



HALF YEARLY REPORT

DECEMBER 31, 2021

Macter International Limited

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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.	Sheikh Perwez Ahmed		Non-Executive 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. 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
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 half year ended December 31, 2021:

FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - December			
	Unconsolidated		Consolidated	
	2021	2020	2021	2020
Turnover - Net	2,551.2	2,540.5	2,689.8	2,652.7
Gross profit	1,140.4	1,010.6	1,217.2	1,061.9
Operating profit	286.5	187.7	277.1	169.7
Profit before tax	260.0	114.2	247.1	91.3
Profit after tax	196.2	74.5	177.8	47.9

FINANCIAL PERFORMANCE

Overall turnover for the period ended December 31, 2021 at Rs. 2,551m grew marginally over last year. However our core prescription sales business grew strongly by +16% as patient flow normalized post Covid19 pandemic and strong uptake by trade to our promotional activities (Current period: Rs. 2,074m vs Last year: Rs. 1,791m).

Our public tender sales was lower by 63% on account of carryover of sales and additional order last year to the Directorate General of Health Services (DGHS), Government of Punjab (Current period: Rs.178m vs. Last Year: Rs. 481m).

All our profit indicators reflect strong margin improvement on account of prescription business growth, improved sales mix, cost optimization and efficiency improvements. Profit before tax increased by 128% to Rs. 260m.

During the period Rights Issue of Rs. 1,100m were successfully completed. Rs. 850m were applied to repay short and long term bank financing. Rs. 100m were utilized in working capital, Rs. 50m invested in new launches and Rs. 15m invested in plant and machinery. Balance funds will be utilized in new plant and machinery.

EARNINGS PER SHARE

Earnings per share as per un-consolidated financial statements for the half year period July-December 2021 was Rs. 4.57 (HY 2020-21: earning per share of Rs. 1.63).

DIVIDENDS

The board of directors have recommended an interim cash dividend of Rs.1.71 per share (17.1%) for period ended December 31, 2021.

FUTURE OUTLOOK

Under the Board's guidance the company is executing an aggressive organizational development strategy and we expect that despite challenging environment the company is well positioned to deliver consistent profitable growth.

ACKNOWLEDGEMENTS

The Board of Directors would like to record their appreciation of the commitment, dedication, and devotion of all our employees who have worked tirelessly to ensure uninterrupted supply of lifesaving medicines.

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
February 19, 2022



Sheikh Perwez Ahmed
Director

ڈیوٹینڈ

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2021 کو ختم ہونے والی مدت کے لئے 1.71 روپے فی حصص (17.1 فیصد) کے عبوری کیش ڈیوٹینڈ کی سفارش کی ہے۔

مستقل کا جائزہ

بورڈ کی رہنمائی میں کمپنی ایک جارحانہ تنظیمی و قیاتی حکمت عملی پر عمل پیرا ہے اور ہم توقع کرتے ہیں کہ چیلنجنگ ماحول کے باوجود کمپنی مستقل منافع بخش نمونہ فراہم کرنے کے لئے اچھی پوزیشن میں ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کے عزم، لگن اور قربانی کو ریکارڈ پر لانا چاہیں گے جنہوں نے مریضوں کی زندگی بچانے والی ادویات کی بلا تعطل فراہمی کو یقینی بنانے کے لئے انتہائی محنت کی ہے۔

ہم ان مشکل اوقات میں اپنے قابل قدر شیئرز ہولڈرز، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز کی حمایت اور تعاون کا بھی اعتراف کرتے ہیں۔
مسلسل فضل و کرم پر تمام تعریفیات اور شکر اللہ سبحانہ و تعالیٰ کے لیے ہے۔

منجانب بورڈ



شیخ پرویز احمد
ڈائریکٹر



آصف مصباح
چیف ایگزیکٹو

کراچی

فروری 19، 2022

ڈائریکٹرز جائزہ رپورٹ

ہم 31 دسمبر، 2021 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ غیر مدغم شدہ اور مدغم شدہ مختصر مالیاتی عبوری اسٹیٹمنٹس پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

جولائی - دسمبر				مندرجات
غیر مدغم شدہ		مدغم شدہ		
2020	2021	2020	2021	
2,652.7	2,689.8	2,540.5	2,551.2	فروخت خالص
1,061.9	1,217.2	1,010.6	1,140.4	مجموعی منافع
169.7	277.1	187.7	286.5	آپریٹنگ منافع
91.3	247.1	114.2	260.0	قبل از ٹیکس منافع
47.9	177.8	74.5	196.2	بعد از ٹیکس منافع

مالیاتی کارکردگی

31 دسمبر 2021 کو ختم ہونے والی مدت کے لیے 2,551 ملین روپے کی خالص فروخت میں گزشتہ سال کے مقابلے میں معمولی اضافہ ہے۔ تاہم، ہمارے بذریعہ نسخہ فروخت کاروبار میں مثبت 16 فیصد کا مضبوط اضافہ ہوا کیونکہ COVID-19 ہائیکے بعد مرلیوں کی آمدورفت معمول پر آگئی اور ہماری تفریحی سرگرمیوں میں اضافے سے تجارت میں مضبوط اٹھان ہوئی (موجودہ مدت: 2,074 ملین روپے بمقابلہ گزشتہ سال: 1,791 ملین روپے)۔

