



Macter International Limited



QUARTERLY REPORT

MARCH 31
2021

WORKING TODAY
FOR A HEALTHIER TOMORROW

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

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

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Syed Khalid Noor

COMPANY SECRETARY

Mr. Asif Javed

INTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

EXTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

SHARIAH ADVISOR

Mufti Muhammad Najeeb Khan

BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

WEBSITE

www.macter.com

DIRECTORS' REVIEW REPORT

We are pleased to present the un-audited un-consolidated and consolidated condensed interim financial information for the period ended March 31, 2021:

FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - March			
	Unconsolidated		Consolidated	
	2021	2020	2021	2020
Turnover - Net	3,705.8	4,114.5	3,884.2	4,273.9
Gross profit	1,485.1	1,589.3	1,567.2	1,677.8
Operating Profit	274.4	189.3	251.3	161.6
Profit / (Loss) before tax	170.9	15.6	140.0	(20.3)
Profit / (Loss) after tax	110.9	(37.1)	73.4	(78.5)

FINANCIAL PERFORMANCE

During the period under review net sales declined by 10% over same period last year. This was mainly due to lower institutional / tender business sales. Company's prescription sales bounced back from April - June 2020 quarter (worst Covid19 hit quarter) however due to the lingering effects of the pandemic showed a marginal decline versus same period last year (pre Covid19 period).

Patient flow in clinics and hospitals has improved though remains lower versus last year. Our medical representatives' doctor visits have resumed with strict compliance to SOPs as prescribed by the government to ensure safety of our people, doctors, medical staff and patients. However all large meetings and medical education events are still on hold.

All Profit indicators showed strong improvement through margin improvement and optimization of Selling and Distribution expenses.

EARNINGS PER SHARE

Earnings per share as per unconsolidated financial information of the Company during July-March was Rupees 2.83 (2020: loss per share of Rupees 0.95).

FUTURE OUTLOOK

Our outlook for the last quarter is positive. We expect prescription sales to pick up with normalization of patients flow as the intensity of third wave of COVID 19 reduces. Annual inflation linked price increase and operational efficiencies are expected to support financial performance. A resurgence or spike in COVID 19 infection remains a significant external risk.

ACKNOWLEDGEMENTS

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

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

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

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

On behalf of the board



Asif Misbah
Chief Executive



Muhammad Yahya Chawla
Director

Karachi
April 23, 2021

اعتراف

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

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

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

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

منجانب بورڈ


محمد یحییٰ چاولہ
ڈائریکٹر


آصف مصباح
چیف ایگزیکٹو

کراچی

تاریخ: اپریل 23، 2021

ڈائریکٹرز جائزہ رپورٹ

ہم 31 مارچ، 2021ء کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ مختصر غیر مدغم شدہ اور مدغم مالیاتی عبوری معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

جولائی - مارچ				مندرجات
مدغم شدہ		غیر مدغم شدہ		
2020	2021	2020	2021	
4,273.9	3,884.2	4,114.5	3,705.8	فروخت خالص
1,677.8	1,567.2	1,589.3	1,485.1	خام منافع
161.6	251.3	189.3	274.4	آپریٹنگ منافع
(20.3)	140.0	15.6	170.9	قبل از ٹیکس منافع / (خسارہ)
(78.5)	73.4	(37.1)	110.9	بعد از ٹیکس منافع / (خسارہ)

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران خالص فروخت میں گزشتہ سال اسی عرصے کے مقابلے میں 10 فیصد کمی واقع ہوئی ہے۔ اس کی بنیادی وجہ کم انٹنی ٹیوشنل / ٹینڈر کاروباری فروخت ہے۔ کمپنی کی بذریعہ نسخہ فروخت، اپریل سے جون 2020 کی سہ ماہی (COVID-19) سے شدید متاثر ہونے والی سہ ماہی بحال ہو گئی تاہم وبا کے طویل اثرات کی وجہ سے گزشتہ سال کی اسی مدت (COVID-19) سے پہلے کی مدت کے مقابلے میں معمولی کمی دیکھی گئی۔

کلینکس اور اسپتالوں میں مریضوں کی آمدورفت میں بہتری آئی ہے اگرچہ پچھلے سال کے مقابلے میں کم ہے۔ حکومت کی جانب سے لوگوں، ڈاکٹرز، طبی عملے اور مریضوں کی حفاظت کو یقینی بنانے کے لیے تجویز کردہ SOPs کی سخت تعمیل کے ساتھ ہمارے طبی نمائندوں کے ڈاکٹرز کے دورے دوبارہ بحال ہو گئے ہیں۔ تاہم بڑے پیمانے پر اجتماع اور طبی تعلیم کی تقریبات ابھی تک معرض التوا ہیں۔

منافع کے تمام اشارے مجموعی نفع میں بہتری اور فروخت اور تقسیم کے اخراجات میں اصلاح کی وجہ سے مضبوط بہتری کو ظاہر کر رہے ہیں۔

فی حصص منافع

جولائی تا مارچ کے دوران کمپنی کی غیر مدغم شدہ عبوری مالیاتی معلومات کے مطابق فی حصص منافع 2.83 روپے رہا (2020: فی حصص خسارہ 0.95 روپے تھا)۔

