Macter

QUARTERLY REPORT
SEPTEMBER 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.	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
Askari Bank Limited – Islamic Banking Branch
Bank Al Habib Limited - Islamic Banking Branch
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited - Islamic Banking Branch
Habib Metropolitan Bank Pakistan Limited - Islamic Banking Branch
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

F-216, SITE, Karachi - 75700
Telephone: +92 21 32591000
Fax: +92 21 32564236
Email: info@macter.com

WEBSITE

www.macter.com

DIRECTORS' REVIEW REPORT

We are pleased to present the un-audited un-consolidated and consolidated condensed interim financial statements for the quarter ended September 30, 2021.

FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - September			
	Un-consolidated		Consolidated	
	2021	2020	2021	2020
Turnover - Net	**1,244.5**	1,319.2	**1,299.5**	1,364.5
Gross profit	**536.5**	493.5	**567.3**	515.8
Operating Profit	**123.9**	86.9	**116.3**	77.1
Profit before tax	**104.4**	48.8	**94.9**	36.9
Profit after tax	**74.3**	29.3	**62.5**	15.7

FINANCIAL PERFORMANCE

Turnover for the first quarter ended 30th September, 2021 at Rs. 1,244m is encouraging despite being lower by 6% vs. last year. Our core prescription sales business recovered by +18% from the impact of Covid19 pandemic (Current period: Rs. 964m vs Last year: Rs. 813m). However, our Public tender and institution business was lower by 71% on account of a large public tender last year (Current period: Rs. 109m vs. Last Year: Rs. 374m).

All profit indicators reflect strong improvement due to growth in the prescription business, improved sales mix, cost optimization and efficiency improvements.

During the quarter an Equity Capital injection of Rs. 1,100m through issuance of Rights shares was successfully completed. Rs. 783m were applied to repay long term Ijarah, Diminishing Musharka liabilities and short term Running Musharka liabilities. Remaining funds will be utilized for investments in capital expenditure, working capital and new launches to finance future business growth.

EARNINGS PER SHARE

Earnings per share as per un-consolidated financial statements during July-September was Rs. 1.62 (Q1 2020-21: Rs. 0.64).

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

Amanullah Kassim
Chairman

Asif Misbah
Chief Executive

Karachi
October 23, 2021

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 بلاتعطل فراہمی کو یقینی بنانے کے لئے انتھک محنت کی ہے۔

ہم ان مشکل اوقات میں اپنے قابل قدر شیئر 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 تعریفات اور تشکر اللہ سبحانہ وتعالیٰ کے لیے ہے۔

منجانب بورڈ

امان اللہ قاسم
چیئرمین

آصف مصباح
چیف ایگزیکٹیو

کراچی

اکتوبر23، 2021

ڈائریکٹرز جائزہ رپورٹ

ہم 30 ستمبر، 2021 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ غیر مدغم شدہ اور مدغم شدہ مختصر مالیاتی عبوری معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

مندرجات	جولائی - ستمبر			
	غیر مدغم شدہ		مدغم شدہ	
	2021	2020	2021	2020
فروخت خالص	**1,244.5**	1,319.2	**1,299.5**	1,364.5
مجموعی منافع	**536.5**	493.5	**567.3**	515.8
آپریٹنگ منافع	**123.9**	86.9	**116.3**	77.1
قبل از ٹیکس منافع	**104.4**	48.8	**94.9**	36.9
بعد از ٹیکس منافع	**74.3**	29.3	**62.5**	15.7

مالیاتی کارکردگی

30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لیے 1,244 ملین روپے کا کاروبار گزشتہ سال کے مقابلے میں 6 فیصد کم ہونے کے باوجود حوصلہ افزا ہے۔ ہمارا بنیادی بذریعہ نسخہ کاروبار COVID-19 وبا کے اثرات سے 18 فیصد تک بحال ہوا (موجودہ مدت: 964 ملین روپے بمقابلہ گزشتہ سال: 813 ملین روپے)۔ تاہم ہمارا پبلک ٹینڈر اور انسٹی ٹیوشن کاروبار 71 فیصد کم رہا اس کی وجہ گزشتہ سال ایک بڑا عوامی ٹینڈر (موجودہ مدت: 109 ملین روپے بمقابلہ گزشتہ سال: 374 ملین روپے) تھا۔

