,114	114,783
	276,831	(2,146)
Financial charges paid	(10,061)	(23,176)
Income tax (paid) / refunded - net	(36,051)	(32,116)
Gratuity paid	(7,969)	(2,387)
Long-term loans - net	124	(305)
Long-term deposits - net	(4,437)	59,603
Deferred liabilities - net	216	(1,125)
	(58,178)	494
Net cash generated from / (used in) operating activities	218,653	(1,652)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(58,381)	(141,554)
Proceeds from disposal of property, plant and equipment	2,800	8,595
Additions of intangible asset	(918)	-
Short-term investment made	(44,491)	(250,954)
Proceeds from disposal of short-term investment	25,000	-
Dividend income on mutual fund units	5,284	-
Net cash used in investing activities	(70,706)	(383,913)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share - net	-	1,076,609
Short-term borrowings - net	12,440	(102,686)
Long-term financing - net	(34,104)	(597,432)
Long-term provision	1,434	5,833
Principal portion of lease liabilities paid	(3,189)	(3,035)
Net cash (used in) / generated from financing activities	(23,419)	379,289
Net increase / (decrease) in cash and cash equivalents	124,528	(6,276)
Cash and cash equivalents at the beginning of the period	215,306	157,836
Cash and cash equivalents at the end of the period	339,834	151,560

The annexed notes from 1 to 22 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 SEPTEMBER 30, 2022

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	NON- CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES	UNAPPROP- -RIATED PROFIT			
		(RUPEES IN '000)				
Balance as at July 01, 2021	391,444	217,808	580,123	797,931	22,359	1,211,734
Transaction with the owners						
Issue of right share at premium - 6,666,667 shares at Rs. 165 per share	66,667	1,033,333	-	1,033,333	-	1,100,000
Issue cost of right shares	-	(23,391)	-	(23,391)	-	(23,391)
Net profit / (loss) for the period	-	-	64,770	64,770	(2,239)	62,531
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	64,770	64,770	(2,239)	62,531
Balance as at September 30, 2021	458,111	1,227,750	644,893	1,872,643	20,120	2,350,874
Balance as at July 01, 2022	458,111	1,225,860	705,539	1,931,399	16,550	2,406,060
Net profit / (loss) for the period	-	-	130,343	130,343	(1,816)	128,527
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	130,343	130,343	(1,816)	128,527
Balance as at September 30, 2022	458,111	1,225,860	835,882	2,061,742	14,734	2,534,587

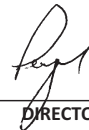
The annexed notes from 1 to 22 form an integral part of these consolidated condensed interim financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

1. THE COMPANY AND ITS OPERATIONS

1.1 Macter International Limited (Holding 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 and registered office of the Company is situated at F-216, S.I.T.E. Karachi.

1.1.1 The principal activity of the Holding Company is to manufacture and market pharmaceutical products.

1.2 Following is the Subsidiary Company

	Effective %age of holding	
	SEPTEMBER 30, 2022	JUNE 30, 2022
	UN-AUDITED	AUDITED
Misbah Cosmetic (Private) Limited	79.84%	79.84%

1.2.1 The principal activity of the Subsidiary Company is selling and distribution of cosmetic products in Pakistan.

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, 2022.

2.2 Adoption of amendments and framework effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

IFRS 3	Reference to the Conceptual Framework (Amendments)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The above amendments are not expected to have any material impact on the Company's consolidated condensed interim financial statements in the period of initial application.

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, 2022 except for the adoption of amendments to approved accounting standards, which became effective for the current period as disclosed in note 2.2 to these consolidated condensed interim financial statements.

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 Company's consolidated annual audited financial statements for the year ended June 30, 2022.

