Macter

QUARTERLY REPORT
MARCH 31, 2022

Macter International Limited

CONTENTS

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

BOARD AUDIT COMMITTEE

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

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

1.	Mr. Tariq Wajid	Chairman
2.	Mr. Asif Misbah	Member
3.	Mr. Muhammad Ather Sultan	Member

CHIEF FINANCIAL OFFICER

Syed Khalid Noor

COMPANY SECRETARY

Mr. Asif Javed

INTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

EXTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

SHARIAH ADVISOR

Mufti Muhammad Najeeb Khan

BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

WEBSITE

www.macter.com

DIRECTORS' REVIEW REPORT

We are pleased to present the un-audited un-consolidated and consolidated condensed interim financial statements for the 9 months ended March 31, 2022:

FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - March			
	Unconsolidated		Consolidated	
	2022	2021	2022	2021
Turnover - Net	**4,004.4**	3,705.8	**4,218.1**	3,884.2
Gross profit	**1,804.7**	1,485.1	**1,921.5**	1,567.2
Operating profit	**493.7**	274.4	**475.5**	251.3
Profit before tax	**462.5**	170.9	**439.3**	140.0
Profit after tax	**338.5**	110.9	**306.8**	73.4

FINANCIAL PERFORMANCE

Overall turnover for the period ended March 31, 2022 at Rs. 4,004m grew by 8% over last year. Our core prescription sales business grew strongly by +17% as patient flow normalized post Covid19 pandemic (Current period: Rs. 3,130m vs Last year: Rs. 2,668m).

Our public tender sales was lower by 55%, this was mainly due to the exceptionally high public tender business in last year, which receded in current year (Current period: Rs.298m vs. Last Year: Rs. 659m). Nevertheless, given change in business mix towards direct prescription sales has resulted in improved margins.

All our profit indicators reflect strong margin improvement on account of prescription business growth, improved sales mix, cost optimization and efficiency improvements. Profit before tax increased by 171% to Rs. 462m.

During the period Rights Issue of Rs. 1,100m were successfully completed. Rs. 850m were applied to repay short and long term bank financing. Rs. 100m were utilized in working capital, Rs. 50m invested in new launches and Rs. 36m invested in plant and machinery. Balance funds will be utilized in new plant and machinery.

EARNINGS PER SHARE

Earnings per share as per unconsolidated financial statements for the period July-March 2022 was Rs. 7.71 (restated 2020-21: earning per share of Rs. 2.42).

FUTURE OUTLOOK

Under the Board's guidance the company is executing aggressive commercial and organizational development strategy and we expect that despite a challenging economic and fiscal environment the company is well poised to deliver consistent profitable growth.

Recent amendment in the Finance Supplementary Act 2022 that imposed sales tax on imports of all pharmaceutical materials has put entire industry under a liquidity stress. Despite government assurance for a swift refund process, the refund mechanism and system is not working, resulting in blocked sales tax refunds creating liquidity concerns.

ACKNOWLEDGEMENTS

The Board of Directors appreciate the commitment, dedication, and devotion of all our employees who have worked to ensure supply of our lifesaving medicines.

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

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

On behalf of the board

Asif Misbah
Chief Executive

Perwez Ahmed
Director

Karachi
April 22, 2022

مستقبل کا جائزہ

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

فائنانس سپلیمنٹری ایکٹ 2022 میں حالیہ ترمیم کے نتیجے میں تمام دواساز مواد کی درآمدات پر سیلز ٹیکس عائد کردیا گیا جس نے پوری صنعت کو لیکویڈیٹی کے دباؤ میں ڈال دیا ہے۔ فوری ریفنڈ پراسیس کے لئے حکومتی یقین دہانی کے باوجود رقم کی واپسی کا طریقۂ کار اور نظام کام نہیں کر رہا ہے جس کے نتیجے میں سیلز ٹیکس کے ریفنڈز بلاک ہونے کی وجہ سے لیکویڈیٹی خدشات پیدا ہو رہے ہیں۔

اعتراف

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کے عزم، لگن اور قربانی کو سراہتے ہیں جنہوں نے ہماری زندگی بچانے والی ادویات کی فراہمی کو یقینی بنانے کے لئے محنت کی ہے۔

ہم 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

آصف مصباح	پرویز احمد
چیف ایگزیکٹیو	ڈائریکٹر

کراچی
اپریل 22، 2022

ڈائریکٹرز جائزہ رپورٹ

ہم 31مارچ 2022 کو ختم ہونے والے 9ماہ کے غیر آڈٹ شدہ غیر مدغم شدہ اور مدغم شدہ مختصر مالیاتی عبوری معلومات پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

مندرجات	جولائی - مارچ			
	غیر مدغم شدہ		مدغم شدہ	
	2022	2021	2022	2021
فروخت خالص	**4,004.4**	3,705.8	**4,218.1**	3,884.2
مجموعی منافع	**1,804.7**	1,485.1	**1,921.5**	1,567.2
آپریٹنگ منافع	**493.7**	274.4	**475.5**	251.3
قبل از ٹیکس منافع	**462.5**	170.9	**439.3**	140.0
بعد از ٹیکس منافع	**338.5**	110.9	**306.8**	73.4