تمام منافع کے اشارے بذریعہ نسخہ کاروبار میں اضافے، بہتر سیلز مکس، لاگت کو بہتر بنانے اور کارکردگی میں بہتری کی وجہ سے مضبوط نمو کی عکاسی کرتے ہیں۔

سہ ماہی کے دوران رائٹ شیئرز اجراء کے ذریعے 1,100 ملین روپے کا ایکویٹی کیپیٹل انجکشن کامیابی سے مکمل کیا گیا ہے۔ طویل مدتی اجارہ، شرکت متناقصہ ذمہ داریوں اور قلیل مدتی جاری مشارکہ واجبات کی ادائیگی کے لئے 783 ملین روپے کی درخواست کی گئی تھی۔ بقیہ فنڈز کو سرمائے کے اخراجات، ورکنگ کیپیٹل اور مستقبل میں کاروباری نمو کے لئے نئی مصنورات کے اجرا میں سرمایہ کاری کے لئے استعمال کیا جائے گا۔

فی حصص منافع

جولائی - ستمبر کے دوران غیر مدغم شدہ مالیاتی معلومات کے مطابق فی حصص منافع 1.62 روپے (پہلی سہ ماہی 2020-21: 0.64 روپے) تھا۔

مستقبل کا جائزہ

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

UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1,546,195**	1,448,418
Intangible assets		**3,486**	3,992
Long-term investment	6	**300,000**	300,000
Long-term loans		**2,524**	2,219
Long-term deposits		**5,130**	64,733
Deferred tax asset		**48,219**	47,047
		1,905,554	1,866,409
CURRENT ASSETS			
Stores and spares		**11,588**	10,118
Stock-in-trade	7	**1,078,103**	984,304
Trade debts	8	**609,162**	513,247
Loans and advances		**129,508**	69,466
Trade deposits, prepayments and other receivables		**85,250**	92,108
Taxation - net		**99,718**	101,107
Short-term investment	9	**250,954**	-
Cash and bank balances	10	**116,776**	81,993
		2,381,059	1,852,343
TOTAL ASSETS		**4,286,613**	3,718,752
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	**458,111**	391,444
Reserves		**2,042,319**	958,065
		2,500,430	1,349,509
NON-CURRENT LIABILITIES			
Deferred liabilities		**211,845**	210,023
Long-term financing	12	**37,684**	455,245
Long-term provision	13	**86,717**	80,884
Lease liabilities		**45,178**	66,093
		381,424	812,245
CURRENT LIABILITIES			
Trade and other payables	14	**882,860**	781,128
Accrued profit		**5,997**	10,088
Short-term borrowings	15	**290,482**	381,695
Current portion of long-term financing	12	**183,090**	362,040
Current portion of lease liabilities		**42,014**	21,769
Unclaimed dividends		**316**	278
		1,404,759	1,556,998
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITY AND LIABILITIES		**4,286,613**	3,718,752

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	NOTE	QUARTER ENDED SEPTEMBER 30, 2021	QUARTER ENDED SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
Turnover		**1,244,499**	1,319,218
Cost of sales		**(708,000)**	(825,680)
Gross profit		**536,499**	493,538
Distribution costs		**(348,428)**	(341,722)
Administrative expenses		**(65,113)**	(65,185)
Other expenses		**(8,874)**	(4,147)
Other income		**9,815**	4,456
		(412,600)	(406,598)
Operating profit		**123,899**	86,940
Financial charges	12.2 & 15.2	**(19,456)**	(38,135)
Profit before taxation		**104,443**	48,805
Taxation	17	**(30,131)**	(19,517)
Net profit for the period		**74,312**	29,288
		.... (RUPEES)	
			(Re-stated)
Basic and diluted earnings per share		**1.62**	0.64

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	QUARTER ENDED	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	.... (RUPEES IN '000)	
Net profit for the period	**74,312**	29,288
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**74,312**	29,288