مستقبل کا جائزہ

آخری سہ ماہی کے لئے ہمارا نقطہ نظر مثبت ہے۔ ہم توقع کرتے ہیں کہ مریضوں کی آمدورفت معمول پر آتے ہی بذریعہ نسخہ فروخت اوپر اٹھے گی جیسے ہی COVID-19 کی تیسری لہر کی شدت میں کمی واقع ہوتی ہے۔ سالانہ افراط زر سے منسلک قیمتوں میں اضافے اور آپریشنز قابلیت میں بہتری کی وجہ سے مالیاتی کارکردگی کو سہارا ملنے کی توقع کی جاتی ہے۔ COVID-19 انفیکشن کے پھرنے سے پیدا کیا اضافہ کا بیرونی خطرہ بدستور باقی ہے۔

**UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
PERIOD ENDED
MARCH 31, 2021**

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		MARCH 31, 2021	JUNE 30, 2020
	NOTE	 (RUPEES IN '000)	
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,344,485	1,332,885
Intangible assets		4,661	6,343
Long-term investment	6	225,000	200,000
Long-term loans		2,733	2,065
Long-term deposits		83,204	81,016
Deferred tax asset		45,875	46,665
		1,705,958	1,668,974
CURRENT ASSETS			
Stores and spares		8,774	3,767
Stock-in-trade	7	1,206,759	1,038,064
Trade debts	8	514,685	762,635
Loans and advances		84,675	88,243
Trade deposits, prepayments and other receivables		126,738	97,305
Taxation-net		105,374	168,958
Cash and bank balances	9	51,125	129,745
		2,098,130	2,288,717
TOTAL ASSETS		3,804,088	3,957,691
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		391,444	391,444
Reserves		812,794	776,274
		1,204,238	1,167,718
NON-CURRENT LIABILITIES			
Deferred liabilities		207,074	203,128
Long-term financing	10	502,992	544,357
Long-term provision	11	75,587	-
Lease Liabilities		30,794	35,081
		816,447	782,566
CURRENT LIABILITIES			
Trade and other payables	12	775,799	979,457
Accrued profit		19,206	26,975
Short-term borrowings	13	646,507	883,472
Current portion of long-term financing	10	316,612	94,401
Current portion of lease liabilities		24,963	22,834
Unclaimed dividends		316	268
		1,783,403	2,007,407
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		3,804,088	3,957,691

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


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE


 DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
NOTE	(RUPEES IN '000)			
Turnover	3,705,805	4,114,483	1,165,299	1,585,060
Cost of sales	(2,220,727)	(2,525,216)	(690,800)	(991,611)
Gross profit	1,485,078	1,589,267	474,499	593,449
Distribution costs	(1,020,017)	(1,233,347)	(322,199)	(400,903)
Administrative expenses	(185,224)	(171,811)	(62,516)	(59,991)
Other expenses	(14,522)	(1,322)	(4,817)	(1,322)
Other income	9,061	6,556	1,675	3,052
	(1,210,702)	(1,399,924)	(387,857)	(459,164)
Operating profit	274,376	189,343	86,642	134,285
Financial charges 10.5 & 13.3	(103,452)	(173,783)	(29,950)	(63,729)
Profit before taxation	170,924	15,560	56,692	70,556
Taxation 15	(60,030)	(52,670)	(20,319)	(23,972)
Net profit / (loss) for the period	110,894	(37,110)	36,373	46,584
	(RUPEES)			
Basic and diluted earnings / (loss) per share	2.83	(0.95)	0.93	1.19

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	 (RUPEES IN '000)			
Net profit / (loss) for the period	110,894	(37,110)	36,373	46,584
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	110,894	(37,110)	36,373	46,584

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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

FOR THE PERIOD ENDED MARCH 31, 2021

	NOTE	NINE MONTHS ENDED	
		MARCH 31, 2021	MARCH 31, 2020
		(RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		170,924	15,560
Adjustments for non-cash and other items:			
Depreciation			
- Right of use asset		17,447	17,447
- Others		79,921	76,419
Amortization		2,305	2,519
Financial charges on:			
- Lease Liability		5,338	7,424
- Others		98,114	166,359
Provision for gratuity		15,718	20,173
Gain on sale of operating fixed assets		(3,801)	(3,674)
Provision for slow moving and obsolete stock-in-trade		32,037	20,142
Allowance for expected credit loss		15,298	21,000
Provision for Gas Infrastructure Development Cess - net		(8,677)	11,013
		253,700	338,822
		424,624	354,382
Decrease / (increase) in current assets			
Stores and spares		(5,007)	(1,629)
Stock-in-trade		(200,732)	(307,921)
Trade debts		232,652	(379,204)
Loans and advances		3,568	(45,619)
Trade deposits, prepayments and other receivables		(29,433)	(33,345)
		1,048	(767,718)
(Decrease) / increase in current liabilities			
Trade and other payables		(194,933)	250,317
		230,739	(163,019)
Financial charges paid		(105,883)	(142,413)
Income tax refunded - net		4,343	(84,035)
Gratuity paid		(9,592)	(15,755)
Long-term loans - net		(668)	(846)
Provision for Gas Infrastructure Development Cess		75,587	-
Long-term deposits - net		(2,188)	(4,212)
Deferred liabilities - net		(2,180)	(93)
		(40,581)	(247,354)
Net cash used in operating activities		190,158	(410,373)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property plant and equipment - net		(112,611)	(129,777)
Proceeds from disposal of operating fixed assets		7,444	7,109
Additions to intangible assets		(622)	-
Investment made		(25,000)	(100,000)
Net cash used in investing activities		(130,789)	(222,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(74,374)	(35,230)
Short-term borrowings - net		(236,965)	552,287
Long-term financing - net		180,846	89,243
Lease rentals paid		(7,496)	(19,495)
Net cash generated from financing activities		(137,989)	586,805
Net decrease in cash and cash equivalents		(78,620)	(46,236)
Cash and cash equivalents at the beginning of the period		129,745	142,578
Cash and cash equivalents at the end of the period	9	51,125	96,342