مالیاتی کارکردگی

31مارچ 2022 کو ختم ہونے والے عرصے کے دوران مجموعی طور پر 4004ملین روپے کے کاروبار میں گزشتہ سال کے مقابلے میں 8فیصد اضافہ ہوا۔COVID-19وبا کے بعد مریضوں کی آمدورفت معمول پر آتے ہی ہمارے بنیادی بذریعہ نسخہ فروخت کاروبار میں مثبت 17+فیصد کا مضبوط اضافہ ہوا۔(موجودہ مدت: 3,130ملین روپے بمقابلہ گزشتہ سال: 2,668ملین روپے)۔

ہماری پبلک ٹینڈر فروخت 55فیصد کم رہی،اس کی بنیادی وجہ گزشتہ سال میں غیر معمولی طور پر زیادہ پبلک ٹینڈر کا کاروبار تھا،جو رواں سال میں کم ہوا(موجودہ مدت: 298ملین روپے بمقابلہ گزشتہ سال: 659ملین روپے)۔اس کے باوجود براہ راست بذریعہ نسخہ فروخت کی طرف کاروباری مرکب میں تبدیلی کے نتیجے میں نفع میں بہتری آئی ہے۔

تمام منافع کے اشارے،بذریعہ نسخہ کاروبار میں اضافے،بہتر سیلز مکس،لاگت کی اصلاح اور کارکردگی میں بہتری کی وجہ سے نفع میں مضبوط نمو کی عکاسی کرتے ہیں۔قبل از ٹیکس منافع 171فیصد اضافے کے ساتھ 462ملین روپے ہو گیا ہے۔

اس عرصے کے دوران 1,100ملین روپے کا رائٹ ایشو کامیابی سے مکمل ہوا۔ 850ملین روپے سے مختصر اور طویل مدتی بینک فنانسنگ کی ادائیگی کی گئی۔ 100ملین روپے ورکنگ کیپیٹل میں استعمال کیے گئے،50ملین روپے نئی مصنوعات کے اجرا اور 36ملین روپے کی سرمایہ کاری پلانٹ ومشینری میں کی گئی۔بقایہ فنڈز کو نئے پلانٹ اور مشینری میں استعمال کیا جائے گا۔

فی حصص منافع

جولائی تا مارچ2022ء کی مدت کے لئے غیر مدغم شدہ مالیاتی معلومات کے مطابق فی حصص منافع 7.71روپے رہا(2020-21دوبارہ بیان کیا گیا:فی حصص منافع 2.42روپے)۔

UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	
ASSETS		**UN-AUDITED**	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1,626,742**	1,448,418
Intangible assets		**2,652**	3,992
Long-term investment	6	**300,000**	300,000
Long-term loans		**1,787**	2,219
Long-term deposits		**15,602**	64,733
Deferred tax asset		**404**	47,047
		1,947,187	1,866,409
CURRENT ASSETS			
Stores and spares		**15,831**	10,118
Stock-in-trade	7	**1,276,860**	984,304
Trade debts	8	**534,489**	513,247
Loans and advances		**74,688**	69,466
Trade deposits, prepayments and other receivables		**102,890**	92,108
Sales tax - net		**87,417**	-
Taxation - net		**53,411**	101,107
Cash and bank balances	9	**117,512**	81,993
		2,263,098	1,852,343
TOTAL ASSETS		**4,210,285**	3,718,752
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	10	**458,111**	391,444
Reserves		**2,135,046**	958,065
		2,593,157	1,349,509
NON-CURRENT LIABILITIES			
Deferred liabilities		**209,884**	210,023
Long-term financing	11	**83,895**	455,245
Long-term provision	12	**74,035**	80,884
Lease Liabilities		**42,125**	66,093
		409,939	812,245
CURRENT LIABILITIES			
Trade and other payables	13	**1,025,712**	781,128
Accrued profit		**553**	10,088
Short-term borrowings		**-**	381,695
Current portion of long-term financing	12	**152,748**	362,040
Current portion of lease liabilities		**26,367**	21,769
Unclaimed dividends		**1,809**	278
		1,207,189	1,556,998
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**4,210,285**	3,718,752

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

FOR THE PERIOD ENDED MARCH 31, 2022

	NOTE	NINE MONTHS ENDED MARCH 31, 2022	NINE MONTHS ENDED MARCH 31, 2021	QUARTER ENDED MARCH 31, 2022	QUARTER ENDED MARCH 31, 2021
		.... (RUPEES IN '000)		....	
Turnover		**4,004,401**	3,705,805	**1,453,175**	1,165,299
Cost of sales		**(2,199,664)**	(2,220,727)	**(788,821)**	(690,800)
Gross profit		**1,804,737**	1,485,078	**664,354**	474,499
Distribution costs		**(1,096,203)**	(1,020,017)	**(376,406)**	(322,199)
Administrative expenses		**(199,959)**	(185,224)	**(67,827)**	(62,516)
Other expenses		**(39,293)**	(14,522)	**(17,201)**	(4,817)
Other income		**24,432**	9,061	**4,299**	1,675
		(1,311,023)	(1,210,702)	**(457,135)**	(387,857)
Operating profit		**493,714**	274,376	**207,219**	86,642
Financial charges	11.3	**(31,250)**	(103,452)	**(4,769)**	(29,950)
Profit before taxation		**462,464**	170,924	**202,450**	56,692
Taxation	15	**(123,951)**	(60,030)	**(60,160)**	(20,319)
Net profit for the period		**338,513**	110,894	**142,290**	36,373
		.... (RUPEES)		....	
			(Re-stated)		(Re-stated)
Basic and diluted earnings per share		**7.71**	2.42	**3.11**	0.79