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	NOTE	QUARTER ENDED SEPTEMBER 30, 2021	QUARTER ENDED SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**104,443**	48,805
Adjustments for non-cash and other items:			
Depreciation on:			
- Right-of-use assets		**10,251**	5,816
- Others		**31,261**	25,726
Amortization		**505**	780
Financial charges on:			
- Lease liability		**2,365**	2,024
- Others		**17,091**	36,111
Provision for gratuity		**5,334**	4,774
Gain on sale of operating fixed assets		**(6,839)**	(3,801)
Provision for slow moving and obsolete stock-in-trade		**15,150**	13,074
Allowance for expected credit loss		**1,933**	8,566
Provision for Gas Infrastructure Development Cess - net		**(4,295)**	(4,111)
		72,756	88,959
		177,199	137,764
(Increase) / decrease in current assets			
Stores and spares		**(1,470)**	(1,162)
Stock-in-trade		**(108,949)**	37,261
Trade debts		**(97,848)**	(149,836)
Loans and advances		**(60,042)**	(24,427)
Trade deposits, prepayments and other receivables		**6,858**	(1,464)
		(261,451)	(139,628)
Increase / (decrease) in current liabilities			
Trade and other payables		**106,065**	(48,630)
		21,813	(50,494)
Financial charges paid		**(21,182)**	(37,625)
Income tax (paid) / refunded - net		**(29,914)**	34,147
Gratuity paid		**(2,387)**	(5,364)
Long-term loans - net		**(305)**	(219)
Provision for Gas Infrastructure Development Cess		**5,833**	-
Long-term deposits - net		**59,603**	12,502
Deferred liabilities - net		**(1,125)**	(1,598)
		10,523	1,843
Net cash generated from /(used in) operating activities		**32,336**	(48,651)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net		**(141,044)**	(46,692)
Proceeds from disposal of operating fixed assets		**8,595**	7,444
Investment in listed mutual fund units and CoI - musharakah		**(250,954)**	-
Net cash used in investing activities		**(383,403)**	(39,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuse of share - net		**1,076,609**	-
Short-term borrowings - net		**(91,213)**	96,566
Long-term financing -net		**(596,511)**	21,675
Lease rentals paid		**(3,035)**	(2,895)
Net cash generated from financing activities		**385,850**	115,346
Net increase in cash and cash equivalents		**34,783**	27,447
Cash and cash equivalents at the beginning of the period		**81,993**	129,745
Cash and cash equivalents at the end of the period	10	**116,776**	157,192

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	TOTAL EQUITY
		CAPITAL RESERVES	UNAPPROP--RIATED PROFIT		
	.... (RUPEES IN '000)				
Balance as at July 01, 2020	391,444	217,808	558,466	776,274	1,167,718
Net profit for the period	-	-	29,288	29,288	29,288
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	29,288	29,288	29,288
Balance as at September 30, 2020	391,444	217,808	587,754	805,562	1,197,006
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	**-**	**(23,391)**	**-**	**(23,391)**	**(23,391)**
Net profit for the period	**-**	**-**	**74,312**	**74,312**	**74,312**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**74,312**	**74,312**	**74,312**
Balance as at September 30, 2021	**458,111**	**1,227,750**	**814,569**	**2,042,319**	**2,500,430**

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

CHIEF FINANCIAL OFFICER **CHIEF EXECUTIVE** **DIRECTOR**

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

FOR THE PERIOD ENDED SEPTEMBER 30, 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 and registered office of the Company is situated at 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 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 Companies Act 2017.

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of this 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.

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 judgment in the process of applying the Company's accounting policies. Estimates, assumptions and judgments 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 judgments 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 unconsolidated annual audited financial statements for the year ended June 30, 2021.

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**1,449,057**	1,327,741
Capital work-in-progress	5.2	**22,119**	35,407
Right-of-use assets		**75,019**	85,270
		1,546,195	1,448,418

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

	QUARTER ENDED ADDITIONS (COST)		QUARTER ENDED DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	.... (RUPEES IN '000)			
	.... (UN-AUDITED)			
Buildings on leasehold land	**795**	82	**-**	-
Plant and machinery	**30,255**	27,798	**-**	245
Tools and equipment	**54,391**	14,674	**-**	-
Gas and other installation	**12,582**	3,204	**-**	-
Office equipment	**-**	226	**-**	-
Computer equipment	**696**	296	**28**	-
Motor vehicles	**55,615**	128	**1,729**	3,318
	154,334	46,408	**1,757**	3,563

5.1.1 During the period, the 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

	SEPTEMBER 30, 2021		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	.... (RUPEES IN '000)		
	.... (UN-AUDITED)		
Balance at beginning of the period	**5,401**	**30,006**	**35,407**
Capital expenditure incurred / advances made	**2,526**	**7,053**	**9,579**
Transferred to operating fixed assets		**(22,867)**	**(22,867)**
Balance at end of the period	**7,927**	**14,192**	**22,119**