		SEPTEMBER 30, 2022	JUNE 30, 2022
	NOTE	..... (RUPEES IN '000) .....	.....
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,571,805	1,493,108
Capital work-in-progress	5.2	141,138	202,175
Right-of-use assets		49,362	55,804
		<u>1,762,305</u>	<u>1,751,087</u>

5.1 Detail of additions and deletions to operating fixed assets are as follow:

	QUARTER ENDED		QUARTER ENDED	
	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
	(RUPEES IN '000)			
	(UN-AUDITED)			
Buildings on leasehold land	1,321	795	-	-
Plant and machinery	2,717	30,255	309	-
Tools and equipment	745	54,391	-	-
Gas and other installation	7,260	12,582	2,898	-
Furniture and fixture	610	261	-	-
Office equipment	100	64	-	-
Computer equipment	504	881	95	28
Motor vehicles	106,162	55,615	420	1,729
	119,419	154,844	3,722	1,757

5.2 Capital work-in-progress

	SEPTEMBER 30, 2022		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	(RUPEES IN '000)		
	(UN-AUDITED)		
Balance at beginning of the period	15,068	187,107	202,175
Capital expenditure incurred / advances made	8,374	44,773	53,147
Transferred to operating fixed assets	(1,680)	(112,504)	(114,184)
Balance at end of the period	21,762	119,376	141,138

6. STOCK-IN-TRADE

	NOTE	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022
		UN-AUDITED	AUDITED
In hand			
- raw material		635,696	470,859
- packing material		245,767	211,255
- work-in-process		183,916	190,105
- finished goods		467,067	557,110
		1,532,446	1,429,329
Less: Provision for slow moving and obsolete stock-in-trade	6.1	(125,466)	(111,784)
		1,406,980	1,317,545
In transit		32,137	4,112
		1,439,117	1,321,657

	NOTE	SEPTEMBER 30, 2021 (RUPEES IN '000)	JUNE 30, 2021
		UN-AUDITED	AUDITED

6.1 Provision for slow moving and obsolete stock-in-trade

The movement of provision for slow moving and obsolete stock-in-trade during the period / year is as follows:

Balance at the beginning of the period / year	111,784	88,498
Provision recognised during the period / year	40,377	69,205
Write offs during the period / year	(26,695)	(45,919)
	13,682	23,286
Balance at the end of the period / year	125,466	111,784

7. TRADE DEBTS - unsecured

Considered good	746,049	362,847
Considered doubtful	126,242	120,637
	872,291	483,484
Allowance for expected credit loss	(126,242)	(120,637)
Trade debts - net	746,049	362,847

7.1

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	120,637	110,201
Provision recognised during the period / year	5,606	10,747
Write offs during the period / year	-	(311)
	5,606	10,436
Balance at end of the period / year	126,243	120,637

8. SALES TAX - net

The entire pharma sector was exempt from levy of sales tax both at input as well as output stage, except for certain excipient and packing materials but through Finance (Supplementary) Act, 2021 exemption regime was converted into a Zero-rating regime for finished items of pharma products with effective from January 17, 2022, however, sales tax was imposed at standard rate of 17% on purchase/ import of Active Pharmaceutical Ingredients (API). As a result, the pharma sector was allowed to claim sales tax refund on all purchases including APIs, excipient and packing materials on consumption basis. In this respect net Rs. 69.99 million (2022: 179.49 million) is sales tax input paid on purchases/import of materials up to June 30, 2022 which is refundable on consumption basis.

Moreover, aforesaid law has further been amended through the Finance Act, 2022 with effective from July 01, 2022, a special tax regime for Pharma Sector has been introduced whereby manufacture or import of substances registered as drugs under the Drugs Act, 1976 shall be subject to 1% sales tax with the condition that such tax shall be final discharge of tax in the supply chain and no input tax shall be allowed to the importer and manufacturer of such goods. Furthermore, APIs, excluding excipients, for manufacture of drugs registered under the Drugs Act, 1976 or raw materials for the basic manufacture of Active Pharmaceutical Ingredients shall also be subject to 1% sales tax with no input tax adjustment.

		SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	NOTE	UN-AUDITED	AUDITED
9. SHORT TERM INVESTMENT			
At fair value through profit or loss			
- Listed mutual fund units	9.1	179,198	159,707
		<u>179,198</u>	<u>159,707</u>
9.1	Represents investment in Shariah compliant mutual funds of Meezan Rozana Amdani fund and Meezan Sovereign Fund of 3,583,953 units (2022: 3,194,128 units) and 6 units (2022: 6 units) respectively.		

		SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	NOTE	UN-AUDITED	AUDITED
10. CASH AND BANK BALANCES			
Cash in hand		10	-
Balances with banks in:			
- current accounts		116,556	61,067
- saving accounts - with Islamic banks	10.1	221,873	152,844
- dividend accounts - with Islamic banks		1,395	1,395
		<u>339,824</u>	<u>215,306</u>
		<u>339,834</u>	<u>215,306</u>

10.1 These carry profit at the rates ranging from 5.75% to 7.50% (2022: 2.75% to 7.00%) per annum.

11. SHARE CAPITAL

11.1 Authorized share capital

SEPTEMBER 30, 2022	JUNE 30, 2022		SEPTEMBER 30, 2022	JUNE 30, 2022
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
65,000,000	65,000,000	Ordinary shares of Rs.10 each	650,000	650,000

11.2 Issued, subscribed and paid-up share capital

SEPTEMBER 30, 2022	JUNE 30, 2022		SEPTEMBER 30, 2022	JUNE 30, 2022
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
15,097,535	15,097,535	Issued for cash	150,976	150,976
30,489,649	30,489,649	Issued as fully paid bonus shares	304,897	304,897
223,834	223,834	Issued pursuant to merger with Associated Services Limited	2,238	2,238
45,811,018	45,811,018		458,111	458,111

NOTE	SEPTEMBER 30, 2022	JUNE 30, 2022
	..... (RUPEES IN '000)	
	UN-AUDITED	AUDITED

12. LONG-TERM FINANCING

Loan from related party	12.1	47,281	48,202
Secured			
Diminishing musharakah on			
- vehicles	12.2	198,174	186,899
- salaries and wages	12.3	45,266	89,724
		290,721	324,825
Less : Current maturity shown under current liabilities		(87,157)	(128,495)
		203,564	196,330

- 12.1** 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-2022 which is fixed for the period as 14.48% per annum. (2022: 90 days average of 12 months KIBOR for 3rd calendar Quarter-2022 which was fixed for the period as 8.12% per annum). The profit is payable on monthly basis.
- 12.2** These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% to 1.25% (2022: 6 Months KIBOR plus 1.00% to 1.50%) per annum and are having maturity till August 2027 (2022: June 2027). These facilities are secured against the respective assets.
- 12.3** 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. 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 Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.
- 12.4** Financial charges on long term financing for the period ended September 30, 2022 is Rs.9.46 million (September 30, 2021: Rs.9.90 million).

SEPTEMBER 30, 2022	JUNE 30, 2022
..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
UN-AUDITED	AUDITED

13. LONG-TERM PROVISION

Gas Infrastructure Development Cess (GIDC)	68,419	66,985
--------------------------------------------	---------------	--------

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 Holding 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 Holding 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 Holding Company has made aggregate provision of Rs. 85.65 million for GIDC in the financial statements.

	NOTE	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 AUDITED
14. TRADE AND OTHER PAYABLES		UN-AUDITED	
Trade and other creditors		1,057,356	797,521
Advances from customers - contract liabilities		377,513	273,004
Accrued liabilities		45,595	32,302
Sindh Workers' Profit Participation Fund		11,299	1,591
Workers' Welfare Fund		37,623	33,329
Central Research Fund		7,578	5,318
Payable to provident fund		4,765	3,855
Current portion of Government Grant		593	1,771
Refund liability		47,298	42,391
Auditors' remuneration		1,640	3,101
Other government levies		12,746	9,816
Others		52,579	59,472
		<u>1,656,585</u>	<u>1,263,471</u>
15. SHORT-TERM BORROWINGS - secured			
Murabaha	15.1	15,691	3,251
		<u>15,691</u>	<u>3,251</u>
15.1 This represent Subsidiary's outstanding murabaha facility with MCB Islamic Bank Limited for the purpose of purchase of stock-in-trade. These carry profit at the rates ranging from 3 Months KIBOR plus 2.00% (2022: 1 Month and 3 Months KIBOR plus 1.50% and 2.25%) per annum and having maturity latest by December 2022 (2022: July 2022). These are secured against hypothecation of stock-in-trade and trade debts of the Company.			
15.2 Financial charges on short term borrowings for the period ended September 30, 2022 is Rs.0.04 million (September 30, 2021: Rs.8.63 million).			

	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	UN-AUDITED	AUDITED
16. CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
16.1.1 Claims not acknowledged as debt by the Holding Company	<u>10,979</u>	<u>10,446</u>
16.1.2 There is no material change in the status of contingencies as disclosed in note 24.1 to the annual consolidated audited financial statements for the year ended June 30, 2022 except as mentioned above.		