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

FOR THE PERIOD ENDED MARCH 31, 2022

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
	(RUPEES IN '000)			
Net profit for the period	**338,513**	110,894	**142,290**	36,373
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**338,513**	110,894	**142,290**	36,373

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

FOR THE PERIOD ENDED MARCH 31, 2022

	NOTE	NINE MONTHS ENDED MARCH 31, 2022	NINE MONTHS ENDED MARCH 31, 2021
		.... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**462,464**	170,924
Adjustments for non-cash and other items:			
Depreciation on:			
- Right of use assets		**24,407**	17,447
- Others		**98,029**	79,921
Amortization		**1,339**	2,305
Financial charges on:			
- Lease liability		**6,239**	5,338
- Others		**25,011**	98,114
Provision for gratuity		**18,111**	15,718
Gain on sale of operating fixed assets		**(18,713)**	(3,801)
Provision for slow moving and obsolete stock-in-trade		**59,496**	32,037
Allowance for expected credit loss		**9,757**	15,298
		223,676	262,377
		686,140	433,301
(Increase) / decrease in current assets			
Stores and spares		**(5,713)**	(5,007)
Stock-in-trade		**(352,052)**	(200,732)
Trade debts		**(30,999)**	232,652
Loans and advances		**(5,222)**	3,568
Trade deposits, prepayments and other receivables		**(98,199)**	(29,433)
		(492,185)	1,048
Increase / (Decrease) in current liabilities			
Trade and other payables		**246,115**	(203,610)
		440,070	230,739
Financial charges paid		**(34,546)**	(105,883)
Income tax (paid) / refunded - net		**(29,612)**	4,343
Gratuity paid		**(16,594)**	(9,592)
Long-term loans - net		**432**	(668)
Long-term deposits - net		**49,131**	(2,188)
Deferred liabilities - net		**(1,656)**	(2,180)
		(32,845)	(116,168)
Net cash generated in operating activities		**407,225**	114,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property plant and equipment - net		**(307,007)**	(112,611)
Proceeds from disposal of operating fixed assets		**24,961**	7,444
Additions to intangible assets		**-**	(622)
Investment made		**-**	(25,000)
Investment in Listed mutual fund units and CoI - musharakah		**(250,000)**	-
Redemption in Listed mutual fund units and CoI - musharakah		**250,000**	-
Net cash used in investing activities		**(282,046)**	(130,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(169,959)**	(74,374)
Proceeds from issues of share - net		**1,075,094**	-
Short-term borrowings - net		**(381,695)**	(236,965)
Long-term financing - net		**(580,642)**	180,846
Long-term provision		**(6,849)**	75,587
Lease rentals paid		**(25,609)**	(7,496)
Net cash generated from financing activities		**(89,660)**	(62,402)
Net increase / (decrease) in cash and cash equivalent		**35,519**	(78,620)
Cash and cash equivalents at the beginning of the period		**81,993**	129,745
Cash and cash equivalents at the end of the period	9	**117,512**	51,125

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

FOR THE PERIOD ENDED MARCH 31, 2022

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES CAPITAL RESERVES SHARE PREMIUM ACCOUNT	 RESERVES UNAPPROP- -RIATED PROFIT	TOTAL RESERVES	TOTAL
	....	.... (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	-	-	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 half year ended December 31, 2020	-	-	(74,374)	(74,374)	(74,374)
Balance as at March 31, 2021	391,444	217,808	594,986	812,794	1,204,238
Balance as at July 01, 2021	**391,444**	**217,808**	**740,257**	**958,065**	**1,349,509**
Transaction with the owners					
Issue of right share	**66,667**	**1,033,333**	**-**	**1,033,333**	**1,100,000**
Right share issuance expenses	**-**	**(24,906)**	**-**	**(24,906)**	**(24,906)**
Net profit for the period	**-**	**-**	**338,513**	**338,513**	**338,513**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**338,513**	**338,513**	**338,513**
Final cash dividend @ Rs. 2.00 per share for the year ended June 30, 2021	**-**	**-**	**(91,622)**	**(91,622)**	**(91,622)**
Interim cash dividend @ Rs. 1.71 per share for the half year ended December 31, 2021	**-**	**-**	**(78,337)**	**(78,337)**	**(78,337)**
Balance as at March 31, 2022	**458,111**	**1,226,235**	**908,811**	**2,135,046**	**2,593,157**

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

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

FOR THE PERIOD ENDED MARCH 31, 2022

1. THE COMPANY AND ITS OPERATIONS

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

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

1.3 These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2021.

2.2 Standards, amendments and interpretations adopted during the period

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's unconsolidated annual audited financial statements for the year ended June 30, 2021 except for the adoption of amendments to approved accounting standards, which became effective for the current period as disclosed in note 2.2 to these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying Company’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2021.