گزشتہ سال ڈائریکٹوریٹ جنرل آف ہیلتھ سروسز (DGHS)، حکومت پنجاب کے اضافی آرڈر اور فروخت کی منتقلی کی وجہ سے ہماری پبلک ٹینڈر فروخت 63 فیصد کم رہی۔ (موجودہ مدت: 178 ملین روپے بمقابلہ گزشتہ سال: 481 ملین روپے)

تمام منافع کے اشارے، بذریعہ نسخہ کاروبار میں اضافے، بہتر سیکرکس، لاگت کو بہتر بنانے اور کارکردگی میں بہتری کی وجہ سے مضبوط نمو کی عکاسی کرتے ہیں۔ قبل از ٹیکس منافع 128 فیصد اضافے کے ساتھ 260 ملین روپے ہو گیا ہے۔

اس عرصے کے دوران 1,100 ملین روپے کاروائی ایڈو کامپانی سے مکمل ہوا۔ 850 ملین روپے مختصر اور طویل مدتی بینک فنانسنگ کی ادائیگی کی گئی۔ 100 ملین روپے ورکنگ کپٹل میں استعمال کیے گئے، 50 ملین روپے نئی مصنوعات کے اجرا اور 15 ملین روپے کی سرمایہ کاری پلانٹ و مشینری میں کی گئی۔ بیلنس فٹرز کو نئے پلانٹ اور مشینری میں استعمال کیا جائے گا۔

فی حصص منافع

جولائی - دسمبر 2021 کی ششماہی کے دوران غیر مدغم شدہ مالیاتی اسٹیٹمنٹس کے مطابق فی حصص منافع 4.57 روپے (ششماہی 2020-21: فی حصص آمدنی 1.63 روپے) تھا۔



EY Ford Rhodes
Chartered Accountants
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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 2021**, 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 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures of the six-months period ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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: 22 February 2022

UDIN: RR202110076vpbSkQYi9

A member firm of Ernst & Young Global Limited

**UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
HALF YEAR ENDED
DECEMBER 31, 2021**

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

		DECEMBER 31, 2021	JUNE 30, 2021
	NOTE	..... (RUPEES IN '000)	
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,554,499	1,448,418
Intangible assets		3,004	3,992
Long-term investment	6	300,000	300,000
Long-term loans		2,426	2,219
Long-term deposits		8,159	64,733
Deferred tax asset		57,249	47,047
		1,925,337	1,866,409
CURRENT ASSETS			
Stores and spares		13,389	10,118
Stock-in-trade	7	1,263,056	984,304
Trade debts	8	511,659	513,247
Loans and advances		76,578	69,466
Trade deposits, prepayments and other receivables		87,130	92,108
Taxation - net		42,007	101,107
Short-term investments	9	67,227	-
Cash and bank balances	10	79,279	81,993
		2,140,325	1,852,343
TOTAL ASSETS		4,065,662	3,718,752
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	458,111	391,444
Reserves		2,071,093	958,065
		2,529,204	1,349,509
NON-CURRENT LIABILITIES			
Deferred liabilities		213,731	210,023
Long-term financing	12	18,309	455,245
Long-term provision	13	92,058	80,884
Lease liabilities		41,024	66,093
		365,122	812,245
CURRENT LIABILITIES			
Trade and other payables	14	923,146	781,128
Accrued profit		1,133	10,088
Short-term borrowings	15	13,904	381,695
Current portion of long-term financing	12	188,543	362,040
Current portion of lease liabilities		43,242	21,769
Unclaimed dividends		1,368	278
		1,171,336	1,556,998
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITY AND LIABILITIES		4,065,662	3,718,752

The annexed notes from 1 to 22 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, 2021

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
NOTE	(RUPEES IN '000)			
Turnover - net	2,551,226	2,540,506	1,306,727	1,221,288
Cost of sales	(1,410,843)	(1,529,927)	(702,843)	(704,247)
Gross profit	1,140,383	1,010,579	603,884	517,041
Distribution costs	(719,797)	(697,818)	(371,369)	(356,096)
Administrative expenses	(132,132)	(122,708)	(67,019)	(57,523)
Other expenses	(22,092)	(9,705)	(13,218)	(5,558)
Other income	20,133	7,386	10,318	2,930
	(853,888)	(822,845)	(441,288)	(416,247)
Operating profit	286,495	187,734	162,596	100,794
Financial charges 12.3 & 15.2	(26,481)	(73,502)	(7,025)	(35,367)
Profit before taxation	260,014	114,232	155,571	65,427
Taxation 17	(63,791)	(39,711)	(33,660)	(20,194)
Net profit for the period	196,223	74,521	121,911	45,233
	..... (RUPEES)			
		(Re-stated)		(Re-stated)
Basic and diluted earnings per share	4.57	1.63	2.66	0.99

The annexed notes from 1 to 22 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, 2021

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
	..... (RUPEES IN '000)			
Net profit for the period	196,223	74,521	121,911	45,233
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	196,223	74,521	121,911	45,233

The annexed notes from 1 to 22 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, 2021