	NOTE	SEPTEMBER 30, 2021	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

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
In hand			
- raw material		**399,480**	350,512
- packing material		**225,175**	203,774
- work-in-process		**99,993**	95,836
- finished goods		**438,148**	407,560
		1,162,796	1,057,682
Less: Provision for slow moving and obsolete stock-in-trade	7.1	**(89,408)**	(75,619)
		1,073,388	982,063
In transit		**4,715**	2,241
		1,078,103	984,304

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

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

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

Balance at beginning of the period / year		**75,619**	39,878
Provision recognised during the period / year		**15,150**	38,712
Write offs during the period / year		**(1,361)**	(2,971)
		13,789	35,741
Balance at end of the period / year		**89,408**	75,619

8. TRADE DEBTS - unsecured

Considered good		**609,162**	513,247
Considered doubtful		**102,843**	100,910
		712,005	614,157
Allowance for expected credit loss	8.1	**(102,843)**	(100,910)
Trade debts - net		**609,162**	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		**1,933**	19,145
Write offs during the period / year		**-**	-
		1,933	19,145
Balance at end of the period / year		**102,843**	100,910

9. SHORT-TERM INVESTMENT

Amortised cost			
- Certificate of investment (musharakah)		**70,000**	-
At fair value through profit or loss			
- Listed mutual fund units	9.1	**180,954**	-
		250,954	-

9.1 During the period, the Company invested Rs. 90 million in Meezan Sovereign Fund (MSF) and Rs. 90 million in Meezan Rozana Amdani Fund (MRAF).

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
10. CASH AND BANK BALANCES			
Cash in hand		**9**	6
Balances with banks in:			
- current accounts		**31,964**	70,407
- saving accounts - with Islamic banks	10.1	**84,487**	11,302
- dividend accounts - with Islamic banks		**316**	278
		116,767	81,987
		116,776	81,993

10.1 These carry profit at the rates ranging from 2.75% to 3.50% (2021: 2.75% to 3.47%) per annum.

11. SHARE CAPITAL

11.1 Authorized share capital

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

11.2 Issued, subscribed and paid-up share capital

SEPTEMBER 30, 2021	JUNE 30, 2021		SEPTEMBER 30, 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	**304,897**	304,897
223,834	223,834	Shares Issued pursuant to merger with 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

SEPTEMBER 30, 2021	JUNE 30, 2021		SEPTEMBER 30, 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

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
12. LONG-TERM FINANCING			
Secured			
Diminishing musharakah on			
- leasehold land		**-**	152,500
- plant and machinery		**-**	272,284
- vehicles		**-**	129,858
- salaries and wages	12.1	**220,774**	262,643
		220,774	817,285
Less : Current maturity shown under current liabilities		**(183,090)**	(362,040)
		37,684	455,245

12.1 Represents financing obtained under Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its IH&SMEFD Circular No. 07 dated April 10, 2020. These facilities carries profit at the subsidised rate of 3% and is repayable latest by December 2022. The differential profit has been recognised as government grant which will be amortised over the period of the facility. The facility is secured through an existing equitable mortgage charge over the properties of the Company namely; E-40/A, S.I.T.E., F-216 S.I.T.E., Karachi and Neclass No. 158 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.

12.2 Financial charges on long-term financing for the period ended September 30, 2021 is Rs. 8.43 million (September 30, 2020: Rs. 12.40 million).

	SEPTEMBER 30, 2021	JUNE 30, 2021
	.... (RUPEES IN '000)	
	UN-AUDITED	AUDITED
13. LONG-TERM PROVISION		
Gas Infrastructure Development Cess (GIDC)	**86,717**	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 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. 101.43 million for GIDC in the financial statements.

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	....
		UN-AUDITED	AUDITED
14. TRADE AND OTHER PAYABLES			
Trade and other creditors		**552,992**	520,453
Advances from customers - contract liabilities		**170,533**	137,781
Accrued liabilities		**6,841**	11,578
Sindh Workers' Profit Participation Fund		**5,666**	2,948
Workers' Welfare Fund		**31,987**	29,834
Central Research Fund		**4,397**	3,342
Payable to provident fund		**52**	794
Current portion of Government Grant		**8,147**	10,412
Refund liability		**26,820**	18,777
Ijarah rentals payable		**-**	1,206
Auditors' remuneration		**3,519**	2,816
Other government levies		**10,379**	10,924
Others		**61,527**	30,263
		882,860	781,128
15. SHORT-TERM BORROWINGS - secured			
Musharakah running finance		**-**	113,100
Murabaha	15.1	**290,482**	268,595
		290,482	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 September 30, 2021 is Rs. 8.18 million (September 30, 2020: Rs. 23.15 million).

		SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
16.	**CONTINGENCIES AND COMMITMENTS**		
16.1	**Contingencies**		
16.1.1	Claims not acknowledged as debt by the Company	**8,715**	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 above.

		SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
16.2	**Commitments**		
	Capital commitments	**17,309**	26,876
	Outstanding letters of credit	**68,719**	135,381
	Outstanding letters of guarantee	**102,509**	113,604

		QUARTER ENDED	
		SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
		.... (UN-AUDITED)	
17.	**TAXATION**		
	Current	**31,303**	20,775
	Deferred	**(1,172)**	(1,258)
		30,131	19,517

18. TRANSCATIONS WITH RELATED PARTIES

Related parties of the Company comprise of associates, directors and key management personnel. Transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

		QUARTER ENDED	
		SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
		.... (UN-AUDITED)	
Relationship	**Nature of transaction**		
Provident Fund	Contribution paid	**11,203**	10,409
Non-executive directors	Fee for attending meetings	**675**	400
Key management personnel	Salary and other benefits	**51,621**	41,672

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 unconsolidated financial statements and should be read in conjunction with the Company's unconsolidated annual 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 instrument

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 catagorised as follows:

	SEPTEMBER 30, 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	-	**180,954**	-	-	-	-

20. DATE OF AUTHORISATION FOR ISSUE

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

21. GENERAL

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

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,562,287	1,464,433
Intangible assets		54,126	55,310
Long-term loans		2,524	2,219
Long-term deposits		6,608	66,211
Deferred tax asset		48,219	47,047
		1,673,764	1,635,220
CURRENT ASSETS			
Stores and spares		11,588	10,118
Stock-in-trade	6	1,124,214	1,042,133
Trade debts	7	654,796	546,342
Loans and advances		170,852	73,918
Trade deposits, prepayments and other receivables		91,199	105,328
Taxation - net		99,718	101,107
Short-term investment	8	250,954	-
Cash and bank balances	9	151,560	157,836
		2,554,881	2,036,782
TOTAL ASSETS		4,228,645	3,672,002
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	10	458,111	391,444
Reserves		1,872,643	797,931
		2,330,754	1,189,375
Non controlling interest		20,120	22,359
		2,350,874	1,211,734
NON-CURRENT LIABILITIES			
Deferred liabilities		211,845	210,023
Long-term financing	11	84,965	503,447
Long-term provision	12	86,717	80,884
Lease liabilities		45,178	66,093
		428,705	860,447
CURRENT LIABILITIES			
Trade and other payables	13	907,110	792,365
Accrued profit		6,575	10,722
Short-term borrowings	14	306,277	408,963
Current portion of long-term financing	11	186,774	365,724
Current portion of lease liabilities		42,014	21,769
Unclaimed dividends		316	278
		1,449,066	1,599,821
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		4,228,645	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 SEPTEMBER 30, 2021

	NOTE	QUARTER ENDED SEPTEMBER 30, 2021	 SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
Turnover		**1,299,538**	1,364,485
Cost of sales		**(732,256)**	(848,665)
Gross profit		**567,282**	515,820
Distribution costs		**(384,377)**	(370,503)
Administrative expenses		**(67,588)**	(68,529)
Other expenses		**(8,874)**	(4,147)
Other income		**9,815**	4,456
		(451,024)	(438,723)
Operating profit		**116,258**	77,097
Financial charges	11.3 & 14.2	**(21,394)**	(40,220)
Profit before taxation		**94,864**	36,877
Taxation	17	**(32,333)**	(21,198)
Net profit for the period		**62,531**	15,679
		.... (RUPEES)	
Basic and diluted earnings per share		**1.36**	(Re-stated) 0.34

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

	2021	2020
Attributable to:		
Owner of the Holding Company	**64,770**	23,885
Non- controlling interest	**(2,239)**	(8,206)
	62,531	15,679

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	QUARTER ENDED	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	.... (RUPEES IN '000)	
Net profit for the period	**62,531**	15,679
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**62,531**	15,679

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	**64,770**	23,885
Non- controlling interest	**(2,239)**	(8,206)
	62,531	15,679