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**1,444,779**	1,327,741
Capital work-in-progress	5.2	**119,723**	35,407
Right-of-use asset		**62,240**	85,270
		1,626,742	1,448,418

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
	.... (UN-AUDITED)			
	.... (RUPEES IN '000)			
Buildings on leasehold land	**5,229**	1,569	**-**	-
Plant and machinery	**37,233**	35,372	**-**	245
Tools and equipment	**70,571**	18,512	**-**	-
Gas and other installation	**26,103**	14,169	**685**	-
Furniture and fixtures	**1,799**	90	**-**	-
Office equipment	**4,140**	1,394	**-**	-
Computer equipment	**1,497**	1,833	**37**	80
Motor vehicles	**74,746**	18,317	**5,528**	3,318
	221,318	91,256	**6,250**	3,643

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

	MARCH 31, 2022		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY AND OTHERS	TOTAL
	.... (UN-AUDITED)		
	.... (RUPEES IN '000)		
Balance at beginning of the period	**5,401**	**30,006**	**35,407**
Capital expenditure incurred / advances made	**15,662**	**121,222**	**136,884**
Transferred to operating fixed assets	**(5,960)**	**(46,608)**	**(52,568)**
Balance at end of the period	**15,103**	**104,620**	**119,723**

	NOTE	MARCH 31, 2022	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	MARCH 31, 2022	JUNE 30, 2021
In hand			
- raw material		**593,293**	350,512
- packing material		**212,551**	203,774
- work-in-process		**155,954**	95,836
- finished goods		**407,670**	407,560
		1,369,468	1,057,682
Less: Provision for slow moving and obsolete stock-in-trade	7.1	**(94,368)**	(75,619)
		1,275,100	982,063
In transit		**1,760**	2,241
		1,276,860	984,304

		NOTE	MARCH 31, 2022	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		**59,496**	38,712
	Write offs during the period / year		**(40,747)**	(2,971)
			18,749	35,741
	Balance at end of the period / year		**94,368**	75,619
8.	**TRADE DEBTS - unsecured**			
	Considered good		**534,489**	513,247
	Considered doubtful		**110,396**	100,910
			644,885	614,157
	Allowance for expected credit loss	8.1	**(110,396)**	(100,910)
	Trade debts - net		**534,489**	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		**9,757**	19,145
	Write offs during the period / year		**(271)**	-
			9,486	19,145
	Balance at end of the period / year		**110,396**	100,910
9.	**CASH AND BANK BALANCES**			
	Cash in hand		**9**	6
	Balances with banks in:			
	- current accounts		**1,363**	70,407
	- saving accounts - with Islamic banks	9.1	**114,331**	11,302
	- dividend accounts - with Islamic banks		**1,809**	278
			117,503	81,987
			117,512	81,993

9.1 These carry profit at the rates ranging from 2.75% to 5.50 % (2021: 2.75% to 3.47%) per annum.

10. SHARE CAPITAL

10.1 Authorized share capital

MARCH 31, 2022	JUNE 30, 2021		MARCH 31, 2022	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

MARCH 31, 2022	JUNE 30, 2021		MARCH 31, 2022	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

MARCH 31, 2022	JUNE 30, 2021		MARCH 31, 2022	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

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

		NOTE	MARCH 31, 2022	JUNE 30, 2021
			.... (RUPEES IN '000)	....
			UN-AUDITED	AUDITED
11.	**LONG-TERM FINANCING - secured**			
	Secured			
	Diminishing musharakah on			
	- leasehold land		**-**	152,500
	- plant and machinery		**-**	272,284
	- vehicles	11.1	**102,747**	129,858
	- salaries and wages	11.2	**133,896**	262,643
			236,643	817,285
	Less : Current maturity shown under current liabilities		**(152,748)**	(362,040)
			83,895	455,245

11.1 These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% (2021: 6 Months KIBOR plus 1.00% to 1.50%) per annum and are having maturity till March 2027 (2021: September 2025). These facilities are secured against the respective assets.

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 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 March 31, 2022 is Rs. 12.01 million (March 31, 2021: Rs. 36.78 million).

		MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	....
12.	**LONG-TERM PROVISION**	UN-AUDITED	AUDITED
	Gas Infrastructure Development Cess (GIDC)	**74,035**	80,884

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

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

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

		MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	....
		UN-AUDITED	AUDITED
13.	**TRADE AND OTHER PAYABLES**		
	Trade and other creditors	**703,287**	520,453
	Advances from customers - contract liabilities	**172,527**	137,781
	Accrued liabilities	**10,305**	11,578
	Sindh Workers' Profit Participation Fund	**25,088**	2,948
	Workers' Welfare Fund	**39,367**	29,834
	Central Research Fund	**4,671**	3,342
	Payable to provident fund	**130**	794
	Current portion of Government Grant	**3,527**	10,412
	Refund liability	**18,777**	18,777
	Ijarah rentals payable	**-**	1,206
	Auditors' remuneration	**2,060**	2,816
	Other government levies	**9,443**	10,924
	Others	**36,530**	30,263
		1,025,712	781,128

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1	Claims not acknowledged as debt by the Company	**10,076**	8,013

14.1.2 There is no material change in the status of contingencies as disclosed in notes 23.1 to the annual audited financial statements for the year ended June 30, 2021 except as mentioned in above notes.

		MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	....
		UN-AUDITED	AUDITED
14.2	**Commitments**		
	Capital commitments	**52,340**	26,876
	Outstanding letters of credit	**154,527**	135,381
	Outstanding letters of guarantee	**114,619**	113,604

		NINE MONTHS ENDED		QUARTER ENDED	
		MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
		....	(RUPEES IN '000)	....	
15.	**TAXATION**				
	Current	**74,507**	62,232	**3,315**	21,884
	Prior	**2,801**	(2,991)	**-**	-
	Deferred	**46,643**	789	**56,845**	(1,505)
		123,951	60,030	**60,160**	20,319

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, 2022	MARCH 31, 2021
		.... (RUPEES IN '000)	
		.... (UN-AUDITED)	
Relationship	**Nature of transactions**		
Subsidiary	Investment made	**-**	25,000
Provident Fund	Contribution made	**33,968**	31,185
Non-Executive Director	Fee for attending meetings	**1,263**	1,575
	Dividend	**1,055**	-
Key Management Personnel	Salary and other benefits	**164,147**	131,537
	Dividend	**109,384**	48,501

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual audited unconsolidated financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2021. There has been no change in any risk management policies since the year-end.

18. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 22, 2022 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 STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	....
ASSETS		**UN-AUDITED**	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	**1,642,459**	1,464,433
Intangible assets		**52,159**	55,310
Long-term loans		**1,787**	2,219
Long-term deposits		**17,080**	66,211
Deferred tax asset		**404**	47,047
		1,713,889	1,635,220
CURRENT ASSETS			
Stores and spares		**15,831**	10,118
Stock-in-trade	6	**1,322,107**	1,042,133
Trade debts	7	**592,861**	546,342
Loans and advances		**125,258**	73,918
Trade deposits, prepayments and other receivables		**103,821**	105,328
Sales tax - net		**87,417**	-
Taxation - net		**53,411**	101,107
Cash and bank balances	8	**121,040**	157,836
		2,421,746	2,036,782
TOTAL ASSETS		**4,135,635**	3,672,002
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	9	**458,111**	391,444
Reserves		**1,949,162**	797,931
		2,407,273	1,189,375
Non controlling interest		**16,370**	22,359
		2,423,643	1,211,734
NON-CURRENT LIABILITIES			
Deferred liabilities		**209,884**	210,023
Long-term financing	10	**129,334**	503,447
Long-term provision	11	**74,035**	80,884
Lease liabilities		**42,125**	66,093
		455,378	860,447
CURRENT LIABILITIES			
Trade and other payables	12	**1,068,122**	792,365
Accrued profit		**633**	10,722
Short-term borrowings	13	**3,251**	408,963
Current portion of long-term financing	10	**156,432**	365,724
Current portion of lease liabilities		**26,367**	21,769
Unclaimed dividends		**1,809**	278
		1,256,614	1,599,821
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**4,135,635**	3,672,002

The annexed notes from 1 to 20 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 MRACH 31, 2022

	NOTE	NINE MONTHS ENDED MARCH 31, 2022	NINE MONTHS ENDED MARCH 31, 2021	QUARTER ENDED MARCH 31, 2022	QUARTER ENDED MARCH 31, 2021
		.... (RUPEES IN '000)			
Turnover		**4,218,075**	3,884,181	**1,528,243**	1,231,511
Cost of sales		**(2,296,573)**	(2,316,955)	**(823,897)**	(725,208)
Gross profit		**1,921,502**	1,567,226	**704,346**	506,303
Distribution costs		**(1,227,825)**	(1,120,277)	**(423,960)**	(358,339)
Administrative expenses		**(203,332)**	(190,213)	**(69,130)**	(63,261)
Other expenses		**(39,293)**	(14,522)	**(17,201)**	(4,817)
Other income		**24,432**	9,061	**4,299**	1,675
		(1,446,018)	(1,315,951)	**(505,992)**	(424,742)
Operating profit		**475,484**	251,275	**198,354**	81,561
Financial charges	10.4 & 13.2	**(36,209)**	(111,264)	**(6,214)**	(32,849)
Profit before taxation		**439,275**	140,011	**192,140**	48,712
Taxation	16	**(132,501)**	(66,623)	**(63,166)**	(23,232)
Net profit for the period		**306,774**	73,388	**128,974**	25,480
		.... (RUPEES)			
			(Re-stated)		(Re-stated)
Basic and diluted earnings per share		**6.99**	1.60	**2.82**	0.56

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Attributable to:				
Owner of the Holding Company	**312,763**	82,798	**131,522**	27,952
Non- controlling interest	**(5,989)**	(9,410)	**(2,548)**	(2,472)
	306,774	73,388	**128,974**	25,480

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

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

FOR THE PERIOD ENDED MRACH 31, 2022

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
	.... (RUPEES IN '000)		....	
Net profit for the period	**306,774**	73,388	**128,974**	25,480
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**306,774**	73,388	**128,974**	25,480

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Attributable to:				
Owner of the Holding Company	**312,763**	82,798	**131,522**	27,952
Non- controlling interest	**(5,989)**	(9,410)	**(2,548)**	(2,472)
	306,774	73,388	**128,974**	25,480