	HALF YEAR ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020
	..... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	260,014	114,232
Adjustments for non-cash and other items:		
Depreciation on:		
- Right of use assets	17,966	11,631
- Others	64,128	52,379
Amortization	987	1,530
Financial charges on:		
- Lease liability	4,328	4,017
- Others	22,153	69,485
Provision for gratuity	11,026	9,490
Gain on sale of operating fixed assets	(13,584)	(3,801)
Provision for slow moving and obsolete stock-in-trade	45,773	20,664
Allowance for expected credit loss	4,492	10,679
	157,269	176,074
	417,283	290,306
(Increase) / decrease in current assets		
Stores and spares	(3,271)	(2,349)
Stock-in-trade	(324,525)	(164,225)
Trade debts	(2,904)	59,085
Loans and advances	(7,112)	(34,097)
Trade deposits, prepayments and other receivables	4,978	(13,560)
	(332,834)	(155,146)
Increase / (decrease) in current liabilities		
Trade and other payables	143,108	(188,932)
	227,557	(53,772)
Financial charges paid	(31,108)	(75,837)
Income tax (paid) / refunded - net	(14,892)	16,980
Gratuity paid	(5,727)	(7,880)
Long-term loans - net	(207)	(247)
Long-term deposits - net	56,574	(188)
Deferred liabilities - net	(1,592)	1
	3,048	(67,171)
Net cash generated / (used) in operating activities	230,605	(120,943)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property plant and equipment - net	(191,239)	(53,525)
Proceeds from disposal of operating fixed assets	16,649	7,444
Additions to intangible assets	-	(311)
Investment in listed mutual fund units and Col - musharakah	(250,000)	-
Redemption of listed mutual fund units and Col - musharakah	182,773	-
Net cash used in investing activities	(241,817)	(46,392)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(91,622)	-
Proceeds from issues of share - net	1,075,094	-
Short-term borrowings - net	(367,791)	(10,722)
Long-term financing - net	(610,433)	191,316
Long-term provision	11,174	71,545
Lease rentals paid	(7,924)	(5,925)
Net cash generated from financing activities	8,498	246,214
Net (decrease) / increase in cash and cash equivalent	(2,714)	78,879
Cash and cash equivalents at the beginning of the period	81,993	129,745
Cash and cash equivalents at the end of the period	79,279	208,624

The annexed notes from 1 to 22 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, 2021

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	TOTAL
		CAPITAL RESERVES	RESERVES		
		SHARE PREMIUM ACCOUNT	UNAPPROP- -RIATED PROFIT		
..... (RUPEES IN '000)					
Balance as at July 01, 2020	391,444	217,808	558,466	776,274	1,167,718
Net loss 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	391,444	217,808	632,987	850,795	1,242,239
Balance as at July 01, 2021	391,444	217,808	740,257	958,065	1,349,509
Transaction with the owners					
Issue of right share	66,667	1,033,333	-	1,033,333	1,100,000
Right share issuance expenses	-	(24,906)	-	(24,906)	(24,906)
Net profit for the period	-	-	196,223	196,223	196,223
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	196,223	196,223	196,223
Final cash dividend @ Rs. 2.00 per share for the year ended June 30, 2021	-	-	(91,622)	(91,622)	(91,622)
Balance as at December 31, 2021	458,111	1,226,235	844,858	2,071,093	2,529,204

The annexed notes from 1 to 22 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, 2021

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, 2021.

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 9 IAS 39 IFRS 7 IFRS 4 & IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)
IFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021 (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, 2021 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, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
		UN-AUDITED	AUDITED
Operating fixed assets	5.1	1,434,289	1,327,741
Capital work-in-progress	5.2	51,530	35,407
Right-of-use asset		68,680	85,270
		<u>1,554,499</u>	<u>1,448,418</u>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Buildings on leasehold land	2,694	176	-	-
Plant and machinery	32,256	25,588	-	245
Tools and equipment	57,303	16,300	-	-
Gas and other installation	22,679	9,337	-	-
Office equipment	2,469	1,067	-	-
Computer equipment	815	670	37	80
Motor vehicles	55,527	2,274	3,030	3,318
	<u>173,743</u>	<u>55,412</u>	<u>3,067</u>	<u>3,643</u>

5.1.1 During the period, the Company terminated all Ijarah contract and acquired assets under Ijarah as result addition amounting Rs.113.25 million was recognised in operating fixed assets under Plant and Machinery, Tools and equipment, gas and other installation and motor vehicles.

5.2 Capital work-in-progress

	December 31, 2021		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY AND OTHERS	TOTAL
	..... (UN-AUDITED)		
	..... (RUPEES IN '000)		
Balance at beginning of the period	5,401	30,006	35,407
Capital expenditure incurred / advances made	3,070	43,487	46,557
Transferred to operating fixed assets	(1,688)	(28,746)	(30,434)
Balance at end of the period	6,783	44,747	51,530

	NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
		UN-AUDITED	AUDITED

6. LONG-TERM INVESTMENT

Investment in subsidiary - at cost
Misbah Cosmetic (Private) Limited
30,000,000 (2021: 30,000,000) ordinary shares
representing 79.84% (2021: 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	564,818	350,512
- packing material	224,369	203,774
- work-in-process	97,320	95,836
- finished goods	468,232	407,560
	1,354,739	1,057,682
Less: Provision for slow moving and obsolete stock-in-trade	7.1 (92,630)	(75,619)
	1,262,109	982,063
In transit	947	2,241
	1,263,056	984,304

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:

NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021
	UN-AUDITED	AUDITED
Balance at beginning of the period / year	75,619	39,878
Provision recognised during the period / year	45,773	38,712
Write offs during the period / year	(28,762)	(2,971)
	17,011	35,741
Balance at end of the period / year	92,630	75,619

