Macter

2023-24

ANNUAL REPORT

WORKING TODAY
FOR A HEALTHIER TOMORROW

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.	Sheikh Perwez Ahmed		Non-Executive Director
6.	Mr. Jawwad Ahmed Farid		Independent Director
7.	Ms. Masarrat Misbah		Non-Executive Director
8.	Mr. Muhammad Ather Sultan		Non-Executive Director
9.	Shaikh Abdus Sami		Independent Director

BOARD AUDIT COMMITTEE

1.	Shaikh Abdus Sami	Chairman
2.	Sheikh Muhammed Waseem	Member
3.	Mr. Muhammad Ather Sultan	Member

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

1.	Mr. Jawwad Ahmed Farid	Chairman
2.	Mr. Asif Misbah	Member
3.	Mr. Muhammad Ather Sultan	Member

CHIEF FINANCIAL OFFICER

Syed Naveed Rizvi

COMPANY SECRETARY

Mr. Asif Javed

INTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

EXTERNAL AUDITORS

A.F. Ferguson & Co
Chartered Accountants

SHARIAH ADVISOR

Mufti Muhammad Najeeb Khan

BANKERS

Al Baraka (Pakistan) Limited
Allied Bank Ltd - Islamic Banking
Askari Bank Limited- Islamic Banking Branch
Bank Alfalah Limited- Islamic Banking
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
The Bank of Punjab- Taqwa Islamic Banking

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

VISION, MISSION AND VALUES

VISION

We see Macter as an integrated global healthcare company serving patients, healthcare professionals and customers with high quality and innovative products and services. We are committed to achieving our vision in an ethical and socially responsible manner.

MISSION

Macter exists to:

- serve humanity by improving health and well-being;
- facilitating all associates to achieve their potential with dignity; and
- providing a means for an ethical and fair livelihood.

VALUES

- Respect
- Integrity
- Innovation
- Collaboration
- Excellence

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of the Shareholders of Macter International Limited (the Company) will be held on Saturday, October 26, 2024 at 12:30 p.m. at Moosa D. Desai Auditorium, the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited consolidated and unconsolidated financial statements of the Company for the year ended June 30, 2024 together with the reports of the directors and auditors thereon.

2. To consider, declare and approve final cash dividend @ 10% i.e. Rs. 1.00 per ordinary share for the year ended June 30, 2024, as recommended by the Board of Directors (the Board). This is in addition to interim cash dividend @ 12.5% i.e. Rs.1.25 per ordinary share, already paid.

3. To appoint auditors and fix their remuneration for the year ending June 30, 2025. The present auditors M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, have offered themselves for reappointment. The Board of Directors, on recommendation of the Board Audit Committee, has proposed appointment of auditors M/s. A. F. Ferguson & Co., Chartered Accountants for the year ending June 30, 2025.

B. SPECIAL BUSINESS:

4. To approve the circulation of the Annual Report including annual audited financial statements, Chairman's Review, Directors' Report and Auditor's Report, notices of general meetings and other information contained therein of the Company to the shareholders of the Company through QR enabled code and web link, in accordance with Section 223 (6) of the Companies Act, 2017 read with SECP's S.R.O.389(I)/2023 dated March 21, 2023 and to pass the following resolution with or without modification:

   "RESOLVED THAT Macter International Limited (the "Company") be hereby authorized to circulate its Annual Report including annual audited financial statements, directors' report, auditor's report, notices of general meetings and other information contained therein of the Company to its shareholders through QR enabled code and web link subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated March 21, 2023."

C. OTHER BUSINESS:

5. To transact any other business with the permission of the Chair.

   A statement under Section 134 of the Companies Act, 2017 pertaining to the Special Business is being sent to the shareholders with this notice.

By Order of the Board of Directors

Asif Javed
Company Secretary

Karachi: October 4, 2024

Notes:

1. Closure of Shares Transfer Books

The share transfer books of the Company will remain closed from October 18, 2024 to October 25, 2024 (both days inclusive). The transfers received in order at the office of the Company's Share Registrar M/s. F. D. Registrar Services (Pvt.) Limited, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar, Road, Karachi before the close of the business on October 17, 2024 will be treated in time for the entitlement of final cash dividend and to attend and vote at the Meeting.