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	NOTE	QUARTER ENDED SEPTEMBER 30, 2021	QUARTER ENDED SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**94,864**	36,877
Adjustments for non-cash and other items:			
Depreciation on:			
- Right-of-use assets		**10,251**	5,816
- Others		**31,694**	26,190
Amortization		**1,183**	1,482
Financial charges on:			
- Lease liability		**2,365**	2,024
- Others		**19,029**	38,196
Provision for gratuity		**5,334**	4,774
Gain on sale of operating fixed assets		**(6,839)**	(3,801)
Provision for slow moving and obsolete stock-in-trade		**15,150**	13,074
Allowance for expected credit loss		**1,933**	8,566
Provision for Gas Infrastructure Development Cess - net		**(4,295)**	(4,111)
		75,805	92,210
		170,669	129,087
(Increase) / decrease in current assets			
Stores and spares		**(1,470)**	(1,162)
Stock-in-trade		**(97,231)**	41,718
Trade debts		**(110,387)**	(163,170)
Loans and advances		**(96,934)**	(24,377)
Trade deposits, prepayments and other receivables		**14,129**	(1,096)
		(291,893)	(148,087)
Increase / (decrease) in current liabilities			
Trade and other payables		**119,078**	(42,513)
		(2,146)	(61,513)
Financial charges paid		**(23,176)**	(42,054)
Income tax (paid) / refunded - net		**(32,116)**	32,464
Gratuity paid		**(2,387)**	(5,364)
Long-term loans - net		**(305)**	(219)
Provision for Gas Infrastructure Development Cess		**5,833**	-
Long-term deposits - net		**59,603**	12,502
Deferred liabilities - net		**(1,125)**	(1,598)
		6,327	(4,269)
Net cash generated from / (used in) operating activities		**4,181**	(65,782)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net		**(141,554)**	(46,692)
Proceeds from disposal of operating fixed assets		**8,595**	7,444
Investment in listed mutual fund units and CoI - musharakah		**(250,954)**	-
Net cash used in investing activities		**(383,913)**	(39,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share - net		**1,076,609**	-
Short-term borrowings - net		**(102,686)**	107,279
Long-term financing - net		**(597,432)**	20,754
Lease rentals paid		**(3,035)**	(871)
Net cash generated from financing activities		**373,456**	127,162
Net (decrease) / increase in cash and cash equivalents		**(6,276)**	22,132
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	**151,560**	161,188

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 SEPTEMBER 30, 2021

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES: CAPITAL RESERVES	RESERVES: UNAPPROP-RIATED PROFIT	TOTAL RESERVES	NON-CONTROLLING INTEREST	TOTAL EQUITY
	(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	-	-	19,231	19,231	(3,552)	15,679
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	19,231	19,231	(3,552)	15,679
Balance as at September 30, 2020	391,444	217,808	468,567	686,375	10,404	1,088,223
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	**-**	**(23,391)**	**-**	**(23,391)**	**-**	**(23,391)**
Net profit / (loss) for the period	**-**	**-**	**64,770**	**64,770**	**(2,239)**	**62,531**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income / (loss) for the period	**-**	**-**	**64,770**	**64,770**	**(2,239)**	**62,531**
Balance as at September 30, 2021	**458,111**	**1,227,750**	**644,893**	**1,872,643**	**20,120**	**2,350,874**

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 SEPTEMBER 30, 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	
	SEPTEMBER 30, 2021 UN-AUDITED	**JUNE 30, 2021** 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.

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.

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.

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**1,465,149**	1,343,756
Capital work-in-progress	5.2	**22,119**	35,407
Right-of-use assets		**75,019**	85,270
		1,562,287	1,464,433

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

	QUARTER ENDED ADDITIONS (COST)		QUARTER ENDED DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	.... (RUPEES IN '000)			
	.... (UN-AUDITED)			
Buildings on leasehold land	**795**	82	**-**	-
Plant and machinery	**30,255**	27,798	**-**	245
Tools and equipment	**54,391**	14,674	**-**	-
Gas and other installation	**12,582**	3,204	**-**	-
Furniture and fixture	**261**	-	**-**	-
Office equipment	**64**	226	**-**	-
Computer equipment	**881**	296	**28**	-
Motor vehicles	**55,615**	128	**1,729**	3,318
	154,844	46,408	**1,757**	3,563

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

	SEPTEMBER 30, 2021		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	.... (RUPEES IN '000)		
	.... (UN-AUDITED)		
Balance at beginning of the period	**5,401**	**30,006**	**35,407**
Capital expenditure incurred / advances made	**2,526**	**7,053**	**9,579**
Transferred to operating fixed assets	**-**	**(22,867)**	**(22,867)**
Balance at end of the period	**7,927**	**14,192**	**22,119**