8. TRADE DEBTS - unsecured

Considered good	511,659	513,247
Considered doubtful	105,131	100,910
	616,790	614,157
Allowance for expected credit loss	(105,131)	(100,910)
Trade debts - net	511,659	513,247

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	100,910	81,765
Provision recognised during the period / year	4,492	19,145
Write offs during the period / year	(271)	-
	4,221	19,145
Balance at end of the period / year	105,131	100,910

9. SHORT TERM INVESTMENT**At fair value through profit or loss**

- Listed mutual fund units	9.1	67,227	-
		67,227	-

9.1 Name of the Investee

	DECEMBER 31, 2021	DECEMBER 31, 2021 (RUPEES IN '000)
	UN-AUDITED NO. OF UNITS	UN-AUDITED FAIR VALUE
Meezan Sovereign Fund (MSF)	1,253,175	67,227

	NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
		UN-AUDITED	AUDITED
10. CASH AND BANK BALANCES			
Cash in hand		4	6
Balances with banks in:			
- current accounts		72,444	70,407
- saving accounts - with Islamic banks	10.1	5,463	11,302
- dividend accounts - with Islamic banks		1,368	278
		79,275	81,987
		79,279	81,993

10.1 These carry profit at the rates ranging from 2.75% to 4.34% (2021: 2.75% to 3.47%) per annum.

11. SHARE CAPITAL

11.1 Authorized share capital

DECEMBER 31, 2021 ----- NUMBER OF SHARES ----- UN-AUDITED	JUNE 30, 2021 ----- NUMBER OF SHARES ----- AUDITED		DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (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

DECEMBER 31, 2021 ----- NUMBER OF SHARES ----- UN-AUDITED	JUNE 30, 2021 ----- NUMBER OF SHARES ----- AUDITED		DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
8,430,868	8,430,868	Issued for cash	84,309	84,309
30,489,649	30,489,649	Issued as fully paid bonus	304,897	304,897
		Shares Issued pursuant to		
		merger with		
223,834	223,834	Associated Services Limited	2,238	2,238
6,666,667	-	Issued as fully paid right shares	66,667	-
45,811,018	39,144,351		458,111	391,444

11.3 Movement in number of shares

DECEMBER 31, 2021	JUNE 30, 2021		DECEMBER 31, 2021	JUNE 30, 2021
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
39,144,351	39,144,351	Opening shares outstanding	391,444	391,444
6,666,667	-	Issued as right shares	66,667	-
45,811,018	39,144,351		458,111	391,444

- 11.4** The Board of Directors in their meeting held on June 22, 2021 approved to raised further capital by issuance of right shares at a value of Rs.165 per share (premium of Rs.155 per shares) to its existing shareholders in the proportion of 17.03 right share for every 100 ordinary share held. The process of right issue was completed during the period and the total of 6,666,667 shares were issued. Through this issue the Company raised Rs. 66.667 million and 1,033.33 million in respect of ordinary share capital and share premium respectively.

	NOTE	DECEMBER 31, 2021	JUNE 30, 2021
		..... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
12. LONG-TERM FINANCING - secured			
Secured			
Diminishing musharakah on			
- leasehold land		-	152,500
- plant and machinery		-	272,284
- vehicles	12.1	29,770	129,858
- salaries and wages	12.2	177,082	262,643
		206,852	817,285
Less: Current maturity shown under current liabilities		(188,543)	(362,040)
		18,309	455,245

- 12.1** These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% (2021: 6 Months KIBOR plus 1.00% to 1.50%) per annum and are having maturity till November 2026 (2021: September 2025). These facilities are secured against the respective assets.

- 12.2** 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 Neclash No. 158 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.

- 12.3** Financial charges on long-term financing for the period ended December 31, 2021 is Rs. 9.61 million (December 31, 2020: Rs. 25.22 million).

DECEMBER 31, 2021	JUNE 30, 2021
..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
UN-AUDITED	AUDITED

13. LONG-TERM PROVISION

Gas Infrastructure Development Cess (GIDC)	92,058	80,884
--	---------------	--------

Represents Gas Infrastructure Development Cess (GIDC) against which the Honorable 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 Honorable 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.105.20 million for GIDC in the financial statements.

NOTE	DECEMBER 31, 2021	JUNE 30, 2021
	..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
	UN-AUDITED	AUDITED

14. TRADE AND OTHER PAYABLES

Trade and other creditors	643,311	520,453
Advances from customers - contract liabilities	136,166	137,781
Accrued liabilities	8,596	11,578
Sindh Workers' Profit Participation Fund	14,105	2,948
Workers' Welfare Fund	35,194	29,834
Central Research Fund	2,626	3,342
Payable to provident fund	1,131	794
Current portion of Government Grant	5,852	10,412
Refund liability	18,777	18,777
Ijarah rentals payable	-	1,206
Auditors' remuneration	1,406	2,816
Other government levies	11,953	10,924
Others	44,029	30,263
	923,146	781,128

15. SHORT-TERM BORROWINGS - secured

Musharakah running finance		-	113,100
Murabaha	15.1	13,904	268,595
		13,904	381,695

- 15.1** 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 0.80% to 1.50% (2021: 3 to 6 Months KIBOR plus 0.80% to 1.50%) per annum and having maturity latest by January 2022 (2021: October 2021). 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 December 31, 2021 is Rs.11.81 million (December 31, 2020: Rs.43.24 million).