	SEPTEMBER 30, 2022 (RUPEES IN '000)	JUNE 30, 2022 (RUPEES IN '000)
	UN-AUDITED	AUDITED
16.2 Commitments		
Capital commitments	<u>65,449</u>	<u>58,262</u>
Outstanding letters of credit	<u>392,093</u>	<u>411,322</u>
Outstanding letters of guarantee	<u>104,087</u>	<u>123,352</u>

Commitments for Ijarah rentals in respect of motor vehicles are as follows:

Year		
2023	<u>1,573</u>	<u>2,097</u>
2024	<u>724</u>	<u>724</u>
	<u>2,297</u>	<u>2,821</u>

17. OPERATING SEGMENTS

	HOLDING COMPANY QUARTER ENDED		SUBSIDIARY COMPANY QUARTER ENDED		GROUP QUARTER ENDED	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
..... (RUPEES IN '000)						
Turnover	1,945,631	1,244,499	57,429	55,039	2,003,060	1,299,538
Cost of sales	(1,182,022)	(708,000)	(26,386)	(24,256)	(1,208,408)	(732,256)
Gross profit	<u>763,609</u>	<u>536,499</u>	<u>31,043</u>	<u>30,783</u>	<u>794,652</u>	<u>567,282</u>
Other income	10,182	9,815	12	-	10,194	9,815
Distribution costs	(449,891)	(348,428)	(35,405)	(35,949)	(485,296)	(384,377)
Administrative expenses	(88,356)	(65,113)	(421)	(1,798)	(89,454)	(67,588)
Other expenses	(17,852)	(8,874)	-	-	(17,852)	(8,874)
Financial charges	(9,569)	(19,456)	(1,939)	(1,938)	(11,508)	(21,394)
Profit / (loss) before tax	<u>208,123</u>	<u>104,443</u>	<u>(6,710)</u>	<u>(8,902)</u>	<u>200,736</u>	<u>94,864</u>
..... (RUPEES IN '000)						
	SEPTEMBER 30, 2022 UN-AUDITED	JUNE 30, 2022 AUDITED	SEPTEMBER 30, 2022 UN-AUDITED	JUNE 30, 2022 AUDITED	SEPTEMBER 30, 2022 UN-AUDITED	JUNE 30, 2022 AUDITED
Segment assets	<u>4,645,338</u>	<u>4,138,484</u>	<u>167,938</u>	<u>162,263</u>	<u>4,813,276</u>	<u>4,300,747</u>
Unallocated assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,934</u>	<u>48,611</u>
Segment liabilities	<u>2,231,769</u>	<u>1,863,128</u>	<u>94,854</u>	<u>80,170</u>	<u>2,326,623</u>	<u>1,943,298</u>

18. TAXATION

	QUARTER ENDED	
	SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
..... (RUPEES IN '000)		
..... (UN-AUDITED)		
Current	77,086	33,505
Deferred	(4,877)	(1,172)
	<u>72,209</u>	<u>32,333</u>

19. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group 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:

		QUARTER ENDED	
		SEPTEMBER 30, 2022	SEPTEMBER 30, 2021
		..... (RUPEES IN '000)	
		..... (UN-AUDITED)	
Relationship	Nature of transaction		
Provident Fund	Contribution paid	13,169	11,203
Non-executive directors	Fee for attending meetings	800	675
Key management personnel	Salary and other benefits	66,579	56,373
	Repayment of loan	921	921
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	865	1,204
Balances outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	1,016	958

20. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These consolidated condensed interim financial statements do 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, 2022. There have been no change in any risk management policies since the year end, except as mentioned below:

20.1 Fair value of financial instruments

International financial reporting standard 7, 'Financial instruments: Disclosure' requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level2); and"
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level3).

Investment of the Company carried at fair value are categorised as follows:

	SEPTEMBER 30, 2022			JUNE 30, 2022		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
	..... (RUPEES IN '000)					
Financial assets ' at fair value through profit or loss'						
- Listed mutual fund units	-	179,198	-	-	159,707	-

21. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 22, 2022, by the Board of Directors of the Company.

22. GENERAL

- 22.1** Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report.
- 22.2** All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



Macter

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