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

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

FOR THE PERIOD ENDED MRACH 31, 2022

	NOTE	NINE MONTHS ENDED MARCH 31, 2022	NINE MONTHS ENDED MARCH 31, 2021
		.... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**439,275**	140,011
Adjustments for non-cash and other items:			
Depreciation on:			
- Right of use assets		**24,407**	17,447
- Others		**99,357**	81,293
Amortization		**3,391**	4,375
Financial charges on:			
- Lease liability		**6,239**	5,338
- Others		**29,970**	105,926
Provision for gratuity		**18,111**	15,718
Gain on sale of operating fixed assets		**(18,713)**	(3,801)
Provision for slow moving and obsolete stock-in-trade		**58,773**	39,972
Allowance for expected credit loss		**9,757**	15,298
		231,292	281,566
		670,567	421,577
(Increase) / decrease in current assets			
Stores and spares		**(5,713)**	(5,007)
Stock-in-trade		**(338,747)**	(198,147)
Trade debts		**(56,276)**	218,753
Loans and advances		**(51,340)**	2,285
Trade deposits, prepayments and other receivables		**(85,910)**	(27,862)
		(537,986)	(9,978)
Increase / (decrease) in current liabilities			
Trade and other payables		**277,288**	(193,078)
		409,869	218,521
Financial charges paid		**(40,059)**	(112,439)
Income tax (paid) / refunded - net		**(38,162)**	(2,251)
Gratuity paid		**(16,594)**	(9,592)
Long-term loans - net		**432**	(668)
Long-term deposits - net		**49,131**	(2,188)
Deferred liabilities - net		**(1,656)**	(2,180)
		(46,908)	(129,318)
Net cash used in operating activities		**362,961**	89,203
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net		**(308,038)**	(112,889)
Proceeds from disposal of operating fixed assets		**24,961**	7,444
Additions of intangible asset		**(240)**	(622)
Investment in listed mutual fund units and CoI - musharakah		**(250,000)**	-
Redemption of listed mutual fund units and CoI - musharakah		**250,000**	-
Net cash used in investing activities		**(283,317)**	(106,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(169,959)**	(74,374)
Proceeds from issuse of share - net		**1,075,094**	(171)
Short-term borrowings - net		**(405,712)**	(194,383)
Long-term financing - net		**(583,405)**	178,083
Long-term provision		**(6,849)**	66,910
Lease rentals paid		**(25,609)**	(7,496)
Net cash generated from financing activities		**(116,440)**	(31,431)
Net (decrease) in cash and cash equivalents		**(36,796)**	(48,295)
Cash and cash equivalents at the beginning of the period		**157,836**	139,056
Cash and cash equivalents at the end of the period	8	**121,040**	90,761

The annexed notes from 1 to 20 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 MRACH 31, 2022

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES	RESERVES	TOTAL RESERVES	NON-CONTROLLING INTEREST	TOTAL EQUITY
		SHARE PREMIUM ACCOUNT	UNAPPROP--RIATED PROFIT			
	(RUPEES IN '000)					
Balance as at July 01, 2020	391,444	217,808	449,336	667,144	13,956	1,072,544
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 / (loss) for the period	-	-	82,798	82,798	(9,410)	73,388
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	82,798	82,798	(9,410)	73,388
Balance as at March 31, 2021	391,444	217,808	452,019	669,827	10,116	1,071,387
Balance as at July 01, 2021	**391,444**	**217,808**	**580,123**	**797,931**	**22,359**	**1,211,734**
Transaction with the owners						
Issue of right share	**66,667**	**1,033,333**	**-**	**1,033,333**	**-**	**1,100,000**
Right share issuance expenses	**-**	**(24,906)**	**-**	**(24,906)**	**-**	**(24,906)**
Net profit / (loss) for the period	**-**	**-**	**312,763**	**312,763**	**(5,989)**	**306,774**
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	**-**	**-**	**312,763**	**312,763**	**(5,989)**	**306,774**
Final cash dividend @ Rs. 2.00 per share for the year ended June 30, 2021	**-**	**-**	**(91,622)**	**(91,622)**	**-**	**(91,622)**
Interim cash dividend @ Rs. 1.71 per share for the half year ended December 31, 2021	**-**	**-**	**(78,337)**	**(78,337)**	**-**	**(78,337)**
Balance as at March 31, 2022	**458,111**	**1,226,235**	**722,927**	**1,949,162**	**16,370**	**2,423,643**

The annexed notes from 1 to 20 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 MRACH 31, 2022

1. THE COMPANY AND ITS OPERATIONS

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

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

1.2 Following is the Subsidiary Company

	Effective %age of holding	
	MARCH 31, 2022 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.

2.2 Standards, amendments and interpretations adopted during the period

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended June 30, 2021 except for the adoption of amendments to approved accounting standards, which became effective for the current period as disclosed in note 2.2 to these consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Company's consolidated annual audited financial statements for the year ended June 30, 2021.