DECEMBER 31, 2021	JUNE 30, 2021
..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
UN-AUDITED	AUDITED

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- 16.1.1** Claims not acknowledged as debt by the Company
- | | |
|-------|-------|
| 9,105 | 8,013 |
|-------|-------|
- 16.1.2** There is no material change in the status of contingencies as disclosed in notes 23.1 to the annual audited financial statements for the year ended June 30, 2021 except as mentioned in above notes.

DECEMBER 31, 2021	JUNE 30, 2021
..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
UN-AUDITED	AUDITED

16.2 Commitments

Capital commitments	53,004	26,876
Outstanding letters of credit	202,606	135,381
Outstanding letters of guarantee	115,279	113,604

HALF YEAR ENDED		QUARTER ENDED	
DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
..... (RUPEES IN '000)			

17. TAXATION

Current	71,192	40,408	39,889	19,633
Prior	2,801	(2,991)	2,801	(2,991)
Deferred	(10,202)	2,294	(9,030)	3,552
	63,791	39,711	33,660	20,194

18. 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 with related parties during the period are as follows:

		QUARTER ENDED	
		DECEMBER 31, 2021	DECEMBER 31, 2020
		..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
		..... (UN-AUDITED) .....	..... (UN-AUDITED)
Relationship	Nature of transactions		
Provident Fund	Contribution made	22,943	20,517
Non-Executive Director	Fee for attending meetings	1,063	875
	Dividend	569	-
Key Management Personnel	Salary and other benefits	107,640	79,861
	Dividend	57,672	-

19. 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, 2021. There has been no change in any risk management policies since the year-end.

20. 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 assets 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:

	DECEMBER 31, 2021			JUNE 30, 2021		
	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	-	67,277	-	-	-	-

21. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 19, 2022 by the Board of Directors of the Company.

22. GENERAL AND NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

22.1 General

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

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

22.2 Non-adjusting event after balance sheet date

The Board of Director in their meeting held on February 19, 2022 declared interim cash dividend amounting to Rs. 1.71 per share.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
HALF YEAR ENDED
DECEMBER 31, 2021**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**AS AT DECEMBER 31, 2021**

		DECEMBER 31, 2021	JUNE 30, 2021
	NOTE	..... (RUPEES IN '000)	
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,570,406	1,464,433
Intangible assets		52,968	55,310
Long-term loans		2,426	2,219
Long-term deposits		9,637	66,211
Deferred tax asset		57,249	47,047
		1,692,686	1,635,220
CURRENT ASSETS			
Stores and spares		13,389	10,118
Stock-in-trade	6	1,305,180	1,042,133
Trade debts	7	572,032	546,342
Loans and advances		118,923	73,918
Trade deposits, prepayments and other receivables		88,453	105,328
Taxation - net		42,007	101,107
Short-term investment	8	67,227	-
Cash and bank balances	9	92,189	157,836
		2,299,400	2,036,782
TOTAL ASSETS		3,992,086	3,672,002
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	10	458,111	391,444
Reserves		1,895,977	797,931
		2,354,088	1,189,375
Non controlling interest		18,918	22,359
		2,373,006	1,211,734
NON-CURRENT LIABILITIES			
Deferred liabilities		213,731	210,023
Long-term financing	11	64,669	503,447
Long-term provision	12	92,058	80,884
Lease liabilities		41,024	66,093
		411,482	860,447
CURRENT LIABILITIES			
Trade and other payables	13	955,724	792,365
Accrued profit		1,133	10,722
Short-term borrowings	14	13,904	408,963
Current portion of long-term financing	11	192,227	365,724
Current portion of lease liabilities		43,242	21,769
Unclaimed dividends		1,368	278
		1,207,598	1,599,821
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		3,992,086	3,672,002

The annexed notes from 1 to 21 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, 2021

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
NOTE	..... (RUPEES IN '000)			
Turnover	2,689,832	2,652,670	1,390,294	1,288,185
Cost of sales	(1,472,676)	(1,591,747)	(740,420)	(743,082)
Gross profit	1,217,156	1,060,923	649,874	545,103
Distribution costs	(803,865)	(761,938)	(419,488)	(391,435)
Administrative expenses	(134,202)	(126,952)	(66,614)	(58,423)
Other expenses	(22,092)	(9,705)	(13,218)	(5,558)
Other income	20,133	7,386	10,318	2,930
	(940,026)	(891,209)	(489,002)	(452,486)
Operating profit	277,130	169,714	160,872	92,617
Financial charges 11.4 & 14.2	(29,995)	(78,415)	(8,601)	(38,195)
Profit before taxation	247,135	91,299	152,271	54,422
Taxation 17	(69,335)	(43,391)	(37,002)	(22,193)
Net profit for the period	177,800	47,908	115,269	32,229
	..... (RUPEES)			
Basic and diluted earnings per share	4.14	(Re-stated) 1.05	2.52	(Re-stated) 0.70

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Attributable to:

Owner of the Holding Company	181,241	51,460	118,710	40,435
Non- controlling interest	(3,441)	(3,552)	(3,441)	(8,206)
	177,800	47,908	115,269	32,229



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2021

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
	..... (RUPEES IN '000)			
Net profit for the period	177,800	47,908	115,269	32,229
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	177,800	47,908	115,269	32,229

The annexed notes from 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Attributable to:

Owner of the Holding Company	181,241	51,460	118,710	40,435
Non- controlling interest	(3,441)	(3,552)	(3,441)	(8,206)
	177,800	47,908	115,269	32,229