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
6. STOCK-IN-TRADE		**UN-AUDITED**	AUDITED
In hand			
- raw material		**399,480**	350,512
- packing material		**225,175**	203,774
- work-in-process		**99,993**	95,836
- finished goods		**493,123**	474,322
		1,217,771	1,124,444
Less: Provision for slow moving and obsolete stock-in-trade	6.1	**(102,287)**	(88,498)
		1,115,484	1,035,946
In transit		**8,730**	6,187
		1,124,214	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	**15,150**	46,647
Write offs during the period / year	**(1,361)**	(2,971)
	13,789	43,676
Balance at the end of the period / year	**102,287**	88,498

		NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
			.... (RUPEES IN '000)	
			UN-AUDITED	AUDITED
7.	**TRADE DEBTS - unsecured**			
	Considered good		**654,796**	546,342
	Considered doubtful		**112,133**	110,201
			766,929	656,543
	Allowance for expected credit loss	7.1	**(112,133)**	(110,201)
	Trade debts - net		**654,796**	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		**110,200**	91,056
	Provision recognised during the period / year		**1,933**	19,145
	Write offs during the period / year		**-**	-
			1,933	19,145
	Balance at end of the period / year		**112,133**	110,201
8.	**SHORT-TERM INVESTMENT**			
	Amortised cost			
	- Certificate of investment (musharakah)		**70,000**	-
	At fair value through profit or loss			
	- Listed mutual fund units	8.1	**180,954**	-
			250,954	-

8.1 During the period, Holding Company invested Rs. 90 million in Meezan Sovereign Fund (MSF) and Rs. 90 million in Meezan Rozana Amdani Fund (MRAF).

		NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
			.... (RUPEES IN '000)	
			UN-AUDITED	AUDITED
9.	**CASH AND BANK BALANCES**			
	Cash in hand		**9**	6
	Balances with banks in:			
	- current accounts		**66,748**	146,250
	- saving accounts - with Islamic banks	9.1	**84,487**	11,302
	- dividend accounts - with Islamic banks		**316**	278
			151,551	157,830
			151,560	157,836

9.1 These carry profit at the rates ranging from 2.75% to 3.50% (June 30, 2021: 2.75% to 3.47%) per annum.

10. SHARE CAPITAL

10.1 Authorized share capital

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

10.2 Issued, subscribed and paid-up share capital

SEPTEMBER 30, 2021	JUNE 30, 2021		SEPTEMBER 30, 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	**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

10.3 Movement in number of shares

SEPTEMBER 30, 2021	JUNE 30, 2021		SEPTEMBER 30, 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

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
11. LONG-TERM FINANCING			
Loan from related party	11.1	**50,965**	51,886
Secured			
Diminishing musharakah on			
- leasehold land		**-**	152,500
- plant and machinery		**-**	272,284
- vehicles		**-**	129,858
- salaries and wages	11.2	**220,774**	262,643
		271,739	869,171
Less : Current maturity shown under current liabilities		**(186,774)**	(365,724)
		84,965	503,447

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-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.

11.2 Represents financing obtained under Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its IH&SMEFD Circular No. 07 dated April 10, 2020. These facilities carries profit at the subsidised rate of 3% and is repayable latest by December 2022. The differential profit has been recognised as government grant which will be amortised over the period of the facility. The facility is secured through an existing equitable mortgage charge over the properties of the Company namely; E-40/A S.I.T.E., F-216 S.I.T.E., Karachi and Neclass No. 158 of of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi with 25% margin in favor of the bank.

11.3 Financial charges on long term financing for the period ended September 30, 2021 is Rs.9.90 million (September 30, 2020: Rs.14.20 million).

	SEPTEMBER 30, 2021	JUNE 30, 2021
	.... (RUPEES IN '000)	
	UN-AUDITED	AUDITED
12. LONG-TERM PROVISION		
Gas Infrastructure Development Cess (GIDC)	**86,717**	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. 101.43 million for GIDC in the financial statements.