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

	Issued, Subscribed And Paid-up Capital	Capital Reserves	Reserves Reserves Unappropriated Profit	Sub-total	Total
..... (RUPEES IN '000)					
Balance as at July 01, 2019	391,444	217,808	584,694	802,502	1,193,946
Net loss for the period	-	-	(37,110)	(37,110)	(37,110)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(37,110)	(37,110)	(37,110)
Final cash dividend @ Rs. 0.90 per share for the year ended June 30, 2019	-	-	(35,230)	35,231	(35,230)
Balance as at March 31, 2020	<u>391,444</u>	<u>217,808</u>	<u>512,354</u>	<u>730,162</u>	<u>1,121,606</u>
Balance as at July 01, 2020	391,444	217,808	558,466	776,274	1,167,718
Net profit for the period	-	-	110,894	110,894	110,894
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	110,894	110,894	110,894
Interim cash dividend @ Rs.1.90 per share for the period ended December 31, 2020	-	-	(74,374)	(74,374)	(74,374)
Balance as at March 31, 2021	<u>391,444</u>	<u>217,808</u>	<u>594,986</u>	<u>812,794</u>	<u>1,204,238</u>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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

FOR THE PERIOD ENDED MARCH 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 information are the separate financial information of the Company in which investment in Subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

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

2.2 Adoption of amendments and framework effective during the period

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

Amendments and framework:

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

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

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

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

		MARCH 31, 2021	JUNE 30, 2020
	NOTE	 (RUPEES IN '000)	
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,254,362	1,246,670
Right of use - asset		42,278	59,725
Capital work-in-progress	5.2	47,845	26,490
		<u>1,344,485</u>	<u>1,332,885</u>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	 (UN-AUDITED)			
	 (RUPEES IN '000)			
Leasehold land	-	-	-	-
Buildings on leasehold land	1,569	3,967	-	-
Plant and machinery	35,372	21,327	245	2,414
Tools and equipment	18,512	13,611	-	-
Gas and other installation	14,169	31,432	-	53
Furniture and fixtures	90	2,688	-	-
Office equipment	1,394	1,784	-	-
Computer equipment	1,833	1,584	80	-
Motor vehicles	18,317	52,301	3,318	968
	<u>91,256</u>	<u>128,694</u>	<u>3,643</u>	<u>3,435</u>

5.2 Capital work-in-progress

	MARCH 31, 2021		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	 (UN-AUDITED)		
	 (RUPEES IN '000)		
Balance at beginning of the period	7,006	19,484	26,490
Capital expenditure incurred / advances made	749	43,293	44,042
Adjustments (note 5.2.1)	-	(11,630)	(11,630)
Transferred to operating fixed assets	(27)	(11,030)	(11,057)
Balance at end of the period	<u>7,728</u>	<u>40,117</u>	<u>47,845</u>

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

	NOTE	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
		UN-AUDITED	AUDITED
6. LONG-TERM INVESTMENT			
Investment in subsidiary - at cost			
Misbah Cosmetic (Private) Limited			
22,500,000 (2020 : 20,000,000) ordinary shares			
representing 74.81% (2020 : 72.53%) voting shares		<u>225,000</u>	<u>200,000</u>
7. STOCK IN TRADE			
In hand			
- raw material		482,211	472,026
- packing material		219,522	235,025
- work-in-process		105,917	72,265
- finished goods		466,228	296,322
		<u>1,273,878</u>	<u>1,075,638</u>
Less: Provision for slow moving and obsolete stock-in-trade	7.1	(70,133)	(39,878)
		<u>1,203,745</u>	<u>1,035,760</u>
In transit		3,014	2,304
		<u>1,206,759</u>	<u>1,038,064</u>
7.1 Provision for slow moving and obsolete stock-in-trade			
Balance at the beginning of the period / year		39,878	27,376
Charge for the period / year		32,037	25,817
Write off during the period / year		(1,782)	(13,315)
Balance at the end of the period / year		<u>70,133</u>	<u>39,878</u>
8. TRADE DEBTS - unsecured			
Considered good		514,685	762,635
Considered doubtful		97,063	81,765
		<u>611,748</u>	<u>844,400</u>
Allowance for expected credit loss	8.1	(97,063)	(81,765)
Trade debts - net		<u>514,685</u>	<u>762,635</u>