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**1,460,496**	1,343,756
Capital work-in-progress	5.2	**119,723**	35,407
Right-of-use assets		**62,240**	85,270
		1,642,459	1,464,433

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
	(UN-AUDITED)			
	(RUPEES IN '000)			
Buildings on leasehold land	**5,229**	1,569	**-**	-
Plant and machinery	**37,233**	35,372	**-**	245
Tools and equipment	**70,571**	18,512	**-**	-
Gas and other installation	**26,103**	14,169	**685**	-
Furniture and fixture	**2,413**	90	**-**	-
Office equipment	**4,214**	1,394	**-**	-
Computer equipment	**1,839**	1,833	**37**	80
Motor vehicles	**74,746**	18,317	**5,528**	3,318
	222,348	91,256	**6,250**	3,643

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

5.2 Capital work-in-progress

	MARCH 31, 2022		
	BUILDING ON LEASEHOLD LAND	PLANT MACHINERY AND OTHERS	TOTAL
	(UN-AUDITED)		
	(RUPEES IN '000)		
Balance at beginning of the period	**5,401**	**30,006**	**35,407**
Capital expenditure incurred / advances made	**15,662**	**121,222**	**136,884**
Transferred to operating fixed assets	**(5,960)**	**(46,608)**	**(52,568)**
Balance at end of the period	**15,103**	**104,620**	**119,723**

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
6. STOCK-IN-TRADE			
In hand			
- raw material		**593,293**	350,512
- packing material		**212,551**	203,774
- work-in-process		**155,954**	95,836
- finished goods		**464,105**	474,322
		1,425,903	1,124,444
Less: Provision for slow moving and obsolete stock-in-trade	6.1	**(106,524)**	(88,498)
		1,319,379	1,035,946
In transit		**2,728**	6,187
		1,322,107	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		**58,773**	46,647
Write offs during the period / year		**(40,747)**	(2,971)
		18,026	43,676
Balance at the end of the period / year		**106,524**	88,498

7. TRADE DEBTS - unsecured

Considered good		**592,861**	546,342
Considered doubtful		**119,686**	110,201
		712,547	656,543
Allowance for expected credit loss	7.1	**(119,686)**	(110,201)
Trade debts - net		**592,861**	546,342

7.1 Allowance for expected credit loss

The movement in expected credit loss during the period / year is as follows:

Balance at beginning of the period / year		**110,201**	91,056
Provision recognised during the period / year		**9,757**	19,145
Write offs during the period / year		**(272)**	-
		9,485	19,145
Balance at end of the period / year		**119,686**	110,201

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	....
		UN-AUDITED	AUDITED
8. CASH AND BANK BALANCES			
Cash in hand		**9**	6
Balances with banks in:			
- current accounts		**4,891**	146,250
- saving accounts - with Islamic banks	8.1	**114,331**	11,302
- dividend accounts - with Islamic banks		**1,809**	278
		121,031	157,830
		121,040	157,836

8.1 These carry profit at the rates ranging from 2.75% to 5.50% (June 30, 2021: 2.75% to 3.47%) per annum.

9. SHARE CAPITAL

9.1 Authorized share capital

MARCH 31, 2022	JUNE 30, 2021		MARCH 31, 2022	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

9.2 Issued, subscribed and paid-up share capital

MARCH 31, 2022	JUNE 30, 2021		MARCH 31, 2022	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

9.3 Movement in number of shares

MARCH 31, 2022	JUNE 30, 2021		MARCH 31, 2022	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

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

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
10. LONG-TERM FINANCING			
Loan from related party	10.1	**49,123**	51,886
Secured			
Diminishing musharakah on			
- leasehold land		**-**	152,500
- plant and machinery		**-**	272,284
- vehicles	10.2	**102,747**	129,858
- salaries and wages	10.3	**133,896**	262,643
		285,766	869,171
Less : Current maturity shown under current liabilities		**(156,432)**	(365,724)
		129,334	503,447

10.1 This represents loan obtained from one of the director of the Holding Company, under mark-up arrangements. It carries profit at 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2021 which is fixed for the period as 8.12% per annum. (June 30, 2021: 90 days average of 12 months KIBOR for 3rd calendar Quarter-2020 which was fixed for the period as 8.73% per annum). The profit is payable on monthly basis.

10.2 These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% (2021: 6 Months KIBOR plus 1.00% to 1.50%) per annum and are having maturity till March 2027 (2021: September 2025). These facilities are secured against the respective assets.

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

10.4 Financial charges on long term financing for the period ended March 31, 2022 is Rs.17.00 million (March 31, 2021: Rs.41.74 million).

	MARCH 31, 2022	**JUNE 30, 2021**
	.... **(RUPEES IN '000)**	
	UN-AUDITED	AUDITED
11. LONG-TERM PROVISION		
Gas Infrastructure Development Cess (GIDC)	**74,035**	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. 85.65 million for GIDC in the financial statements.