	NOTE	SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
13. TRADE AND OTHER PAYABLES			
Trade and other creditors		**556,608**	522,687
Advances from customers - contract liabilities		**171,107**	138,197
Accrued liabilities		**22,573**	20,164
Sindh Workers' Profit Participation Fund		**5,666**	2,948
Workers' Welfare Fund		**31,987**	29,834
Central Research Fund		**4,397**	3,342
Payable to provident fund		**52**	794
Current portion of Government Grant		**8,147**	10,412
Refund liability		**26,820**	18,777
Ijarah rentals payable		**-**	1,206
Auditors' remuneration		**3,519**	2,816
Other government levies		**14,706**	10,924
Others		**61,528**	30,264
		907,110	792,365
14. SHORT-TERM BORROWINGS - secured			
Musharakah running finance		**-**	113,100
Murabaha	14.1	**306,277**	295,863
		306,277	408,963

14.1 These represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of inventory. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.25% 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.

14.2 Financial charges on short term borrowings for the period ended September 30, 2021 is Rs.8.63 million (September 30, 2020: Rs.23.43 million).

		SEPTEMBER 30, 2021	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 Company	**8,715**	8,013

15.1.2 There is no material change in the status of contingencies as disclosed in note 22.1 to the annual consolidated audited financial statements for the year ended June 30, 2021 except as mentioned above.

		SEPTEMBER 30, 2021	JUNE 30, 2021
		.... (RUPEES IN '000)	....
		UN-AUDITED	AUDITED
15.2	**Commitments**		
	Capital commitments	**17,309**	26,876
	Outstanding letters of credit	**68,719**	157,546
	Outstanding letters of guarantee	**102,509**	113,604

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

Year		
2022	**2,012**	52,071
2023	**2,012**	38,483
2024	**693**	16,470
2025	**-**	9,818
	4,717	116,842

11. OPERATING SEGMENTS

	HOLDING COMPANY QUARTER ENDED		SUBSIDIARY COMPANY QUARTER ENDED		GROUP QUARTER ENDED	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	.... (RUPEES IN '000)					
Turnover	**1,244,499**	1,319,218	**55,039**	45,267	**1,299,538**	1,364,485
Cost of sales	**(708,000)**	(825,680)	**(24,256)**	(22,985)	**(732,256)**	(848,665)
Gross profit	**536,499**	493,538	**30,783**	22,282	**567,282**	515,820
Other income	**9,815**	4,456	**-**	-	**9,815**	4,456
Distribution costs	**(348,428)**	(341,722)	**(35,949)**	(28,781)	**(384,377)**	(370,503)
Administrative expenses	**(65,113)**	(65,185)	**(1,798)**	(2,667)	**(67,588)**	(68,529)
Other expenses	**(8,874)**	(4,147)	**-**		**(8,874)**	(4,147)
Financial charges	**(19,456)**	(38,135)	**(1,938)**	(2,085)	**(21,394)**	(40,220)
Profit / (loss) before tax	**104,443**	48,805	**(8,902)**	(11,251)	**94,864**	36,877

	SEPTEMBER 30, 2021 UN-AUDITED	JUNE 30, 2021 AUDITED	SEPTEMBER 30, 2021 UN-AUDITED	JUNE 30, 2021 AUDITED	SEPTEMBER 30, 2021 UN-AUDITED	JUNE 30, 2021 AUDITED
	.... (RUPEES IN '000)					
Segment assets	**3,986,613**	3,418,752	**191,392**	126,133	**4,178,005**	3,883,824
Unallocated assets	**-**	-	**-**	-	**50,640**	54,023
Segment liabilities	**1,786,183**	2,369,243	**91,587**	75,330	**1,877,771**	2,865,303

17. TAXATION

	QUARTER ENDED	
	SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
	.... (RUPEES IN '000)	
	.... (UN-AUDITED)	
Current	**33,505**	22,456
Deferred	**(1,172)**	(1,258)
	32,333	21,198

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:

		QUARTER ENDED	
		SEPTEMBER 30, 2021	SEPTEMBER 30, 2020
		.... (RUPEES IN '000)	
		.... (UN-AUDITED)	
Relationship	**Nature of transaction**		
Provident Fund	Contribution paid	**11,203**	10,409
Non-executive directors	Fee for attending meetings	**675**	400
Key management personnel	Salary and other benefits	**56,373**	43,500
	Repayment of loan	**921**	921
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	**1,204**	919
Balances outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	**958**	738

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) (level 3).

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

	SEPTEMBER 30, 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	**-**	**180,954**	**-**	-	-	-

20. DATE OF AUTHORISATION FOR ISSUE

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

21. GENERAL

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

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

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