		MARCH 31, 2021	JUNE 30, 2020
	NOTE	 (RUPEES IN '000)	
		UN-AUDITED	AUDITED
10. LONG-TERM FINANCING - secured			
Secured			
Diminishing musharakah on:			
- leasehold land	10.1	152,500	152,500
- plant and machinery	10.2	226,263	217,681
- vehicles	10.3	136,902	97,221
- salaries and wages	10.4	303,939	171,356
		819,604	638,758
Less : Current maturity shown under current liabilities		(316,612)	(94,401)
		502,992	544,357

- 10.1** These facilities have been obtained from Meezan Bank Limited for different leasehold lands which carry profit at the rate of 3 to 6 Months KIBOR plus 1.25% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.25% to 1.50%) per annum and having maturity till June 2025 (June 30, 2020: May 2025). These facilities are secured against the respective assets.
- 10.2** These facilities have been obtained from First Habib Modaraba, Dubai Islamic Bank and MCB Islamic Bank for different machineries which carry profit at the rates of 1 Month, 3 Months and 6 Months KIBOR plus 1.00% to 2.00% (June 30, 2020: 6 Months KIBOR plus 1.25% to 2.00%) per annum and having maturity latest by September 2025 (June 30, 2020: March 2025). These facilities are secured against the respective assets.
- 10.3** These facilities have been obtained from First Habib Modaraba and Albaraka Bank (Pakistan) Limited. These carry profit at the rates of 6 Months KIBOR plus 1.00% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.00% to 1.40%) per annum and having maturity latest by March 2026 (June 30, 2020: January 2026). These facilities are secured against the respective assets.
- 10.4** Represents financing obtained under Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its IH&SMEFD Circular No. 07 dated April 10, 2020. During the period, the Company made further draw down of Rs. 180 million against SBP's circular letter No. 14 dated June 30, 2020 which extended the aforesaid relief package for a further period of three months. These facilities carries profit at the subsidised rate of 3% and is repayable latest by December 2022. The differential profit has been recognised as government grant which will be amortised over the period of the facility. The facility is secured through an existing equitable mortgage charge over the properties of the Company namely; E-40/A S.I.T.E., F-216 S.I.T.E., Karachi and Neclash No. 158 of Deh Tore, Tapo Konkhar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.
- 10.5** Financial charges on long-term financing for the period ended March 31, 2021 is Rs. 36.78 million (March 31, 2020: Rs. 49.48 million).

11. LONG-TERM PROVISION

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

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

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

		MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
	NOTE	UN-AUDITED	AUDITED
12. TRADE AND OTHER PAYABLES			
Trade and other creditors		537,495	645,687
Advances from customers - contract liabilities		104,098	131,453
Accrued liabilities		31,796	53,188
Provision for Gas Infrastructure Development Cess		-	82,792
Sindh Workers' Profit Participation Fund		9,272	3,392
Workers' Welfare Fund		26,537	23,014
Central Research Fund		1,726	632
Payable to provident fund		585	3,319
Current portion of Government Grant		12,647	8,722
Ijarah rentals payable		10,488	9,426
Auditors' remuneration		2,113	2,406
Other government levies		11,967	7,650
Others		27,075	7,776
		775,799	979,457

13. SHORT-TERM BORROWINGS - secured

Istisna'a		-	45,284
Musharakah running finance	13.1	15,000	200,000
Murabaha	13.2	631,507	638,188
		646,507	883,472

13.1 These represent finance facility obtained from MCB Islamic Bank. This carries profit at the rate of 3 Months KIBOR plus 0.85% per annum and is repayable on demand. These are secured by way of hypothecation on stock-in-trade and trade debts of the Company.

13.2 This represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of stock-in-trade. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.25% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.00% to 1.50%) per annum and having maturity latest by September 2021 (June 30, 2020: December 2020). These are secured against hypothecation of stock-in-trade and trade debts of the Company.

13.3 Financial charges on short-term borrowings for the period ended March 31, 2021 is Rs. 59.48 million (March 31, 2020: Rs. 115.82 million).

		MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
		UN-AUDITED	AUDITED

14. CONTINGENCIES AND COMMITMENTS**14.1 Contingencies**

14.1.1 Claims not acknowledged as debt by the Company		7,878	9,530
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14.1.2 There is no material change in the status of contingencies as disclosed in note 22.1 to the annual audited financial statements for the year ended June 30, 2020 except as mentioned above.