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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

FOR THE PERIOD ENDED DECEMBER 31, 2021

		HALF YEAR ENDED	
		DECEMBER 31, 2021	DECEMBER 31, 2020
	NOTE	..... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		247,135	91,299
Adjustments for non-cash and other items:			
Depreciation on:			
- Right of use assets		17,966	11,631
- Others		65,005	53,295
Amortization		2,341	2,920
Financial charges on:			
- Lease liability		4,328	4,017
- Others		25,667	74,398
Provision for gratuity		11,026	9,490
Gain on sale of operating fixed assets		(13,584)	(3,801)
Provision for slow moving and obsolete stock-in-trade		45,773	26,397
Allowance for expected credit loss		4,492	10,679
		163,014	189,026
		410,149	280,325
(Increase) / decrease in current assets			
Stores and spares		(3,271)	(2,349)
Stock-in-trade		(308,820)	(163,451)
Trade debts		(30,182)	39,867
Loans and advances		(45,005)	(36,259)
Trade deposits, prepayments and other receivables		16,875	(9,587)
		(370,403)	(171,779)
Increase / (decrease) in current liabilities			
Trade and other payables		164,449	(182,245)
		204,195	(73,699)
Financial charges paid		(35,256)	(79,954)
Income tax (paid) / refunded - net		(20,436)	13,299
Gratuity paid		(5,727)	(7,880)
Long-term loans - net		(207)	(247)
Long-term deposits - net		56,574	(188)
Deferred liabilities - net		(1,592)	1
		(6,644)	(74,969)
Net cash generated / (used) in operating activities		197,551	(148,668)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net		(192,008)	(53,525)
Proceeds from disposal of operating fixed assets		16,649	7,444
Additions of intangible asset		-	(311)
Investment in listed mutual fund units and Col - musharakah		(250,000)	-
Redemption of listed mutual fund units and Col - musharakah		182,773	-
Net cash used in investing activities		(242,586)	(46,392)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(91,622)	-
Proceeds from issue of share - net		1,075,094	-
Short-term borrowings - net		(395,059)	38,859
Long-term financing - net		(612,275)	189,474
Long-term provision		11,174	71,545
Lease rentals paid		(7,924)	(5,925)
Net cash (used) / generated from financing activities		(20,612)	293,953
Net (decrease) / increase in cash and cash equivalents		(65,647)	98,893
Cash and cash equivalents at the beginning of the period		157,836	139,056
Cash and cash equivalents at the end of the period	9	92,189	237,949

The annexed notes from 1 to 21 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, 2021

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES	RESERVES	TOTAL RESERVES	NON- CONTROLLING INTEREST	TOTAL EQUITY
		SHARE PREMIUM ACCOUNT	UNAPPROP- -RIATED PROFIT			
(RUPEES IN '000)						
Balance as at July 01, 2020	391,444	217,808	449,336	667,144	13,956	1,072,544
Net profit / (loss) for the period	-	-	51,460	51,460	(3,552)	47,908
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	51,460	51,460	(3,552)	47,908
Balance as at December 31, 2020	391,444	217,808	500,796	718,604	10,404	1,120,452
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	66,667	1,033,333	-	1,033,333	-	1,100,000
Right share issuance expenses	-	(24,906)	-	(24,906)	-	(24,906)
Net profit / (loss) for the period	-	-	181,241	181,241	(3,441)	177,800
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	181,241	181,241	(3,441)	177,800
Final cash dividend @ Rs. 2.0 per share for the year ended June 30, 2021	-	-	(91,622)	(91,622)	-	(91,622)
Balance as at December 31, 2021	458,111	1,226,235	669,742	1,895,977	18,918	2,373,006

The annexed notes from 1 to 21 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, 2021**

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	
	DECEMBER 31, 2021	JUNE 30, 2021
	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, 2021.

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 9 IAS 39 IFRS 7 IFRS 4 & IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)
IFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021 (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, 2021 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, 2021.

		DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 AUDITED
	NOTE	UN-AUDITED	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,450,196	1,343,756
Capital work-in-progress	5.2	51,530	35,407
Right-of-use assets		68,680	85,270
		<u>1,570,406</u>	<u>1,464,433</u>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Buildings on leasehold land	2,694	176	-	-
Plant and machinery	32,256	25,588	-	245
Tools and equipment	57,303	16,300	-	-
Gas and other installation	22,679	9,337	-	-
Furniture and fixture	486	-	-	-
Office equipment	2,543	1,067	-	-
Computer equipment	1,025	296	37	80
Motor vehicles	55,527	2,274	3,030	3,318
	174,513	55,038	3,067	3,643

5.1.1 During the period, the Holding Company terminated all Ijarah contract, as result addition amounting Rs. 113.25 million was recognised in operating fixed assets under plant and machinery, tools and equipment, gas and other installation and motor vehicles.