	NOTE	MARCH 31, 2022	JUNE 30, 2021
		.... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
12. TRADE AND OTHER PAYABLES			
Trade and other creditors		**709,970**	522,687
Advances from customers - contract liabilities		**173,010**	138,197
Accrued liabilities		**38,589**	20,164
Sindh Workers’ Profit Participation Fund		**25,088**	2,948
Workers’ Welfare Fund		**39,367**	29,834
Central Research Fund		**4,671**	3,342
Payable to provident fund		**130**	794
Current portion of Government Grant		**3,527**	10,412
Refund liability		**18,777**	18,777
Ijarah rentals payable		**-**	1,206
Auditors' remuneration		**2,060**	2,816
Other government levies		**16,402**	10,924
Others		**36,531**	30,264
		1,068,122	792,365
13. SHORT-TERM BORROWINGS - secured			
Musharakah running finance		**-**	113,100
Murabaha	13.1	**3,251**	295,863
		3,251	408,963

13.1 This represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of stock-in-trade. These carry profit at the rate of 3 Months KIBOR plus 2.00% (2021: 1 and 3 Months KIBOR plus 1.50% and 2.00%) per annum and having maturity latest by July 2022 (2021: October 2021). These are secured against hypothecation of stock-in-trade and trade debts of the Company.

13.2 Financial charges on short term borrowings for the period ended March 31, 2022 is Rs.14.73 million (March 31, 2021: Rs.62.20 million).

	MARCH 31, 2022	JUNE 30, 2021
	.... (RUPEES IN '000)	
	UN-AUDITED	AUDITED
14. CONTINGENCIES AND COMMITMENTS		
14.1 Contingencies		
14.1.1 Claims not acknowledged as debt by the Holding Company	**10,076**	8,013

14.1.2 There is no material change in the status of contingencies as disclosed in note 21.1 to the annual consolidated audited financial statements for the year ended June 30, 2021 except as mentioned above.

	MARCH 31, 2022	JUNE 30, 2021
	.... (RUPEES IN '000)	....
	UN-AUDITED	AUDITED

14.2 Commitments

Capital commitments	**52,797**	26,876
Outstanding letters of credit	**154,527**	157,546
Outstanding letters of guarantee	**114,619**	113,604

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

	MARCH 31, 2022	JUNE 30, 2021
	.... (RUPEES IN '000)	....
	UN-AUDITED	AUDITED
Year		
2022	**524**	52,071
2023	**2,094**	38,483
2024	**721**	16,470
2025	**-**	9,818
	3,339	116,842

15. OPERATING SEGMENTS

	HOLDING COMPANY NINE MONTHS ENDED		SUBSIDIARY COMPANY NINE MONTHS ENDED		GROUP NINE MONTHS ENDED	
	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
	....	....	(RUPEES IN '000)	....	....	
Turnover	**4,004,401**	3,705,805	**213,674**	178,376	**4,218,075**	3,884,181
Cost of sales	**(2,199,664)**	(2,220,727)	**(96,909)**	(96,228)	**(2,296,573)**	(2,316,955)
Gross profit	**1,804,737**	1,485,078	**116,765**	82,148	**1,921,502**	1,567,226
Other income	**24,432**	9,061	**-**	-	**24,432**	9,061
Distribution costs	**(1,096,203)**	(1,020,017)	**(131,622)**	(100,260)	**(1,227,825)**	(1,120,277)
Administrative expenses	**(199,959)**	(185,224)	**(1,343)**	(2,959)	**(203,332)**	(190,213)
Other expenses	**(39,293)**	(14,522)	**-**	-	**(39,293)**	(14,522)
Financial charges	**(31,250)**	(103,452)	**(4,959)**	(7,812)	**(36,209)**	(111,264)
Profit / (loss) before tax	**462,464**	170,924	**(21,159)**	(28,883)	**439,275**	140,011

	HOLDING COMPANY NINE MONTHS ENDED		SUBSIDIARY COMPANY NINE MONTHS ENDED		GROUP NINE MONTHS ENDED	
	MARCH 31, 2022 UN-AUDITED	MARCH 31, 2021 AUDITED	MARCH 31, 2022 UN-AUDITED	MARCH 31, 2021 AUDITED	MARCH 31, 2022 UN-AUDITED	MARCH 31, 2021 AUDITED
	.... (RUPEES IN '000)					
Segment assets	**3,910,285**	3,418,752	**176,063**	201,933	**4,086,348**	3,883,824
Unallocated assets	**-**	-	**-**	-	**49,287**	54,023
Segment liabilities	**1,617,128**	2,369,243	**94,863**	91,024	**1,711,992**	2,865,303

16. TAXATION

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2022	MARCH 31, 2021	MARCH 31, 2022	MARCH 31, 2021
	.... (RUPEES IN '000)			
	.... (UN-AUDITED)			
Current	**83,057**	68,825	**6,321**	24,737
Prior	**2,801**	(2,991)	**-**	-
Deferred	**46,643**	789	**56,845**	(1,505)
	132,501	66,623	**63,166**	23,232

17. 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:

		NINE MONTHS ENDED	
		MARCH 31, 2022	MARCH 31, 2021
		.... (RUPEES IN '000)	
		.... (UN-AUDITED)	
Relationship	**Nature of transaction**		
Provident Fund	Contribution paid	**33,968**	31,185
Non-executive directors	Fee for attending meetings	**1,263**	1,575
		1,055	-
Key management personnel	Salary and other benefits	**180,464**	135,847
	Repayment of loan	**2,763**	2,763
	Dividend	**109,384**	48,501
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	**3,990**	3,940
Balances outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	**1,070**	474

18. 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.

19. DATE OF AUTHORISATION FOR ISSUE

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

20. GENERAL

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

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

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

Printed by: SAAM PRINTERS

Macter International Limited

F-216 SITE, Karachi - Pakistan

www.macter.com