14.2 Commitments

	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
	UN-AUDITED	AUDITED
Capital commitments	14,448	22,174
Outstanding letters of credit	54,600	143,613
Outstanding letters of guarantee	127,365	115,231

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

	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
	UN-AUDITED	AUDITED
Year		
2021	23,530	81,402
2022	91,542	73,073
2023	63,518	33,188
2024	16,562	14,769
2025	9,095	7,863
	204,247	210,295

15. TAXATION

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	 (RUPEES IN '000)			
	 (UN-AUDITED)			
Current	62,232	60,919	21,824	23,477
Prior	(2,991)	-	-	-
Deferred	789	(8,249)	(1,505)	495
	60,030	52,670	20,319	23,972

16. TRANSCATIONS WITH RELATED PARTIES

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

		NINE MONTHS ENDED	
		MARCH 31, 2021	MARCH 31, 2020
		 (RUPEES IN '000)	
		 (UN-AUDITED)	
Relationship	Nature of transaction		
Subsidiary	Investment made	25,000	100,000
	Expenses incurred and reimbursement thereon	-	1,084
		31,185	29,187
Provident Fund	Contribution made	1,575	554
Non-Executive Director	Fee for attending meetings	131,537	130,968
Key Management Personnel	Salary and other benefit	48,501	23,002
	Dividend		

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

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

18. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial information were authorised for issue on April 23, 2021, by the Board of Directors of the Company.

19. GENERAL

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

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
PERIOD ENDED
MARCH 31, 2021**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		MARCH 31, 2021	JUNE 30, 2020
	NOTE	(RUPEES IN '000)	
		UN-AUDITED	AUDITED
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,360,499	1,349,992
Intangible assets		56,659	60,410
Long-term loans		2,733	2,065
Long-term deposits		84,682	82,494
Deferred tax asset		45,875	46,665
		1,550,448	1,541,626
CURRENT ASSETS			
Stores and spares		8,774	3,767
Stock-in-trade	6	1,259,443	1,101,269
Trade debts	7	551,091	785,142
Loans and advances		88,985	91,270
Trade deposits, prepayments and other receivables		134,621	106,759
Taxation-net		105,374	168,958
Cash and bank balances	8	90,761	139,056
		2,239,049	2,396,221
TOTAL ASSETS		3,789,497	3,937,847
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		391,444	391,444
Reserves		669,827	667,144
		1,061,271	1,058,588
Non controlling interest		10,116	13,956
		1,071,387	1,072,544
NON-CURRENT LIABILITIES			
Deferred liabilities		207,074	203,128
Long-term financing	9	552,115	596,243
Long-term provision	10	75,587	-
Lease liabilities		30,794	35,081
		865,570	834,452
CURRENT LIABILITIES			
Trade and other payables	11	789,156	990,959
Accrued profit		20,961	27,474
Short-term borrowings	12	696,848	891,231
Current portion of long-term financing	9	320,296	98,085
Current portion of lease liabilities		24,963	22,834
Unclaimed dividends		316	268
		1,852,540	2,030,851
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		3,789,497	3,937,847

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


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE


 DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
NOTE	(RUPEES IN '000)			
Turnover	3,884,181	4,273,935	1,231,511	1,644,862
Cost of sales	(2,316,955)	(2,596,126)	(725,208)	(1,018,259)
Gross profit	1,567,226	1,677,809	506,303	626,603
Distribution costs	(1,120,277)	(1,347,176)	(358,339)	(439,692)
Administrative expenses	(190,213)	(174,278)	(63,261)	(60,891)
Other expenses	(14,522)	(1,322)	(4,817)	(1,322)
Other income	9,061	6,556	1,675	3,052
	(1,315,951)	(1,516,220)	(424,742)	(498,853)
Operating profit	251,275	161,589	81,561	127,750
Financial charges 9.6 & 12.3	(111,264)	(181,867)	(32,849)	(66,820)
Profit / (Loss) before taxation	140,011	(20,278)	48,712	60,930
Taxation 15	(66,623)	(58,249)	(23,232)	(25,441)
Net profit / (loss) for the period	73,388	(78,527)	25,480	35,489
	 (RUPEES)			
Basic and diluted earnings / (loss) per share	1.87	(2.01)	0.65	0.91

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

Attributable to:

Owner of the Holding Company	82,798	(66,363)	27,952	43,695
Non - controlling interest	(9,410)	(12,164)	(2,472)	(8,206)
	73,388	(78,527)	25,480	35,489



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

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

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	 (RUPEES IN '000)			
Net profit / (loss) for the period	73,388	(78,527)	25,480	35,489
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	73,388	(78,527)	25,480	35,489

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

Attributable to:

Owner of the Holding Company	82,798	(66,363)	27,952	43,695
Non - controlling interest	(9,410)	(12,164)	(2,472)	(8,206)
	73,388	(78,527)	25,480	35,489



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



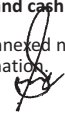
DIRECTOR

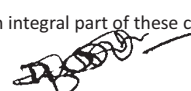
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