5.2 Capital work-in-progress

	DECEMBER 31, 2021		
	BUILDING ON LEASEHOLD LAND	PLANT AND MACHINERY	TOTAL
	..... (UN-AUDITED)		
	..... (RUPEES IN '000)		
Balance at beginning of the period	5,401	30,006	35,407
Capital expenditure incurred / advances made	3,070	43,487	46,557
Transferred to operating fixed assets	(1,688)	(28,746)	(30,434)
Balance at end of the period	6,783	44,747	51,530

	NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 AUDITED
		UN-AUDITED	
6. STOCK-IN-TRADE			
In hand			
- raw material		564,818	350,512
- packing material		224,369	203,774
- work-in-process		97,320	95,836
- finished goods		517,915	474,322
		1,404,422	1,124,444
Less: Provision for slow moving and obsolete stock-in-trade	6.1	(105,509)	(88,498)
		1,298,913	1,035,946
In transit		6,267	6,187
		1,305,180	1,042,133

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	88,498	44,822
Provision recognised during the period / year	45,773	46,647
Write offs during the period / year	(28,762)	(2,971)
	17,011	43,676
Balance at the end of the period / year	105,509	88,498

7. TRADE DEBTS - unsecured

Considered good	572,032	546,342
Considered doubtful	114,422	110,201
	686,454	656,543
Allowance for expected credit loss	(114,422)	(110,201)
Trade debts - net	572,032	546,342

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	110,201	91,056
Provision recognised during the period / year	4,492	19,145
Write offs during the period / year	(271)	-
	4,221	19,145
Balance at end of the period / year	114,422	110,201

	NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
		UN-AUDITED	AUDITED
8. SHORT TERM INVESTMENT			
At fair value through profit or loss			
- Listed mutual fund units	8.1	67,227	-
		67,227	-
		DECEMBER 31, 2021	DECEMBER 31, 2021 (RUPEES IN '000)
		UN-AUDITED NO. OF UNITS	UN-AUDITED FAIR VALUE
8.1 Name of the Investee			
Meezan Sovereign Fund (MSF)		1,253,175	67,227
		DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
		UN-AUDITED	AUDITED
9. CASH AND BANK BALANCES			
Cash in hand		4	6
Balances with banks in:			
- current accounts		85,354	146,250
- saving accounts - with Islamic banks	9.1	5,463	11,302
- dividend accounts - with Islamic banks		1,368	278
		92,185	157,830
		92,189	157,836
9.1 These carry profit at the rates ranging from 2.75% to 4.34% (2021: 2.75% to 3.47%) per annum.			
10. SHARE CAPITAL			
10.1 Authorized share capital			
DECEMBER 31, 2021 ----- NUMBER OF SHARES -----		DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
UN-AUDITED		UN-AUDITED	AUDITED
65,000,000	65,000,000	Ordinary shares of Rs.10 each	650,000
		650,000	650,000

10.2 Issued, subscribed and paid-up share capital

DECEMBER 31, 2021	JUNE 30, 2021		DECEMBER 31, 2021	JUNE 30, 2021
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
8,430,868	8,430,868	Issued for cash	84,309	84,309
30,489,649	30,489,649	Issued as fully paid bonus Shares Issued pursuant to merger with	304,897	304,897
223,834	223,834	Associated Services Limited	2,238	2,238
6,666,667	-	Issued as fully paid right shares	66,667	-
<u>45,811,018</u>	<u>39,144,351</u>		<u>458,111</u>	<u>391,444</u>

10.3 Movement in number of shares

DECEMBER 31, 2021	JUNE 30, 2021		DECEMBER 31, 2021	JUNE 30, 2021
----- NUMBER OF SHARES -----			..... (RUPEES IN '000)	
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
39,144,351	39,144,351	Opening shares outstanding	391,444	391,444
6,666,667	-	Issued as right shares	66,667	-
<u>45,811,018</u>	<u>39,144,351</u>		<u>458,111</u>	<u>391,444</u>

10.4 The Board of Directors of the Holding Company in their meeting held on June 22, 2021 approved to raised further capital by issuance of right shares at a value of Rs.165 per share (premium of Rs.155 per shares) to its existing shareholders in the proportion of 17.03 right share for every 100 ordinary share held. The process of right issue was completed during the period and the total of 6,666,667 shares were issued. Through this issue the Company raised Rs.66.667 million and Rs.1,033.33 million in respect of ordinary share capital and share premium respectively.

	NOTE	DECEMBER 31, 2021	JUNE 30, 2021
		..... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
11. LONG-TERM FINANCING			
Loan from related party	11.1	50,044	51,886
Secured			
Diminishing musharakah on			
- leasehold land		-	152,500
- plant and machinery		-	272,284
- vehicles	11.2	29,770	129,858
- salaries and wages	11.3	177,082	262,643
		<u>256,896</u>	<u>869,171</u>
Less : Current maturity shown under current liabilities		<u>(192,227)</u>	<u>(365,724)</u>
		<u>64,669</u>	<u>503,447</u>

- 11.1** 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-2021 which is fixed for the period as 8.12% per annum. (June 30, 2021: 90 days average of 12 months KIBOR for 3rd calendar Quarter-2020 which was fixed for the period as 8.73% per annum). The profit is payable on monthly basis.
- 11.2** These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% (2021: 6 Months KIBOR plus 1.00% to 1.50%) per annum and are having maturity till November 2026 (2021: September 2025). These facilities are secured against the respective assets.
- 11.3** 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 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.
- 11.4** Financial charges on long term financing for the period ended December 31, 2021 is Rs.12.53 million (December 31, 2020: Rs.28.66 million).

DECEMBER 31, 2021	JUNE 30, 2021
..... (RUPEES IN '000) .....	.....
UN-AUDITED	AUDITED

12. LONG-TERM PROVISION

Gas Infrastructure Development Cess (GIDC)

92,058

80,884

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. 105.20 million for GIDC in the financial statements.