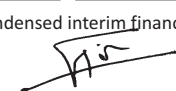
FOR THE PERIOD ENDED MARCH 31, 2021

	NOTE	NINE MONTHS ENDED	
		MARCH 31, 2021	MARCH 31, 2020
		 (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		140,011	(20,278)
Adjustments for non-cash and other items:			
Depreciation on:			
- Right of use assets		17,447	17,447
- Others		81,293	77,837
Amortization		4,375	4,673
Financial charges on:			
- Lease liability		5,338	-
- Others		105,926	181,867
Provision for gratuity		15,718	20,173
Gain on sale of operating fixed assets		(3,801)	(3,674)
Provision for slow moving and obsolete stock-in-trade		39,972	20,142
Allowance for expected credit loss		15,298	24,023
Provision for Gas Infrastructure Development Cess - net		(8,677)	11,013
		272,889	353,501
		412,900	333,223
(Increase) / decrease in current assets			
Stores and spares		(5,007)	(1,629)
Stock-in-trade		(198,147)	(321,053)
Trade debts		218,753	(397,311)
Loans and advances		2,285	(45,288)
Trade deposits, prepayments and other receivables		(27,862)	(35,448)
		(9,978)	(800,729)
(Decrease) / increase in current liabilities			
Trade and other payables		(193,078)	241,353
		209,844	(226,153)
Financial charges paid		(112,439)	(157,939)
Income tax refunded - net		(2,251)	(89,616)
Gratuity paid		(9,592)	(15,755)
Long-term loans - net		(668)	(846)
Provision for Gas Infrastructure Development Cess		75,587	-
Long-term deposits - net		(2,188)	(4,772)
Deferred liabilities - net		(2,180)	(93)
		(53,731)	(269,021)
Net cash used in operating activities		156,113	(495,174)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net		(112,889)	(133,230)
Proceeds from disposal of operating fixed assets		7,444	7,109
Additions of intangible asset		(622)	-
Net cash used in investing activities		(106,067)	(126,121)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(74,374)	(35,230)
issuance cost against right issue		(171)	(690)
Short-term borrowings - net		(194,383)	552,274
Long-term financing - net		178,083	86,480
Lease rentals paid		(7,496)	(12,071)
Net cash generated from financing activities		(98,341)	590,763
Net decrease in cash and cash equivalents		(48,295)	(30,532)
Cash and cash equivalents at the beginning of the period		139,056	144,969
Cash and cash equivalents at the end of the period	8	90,761	114,437

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


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE


 DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2021

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES			NON- CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES	UNAPPROP- -RIATED PROFIT	TOTAL RESERVES		
			(RUPEES IN '000)			
Balance as at July 01, 2019	391,444	217,808	546,744	764,552	4,031	1,160,027
Adjustment due to further acquisition of shares in Subsidiary Company	-	-	(27,460)	(27,460)	27,460	-
Issuance cost against right issue	-	-	(393)	(393)	(297)	(690)
Final cash dividend @ Rs. 0.90 per share for the year ended June 30, 2019			(35,230)	(35,230)	-	(35,230)
Net loss for the period	-	-	(66,363)	(66,363)	(12,164)	(78,527)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(66,363)	(66,363)	(12,164)	(78,527)
Balance as at March 31, 2020	<u>391,444</u>	<u>217,808</u>	<u>417,298</u>	<u>635,106</u>	<u>19,030</u>	<u>1,045,580</u>
Balance as at July 01, 2020	391,444	217,808	449,336	667,144	13,956	1,072,544
Adjustment due to further acquisition of shares in Subsidiary Company			(5,617)	(5,617)	5,617	-
Issuance cost against right issue			(124)	(124)	(47)	(171)
Interim cash dividend @ Rs.1.90 per share for the period ended December 31, 2020	-	-	(74,374)	(74,374)		(74,374)
Net profit for the period	-	-	82,798	82,798	(9,410)	73,388
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	82,798	82,798	(9,410)	73,388
Balance as at March 31, 2021	<u>391,444</u>	<u>217,808</u>	<u>452,019</u>	<u>669,827</u>	<u>10,116</u>	<u>1,071,387</u>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 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 principal activity of the Company is to manufacture and market pharmaceutical products. The geographical location and registered office of the Company is situated at F-216, S.I.T.E. Karachi.

1.2 Following is the Subsidiary Company

	Effective %age of holding	
	MARCH 31, 2021 UN-AUDITED	JUNE 30, 2020 AUDITED
Misbah Cosmetic (Private) Limited	74.8%	72.5%

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments and framework effective during the period

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

Amendments and framework:

IFRS 3 - Definition of a Business (amendments);
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (amendments);
IAS 1 / IAS 8 - Definition of Material (amendments);
IFRS 16 - COVID 19 Related Rent Concessions (amendments); and

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

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

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

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

		MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020
	NOTE	UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,270,376	1,263,777
Right-of-use asset		42,278	59,725
Capital work-in-progress	5.2	47,845	26,490
		<u>1,360,499</u>	<u>1,349,992</u>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	 (UN-AUDITED)			
	 (RUPEES IN '000)			
Buildings on leasehold land	1,569	3,967	-	-
Plant and machinery	35,372	21,327	245	2,414
Tools and equipment	18,512	13,611	-	-
Gas and other installation	14,169	31,432	-	53
Furniture and fixtures	90	6,105	-	-
Office equipment	1,394	1,784	-	-
Computer equipment	1,833	1,600	80	-
Motor vehicles	18,317	52,301	3,318	968
	<u>91,256</u>	<u>132,127</u>	<u>3,643</u>	<u>3,435</u>

5.2 Capital work-in-progress

	MARCH 31, 2021		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	 (UN-AUDITED)		
	 (RUPEES IN '000)		
Balance at beginning of the period	7,006	19,484	26,490
Capital expenditure incurred / advances made	749	43,293	44,042
Adjustments (5.2.1)	-	(11,630)	(11,630)
Transferred to operating fixed assets	(27)	(11,030)	(11,057)
Balance at end of the period	<u>7,728</u>	<u>40,117</u>	<u>47,845</u>

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

	NOTE	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
		UN-AUDITED	AUDITED
6. STOCK-IN-TRADE			
In hand			
- raw material		482,211	472,026
- packing material		219,522	235,025
- work-in-process		105,917	72,265
- finished goods		521,424	357,075
		1,329,074	1,136,391
Less: Provision for slow moving and obsolete stock-in-trade	6.1	(83,012)	(44,822)
		1,246,062	1,091,569
In transit		13,381	9,700
		1,259,443	1,101,269
6.1 Provision for slow moving and obsolete stock-in-trade			
Balance at the beginning of the period / year		44,822	27,376
Charge for the period / year		39,972	30,761
Write off during the period / year		(1,782)	(13,315)
Balance at the end of the period / year		83,012	44,822
7. TRADE DEBTS - unsecured			
Considered good		551,091	785,142
Considered doubtful		106,354	91,056
		657,445	876,198
Allowance for expected credit loss	7.1	(106,354)	(91,056)
Trade debts - net		551,091	785,142

	NOTE	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
		UN-AUDITED	AUDITED
7.1 Allowance for expected credit loss			
The movement in expected credit loss during the period / year is as follows:			
Balance at beginning of the period / year		91,056	68,415
Provision recognised during the period / year		15,298	25,144
Write offs during the period / year		-	(2,503)
		15,298	22,641
Balance at end of the period / year		106,354	91,056
8. CASH AND BANK BALANCES			
Cash in hand		7	-
Bank balances in:			
- current accounts		56,268	56,051
- dividend accounts		316	268
- saving accounts - with Islamic Banks	8.1	34,170	82,737
		90,754	139,056
		90,761	139,056
8.1 These carry profit at the rates ranging from 2.83% to 3.43% (June 30, 2020: 3.54% to 7.55%) per annum.			
	NOTE	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
		UN-AUDITED	AUDITED
9. LONG-TERM FINANCING			
Loan from related party	9.1	52,807	55,570
Secured			
Diminishing musharakah on			
- leasehold land	9.2	152,500	152,500
- plant and machinery	9.3	226,263	217,681
- vehicles	9.4	136,902	97,221
- salaries and wages	9.5	303,939	171,356
		872,411	694,328
Less : Current maturity shown under current liabilities		(320,296)	(98,085)
		552,115	596,243

- 9.1** This represents loan obtained by the Subsidiary Company from one of the director of the Holding Company, under mark-up arrangements. It carries profit at 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2020 which is fixed for the period as 8.73% per annum. (June 30, 2020: 90 days average of 12 months KIBOR for 3rd calendar Quarter-2019 which was fixed for the period as 12.30% per annum). The profit is payable on monthly basis.
- 9.2** These facilities have been obtained by Holding Company from Meezan Bank Limited. These carry mark-up at the rate of 3 to 6 Months KIBOR plus 1.25% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.25% to 1.50%) per annum and having maturity till June 2025 (June 30, 2020: May 2025). These facilities are secured against the respective assets.
- 9.3** These facilities have been obtained by Holding Company from First Habib Modaraba, Dubai Islamic Bank and MCB Islamic Bank. These carry mark-up at the rates of 1 Month, 3 Months and 6 Months KIBOR plus 1.00% to 2.00% (June 30, 2020: 6 Months KIBOR plus 1.25% to 2.00%) per annum and having maturity till September 2025 (June 30, 2020: March 2025). These facilities are secured against the respective assets.
- 9.4** These facilities have been obtained by Holding Company from First Habib Modaraba and Albaraka Bank (Pakistan) Limited. These carry mark-up at the rates of 6 Months KIBOR plus 1.00% to 1.50% (June 30, 2020: 6 Months KIBOR plus 1.00% to 1.40%) per annum and are having maturity till January 2026 (June 30, 2020: January 2026). These facilities are secured against the respective assets.
- 9.5** Represents financing obtained under Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its IH&SMEFD Circular No. 07 dated April 10, 2020. During the period, the Holding Company made further draw down of Rs. 180 million against SBP's circular letter No. 14 dated June 30, 2020 which extended the aforesaid relief package for a further period of three months. These facilities carries profit at the subsidised rate of 3% and is repayable latest by December 2022. The differential profit has been recognised as government grant which will be amortised over the period of the facility. The facility is secured through an existing equitable mortgage charge over the properties of the Company namely; E-40/A S.I.T.E., F-216 S.I.T.E., Karachi and Neclash No. 158 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.
- 9.6** Financial charges on long term financing for the period ended March 31, 2021 is Rs.41.74 million (March 31, 2020: Rs.55.92 million).

10. LONG-TERM PROVISION

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 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 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.

		MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
	NOTE	UN-AUDITED	AUDITED
11. TRADE AND OTHER PAYABLES			
Trade and other creditors		540,162	651,606
Advances from customers - contract liabilities		104,461	131,760
Accrued liabilities		41,558	57,987
Provision for Gas Infrastructure Development Cess		-	82,792
Sindh Workers' Profit Participation Fund		9,272	3,392
Workers' Welfare Fund		26,537	23,014
Central Research Fund		1,726	632
Payable to provident fund		585	3,319
Current portion of Government Grant		12,647	8,722
Ijarah rentals payable		10,488	9,426
Auditors' remuneration		2,113	2,406
Other government levies		11,967	7,650
Others		27,640	8,253
		789,156	990,959
12. SHORT-TERM BORROWINGS - secured			
Istisna'a		-	45,284
Musharakah running finance	12.1	15,000	200,000
Murabaha	12.2	681,848	645,947
		696,848	891,231
12.1	These represent the Holding Company finance facility obtained from MCB Islamic Bank. This carries profit at the rate of 3 Months KIBOR plus 0.85% per annum and is repayable on demand. These are secured by way of hypothecation on stock-in-trade and trade debts of the Company.		
12.2	These represent the Group outstanding murabaha facilities with various Islamic banks for the purpose of purchase of inventory. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.25% to 2.25% (June 30, 2020: 6 Months KIBOR plus 1.00% to 2.25%) per annum and having maturity till September 2021 (June 30, 2020: December 2020). These are secured against hypothecation of stock in trade and trade debts of the Company.		
12.3	Financial charges on short term borrowings for the period ended March 31, 2021 is Rs.62.20 million (March 31, 2020: Rs.117.39 million).		
		MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
		UN-AUDITED	AUDITED
13. CONTINGENCIES AND COMMITMENTS			
13.1 Contingencies			
13.1.1	Claims not acknowledged as debt by the Company	7,878	9,530
13.1.2	There is no material change in the status of contingencies as disclosed in note 21.1 to the annual consolidated audited financial statements for the year ended June 30, 2020 except as mentioned above.		

13.2 Commitments

	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
	UN-AUDITED	AUDITED
Capital commitments	14,448	22,174
Outstanding letters of credit	54,600	147,380
Outstanding letters of guarantee	127,365	115,231

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

	MARCH 31, 2021 (RUPEES IN '000)	JUNE 30, 2020 (RUPEES IN '000)
	UN-AUDITED	AUDITED
Year		
2021	24,032	83,494
2022	93,550	75,165
2023	65,526	35,280
2024	17,129	15,252
2025	9,095	7,863
	209,332	217,054

14. OPERATING SEGMENTS

	HOLDING COMPANY NINE MONTHS ENDED		SUBSIDIARY COMPANY NINE MONTHS ENDED		GROUP NINE MONTHS ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
..... (RUPEES IN '000)						
Turnover	3,705,805	4,114,483	178,376	159,451	3,884,181	4,273,935
Cost of sales	(2,220,727)	(2,525,216)	(96,228)	(70,910)	(2,316,955)	(2,596,126)
Gross profit	1,485,078	1,589,267	82,148	88,541	1,567,226	1,677,809
Other income	9,061	6,556	-	-	9,061	6,556
Distribution costs	(1,020,017)	(1,233,347)	(100,260)	(113,829)	(1,120,277)	(1,347,176)
Administrative expenses	(185,224)	(171,811)	(2,959)	(1,127)	(190,213)	(174,278)
Other expenses	(14,522)	(1,322)	-	-	(14,522)	(1,322)
Financial charges	(103,452)	(173,783)	(7,812)	(8,084)	(111,264)	(181,867)
Profit / (loss) before tax	170,924	15,560	(28,883)	(34,499)	140,011	(20,278)

	HOLDING COMPANY		SUBSIDIARY COMPANY		GROUP	
	MARCH 31, 2021	JUNE 30, 2020	MARCH 31, 2021	JUNE 30, 2020	MARCH 31, 2021	JUNE 30, 2020
	UN-AUDITED	AUDITED	UN-AUDITED	AUDITED	UN-AUDITED	AUDITED
	(RUPEES IN '000)					
Segment assets	3,579,088	3,757,691	158,416	126,133	3,737,504	3,883,824
Unallocated assets	-	-	-	-	51,993	54,023
Segment liabilities	2,599,850	2,789,973	118,260	75,330	2,718,110	2,865,303
Depreciation and amortisation charge	-	131,099	-	2,091	-	133,190
Capital expenditure	-	301,764	-	3,553	-	305,317

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	(RUPEES IN '000)			
	(UN-AUDITED)			
15. TAXATION				
Current	68,825	66,498	24,737	24,946
Prior	(2,991)	-	-	-
Deferred	789	(8,249)	(1,505)	495
	66,623	58,249	23,232	25,441

16. TRANSACTIONS WITH RELATED PARTIES

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

		NINE MONTHS ENDED	
		MARCH 31, 2021	MARCH 31, 2020
		(RUPEES IN '000)	
		(UN-AUDITED)	
Relationship	Nature of transaction		
Provident Fund	Contribution	31,185	29,187
Non-executive director	Fee for attending meetings	1,575	554
Key management personnel	Salary and other benefits	135,847	138,973
	Repayment of loan	2,763	2,763
	Dividend	48,501	23,002
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	3,940	3,979
Balances outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	474	402

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

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

18. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial information were authorised for issue on April 23, 2021 by the Board of Directors of the Company.

19. GENERAL

- 19.1** Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary. However, there are no material reclassifications to report.
- 19.2** 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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