	NOTE	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
		UN-AUDITED	AUDITED
13. TRADE AND OTHER PAYABLES			
Trade and other creditors		647,468	522,687
Advances from customers - contract liabilities		136,699	138,197
Accrued liabilities		32,777	20,164
Sindh Workers' Profit Participation Fund		14,105	2,948
Workers' Welfare Fund		35,194	29,834
Central Research Fund		2,626	3,342
Payable to provident fund		1,131	794
Current portion of Government Grant		5,852	10,412
Refund liability		18,777	18,777
Ijarah rentals payable		-	1,206
Auditors' remuneration		1,406	2,816
Other government levies		15,659	10,924
Others		44,030	30,264
		955,724	792,365

14. SHORT-TERM BORROWINGS - secured

Musharakah running finance		-	113,100
Murabaha	14.1	13,904	295,863
		13,904	408,963

14.1 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 0.80% to 1.50% (2021: 3 to 6 Months KIBOR plus 0.80% to 1.50%) per annum and having maturity latest by January 2022 (2021: October 2021). These are secured against hypothecation of stock-in-trade and trade debts of the Company.

14.2 Financial charges on short term borrowings for the period ended December 31, 2021 is Rs.17.59 million (December 31, 2020: Rs.23.15 million).

	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
	UN-AUDITED	AUDITED
15. CONTINGENCIES AND COMMITMENTS		

15.1 Contingencies

15.1.1 Claims not acknowledged as debt by the Holding Company	9,105	8,013
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15.1.2 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, 2021 except as mentioned above.

	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
	UN-AUDITED	AUDITED

15.2 Commitments

Capital commitments	53,004	26,876
Outstanding letters of credit	205,798	157,546
Outstanding letters of guarantee	115,279	113,604

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

	DECEMBER 31, 2021 (RUPEES IN '000)	JUNE 30, 2021 (RUPEES IN '000)
	UN-AUDITED	AUDITED
Year		
2022	1,006	52,071
2023	2,012	38,483
2024	693	16,470
2025	-	9,818
	3,711	116,842

16. OPERATING SEGMENTS

	HOLDING COMPANY HALF YEAR ENDED		SUBSIDIARY COMPANY HALF YEAR ENDED		GROUP HALF YEAR ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
..... (RUPEES IN '000)						
Turnover	2,551,226	2,540,506	138,606	112,164	2,689,832	2,652,670
Cost of sales	(1,410,843)	(1,529,927)	(61,833)	(61,820)	(1,472,676)	(1,591,747)
Gross profit	1,140,383	1,010,579	76,773	50,344	1,217,156	1,060,923
Other income	20,133	7,386	-	-	20,133	7,386
Distribution costs	(719,797)	(697,818)	(84,068)	(64,120)	(803,865)	(761,938)
Administrative expenses	(132,132)	(122,708)	(717)	(2,891)	(134,202)	(126,952)
Other expenses	(22,092)	(9,705)	-	-	(22,092)	(9,705)
Financial charges	(26,481)	(73,502)	(3,514)	(4,913)	(29,995)	(78,415)
Profit / (loss) before tax	260,014	114,232	(11,526)	(21,580)	247,135	91,299

	HOLDING COMPANY HALF YEAR ENDED		SUBSIDIARY COMPANY HALF YEAR ENDED		GROUP HALF YEAR ENDED	
	DECEMBER 31, 2021 UN-AUDITED	JUNE 30, 2021 AUDITED	DECEMBER 31, 2021 UN-AUDITED	JUNE 30, 2021 AUDITED	DECEMBER 31, 2021 UN-AUDITED	JUNE 30, 2021 AUDITED
	(RUPEES IN '000)					
Segment assets	3,765,662	3,418,752	176,460	126,133	3,942,122	3,883,824
Unallocated assets	-	-	-	-	49,964	54,023
Segment liabilities	1,536,458	2,369,243	82,621	75,330	1,619,080	2,865,303

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2021	DECEMBER 31, 2020	DECEMBER 31, 2021	DECEMBER 31, 2020
	(RUPEES IN '000)			
	(UN-AUDITED)			

17. TAXATION

Current	76,736	40,088	43,231	21,314
Prior	2,801	(2,991)	2,801	(2,991)
Deferred	(10,202)	2,294	(9,030)	3,552
	69,335	43,391	37,002	21,875

18. TRANSCATIONS 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:

		HALF YEAR ENDED	
		DECEMBER 31, 2021	DECEMBER 31, 2020
		(RUPEES IN '000)	
		(UN-AUDITED)	
Relationship	Nature of transaction		
Provident Fund	Contribution paid	22,943	20,517
Non-executive directors	Fee for attending meetings	1,063	875
		569	-
Key management personnel	Salary and other benefits	118,223	83,425
	Repayment of loan	1,842	1,842
	Dividend	57,672	-
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	2,635	2,319
Balances outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	1,127	754

19. 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, 2021. There have been no change in any risk management policies since the year end, except as mentioned below:

19.1 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:

DECEMBER 31, 2021			JUNE 30, 2021		
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	-	67,277	-	-	-
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20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 19, 2022 by the Board of Directors of the Company.

21. GENERAL AND NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE**21.1 General**

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

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

21.2 Non-adjusting event after balance sheet date

The Board of Director in their meeting held on February 19, 2022 declared interim cash dividend amounting to Rs. 1.71 per share.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



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