2. Participation in meeting through Video Link Facility

(i) Securities and Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of shareholders in general meeting through electronic means as a regular feature in addition to holding physical meetings.

(ii) The shareholders who wish to attend the meeting through video link are requested to get themselves registered with the Company Secretary office by providing their particulars as per below table by the close of business hours on October 17, 2024:

Full Name	CNIC No	Folio / CDC Account No.	No. of Shares Held	Cell No.	E-mail Address

(iii) The webinar link would be provided through email to the registered shareholders / proxies who will provide above information and a copy of valid CNIC.

3. For appointing proxies:

A shareholder entitled to attend and vote at this Annual General Meeting shall be entitled to appoint another shareholder, as a proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received at the Company's Share Registrar's Office not later than 48 hours before the time of the Meeting.

i) In case of individuals, the account holder or subaccount holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Payment of Cash Dividend Electronically (Mandatory Requirement)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations 2017, a listed company, is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

Those shareholders who have still not provided their International Bank Account Number (IBAN) are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant/CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar (in case of shareholding in Physical Form).

(i) Shareholders details:	
Name of the Shareholder(s)	
Folio # / CDS Account No(s)	
CNIC No (Copy attached)	
Mobile / Landline No	
(ii) Shareholders' Bank details:	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name and address	

In the absence of IBAN, or in case of incomplete details, the Company will have to withhold the payment of cash dividends under the Companies (Distribution of Dividends) Regulations, 2017.

5. Withholding Tax on Dividend

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and currently, the deduction of withholding tax on the amount of dividend paid by the companies based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http://www.fbr.gov.pk/) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers List.

In case of joint account, each holder is to be treated individually as either 'Active' or 'Non-Active' and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total No. of Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion (No. of shares)	Name & CNIC No.	Shareholding Proportion (No. of shares)

The required information must reach the Share Registrar of the Company before the close of the business on October 17, 2024 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Shareholder(s).

The shareholders seeking to avail exemption or are eligible for deduction at a reduce rate U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate or necessary documentary evidence as the case may be, to the Company's Share Registrar M/s. F. D. Registrar Services (Pvt.) Limited before book closure otherwise tax will be deducted on dividend as per applicable rates.

6. Electronic Transmission of Audited Financial Statements & Notices

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its Shareholders through e-mail. Accordingly, Shareholders are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail.

Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice. Annual Financial Statements will be sent at your registered address, as per normal practice.

7. Postal Ballot/E-voting

Pursuant to the Companies (Postal Ballot) Regulations, 2018, shareholders will be allowed to exercise their right to vote through postal ballot that is voting by post or through any electronic mode subject to requirements of Section 143 to Section 145 of the Companies Act, 2017 and procedure contained in the aforesaid Regulations. Ballot Paper is annexed to this notice and the same is also available on the Company's website www.macter.com to download.

8. Zakat Declaration

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10 each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declaration under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981, CZ-50 Form with our Share Registrar. Physical shareholders are requested to submit the said declaration to our Share Registrar in the proper manner. The Shareholders must write Macter International Limited's name and their respective CDS A/C # or Folio numbers on Zakat Declarations at relevant place.

9. Deposit of Physical Shares in CDC Accounts

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shareholding may please open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

For any query/information, the investors may contact the Company's Share Registrar.

10. Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividend or did not collect their physical shares, are advised to immediately contact our Company's Share Registrar, to collect/enquire about their unclaimed dividend or pending shares, if any.

11. Submission of CNIC or Passport

Shareholders are requested to provide photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.

12. Change of Address

Shareholders are requested to immediately notify the change of address, if any to the Company's Share Registrar.

13. Placement of Audited Financials on the website

Annual Audited Financial Statements of the Company for the year ended June 30, 2024 have been placed on Company's website i.e. www.macter.com.

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

The statement sets out the material facts concerning the Special Business given in agenda item No. 4 of the Notice which will be considered to be passed by the shareholders. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Agenda Item No. 4 of the Notice - Circulation of Annual Audited Financial Statements through QR enabled code and Web Link.

Subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated March 21, 2023, the Company is desirous to obtain shareholders' approval in order to circulate annual audited financial statements to its shareholders thorough QR enabled code and web link, vide an ordinary resolution.

However, a member may request to the Company Secretary or Company's Share Registrar to provide hard copy of annual audited accounts and the same would be provided at member's registered address, free of cost.

None of the Directors of the Company have any direct or indirect interest in the Special Business, except in their capacity as shareholders or Directors of the Company.

CHAIRMAN'S REVIEW

On behalf of the board of directors, I would like to share or Board's performance review of your Company for the year ended June 30, 2024.

BOARD COMPOSITION AND PERFORMANCE

The Board comprises of an appropriate mix of business professionals who add value to the board oversight through their respective expertise.

The primary objectives of the Board include providing strategic direction to the Company and supervising the management. During the year under review the board has effectively discharged its responsibilities as required under the Companies Act, 2017 and Listed Companies (Code of Corporate Governance), Regulations 2019. All quarterly, half yearly and annual financial results were reviewed by the board and it extended its guidance to the management. Board played a key role in monitoring management performance and on major risks.

Board members also reviewed and approved Company's annual financial budget for FY 2024-25, capital expenditure requirements and significant investments.

The Board met in quarterly meetings to discharge its responsibilities. Board members attendance was at a high level during the year. The independent and other non-executive directors were actively involved in all business decisions.

Board Audit Committee and Board Human Resource and Remuneration Committees also played their roles effectively.

In pursuant to the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, a formal and effective process is in place for an annual evaluation of Board's performance, Members of Board and its Sub-Committees. Board's Performance review consists of comprehensive Self-Evaluation Questionnaires on performance. Based on the feedback by each Individual Director a consolidated average performance rating is computed. The performance rating of the Board, Individual Directors & Committees performance was satisfactory and effective. As the Chairman of your Company I will continue to be responsible for leading the Board, fostering an inclusive culture of openness and constructive dialogue. I remain committed to ensure that our Board and its committees should perform effectively and take timely decisions to create value for all stakeholders.

ACKNOWLEDGEMENTS

I would like to thank all our shareholders, customers, bankers and employees for their resilience and support during these unprecedented times. I would also like to thank the Board members, CEO and his team for their dedication and hard-work.

Amanullah Kassim
Chairman

Karachi
September 27, 2024

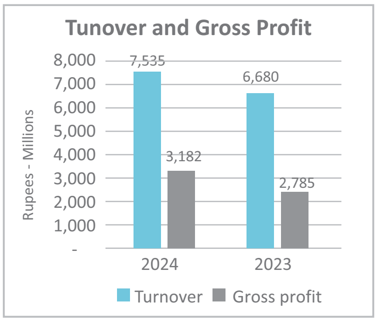
DIRECTORS' REPORT

We are pleased to present the Annual Report together with the Audited Financial Statements of the Company for the year ended June 30, 2024.

FINANCIAL RESULTS

The financial results of the Company are summarized hereunder:

DESCRIPTION	Year ended June 30, 2024			
	Unconsolidated		Consolidated	
	2024	2023	2024	2023
	Rupees Millions			
Turnover - Net	**7,535**	6,680	**7,975**	6,926
Gross profit	**3,182**	2,785	**3,420**	2,911
Gross margin	**42.2%**	41.7%	**42.9%**	42.0%
Operating Profit	**713**	618	**719**	580
Operating Margin	**9.5%**	9.3%	**9.0%**	8.4%
Profit before tax	**612**	557	**593**	508
Profit / (loss) after tax	**427**	393	**402**	349



BUSINESS PERFORMANCE

Net turnover for the year ended 30th June 2024 was Rupees 7,535 m reflecting a 13% increase from last year.

Our core prescription sales business continued to grow, posting a 23% increase (Current period: RS. 6,533 million vs. Last year: RS. 5,324 million), reflecting the strong performance of our brands, such as **Pegstim** (Pegylated GCSF) in Oncology; **Mac-Epo** (Erythropoietin) in Nephrology; and Titan (Ceftriaxone) in Anti-Infectives. This growth was partially offset by a planned decline in **government tender** participation and sales in our institutional segment (Institutional sales 2024: PKR 277m vs 2023: PKR 448m - a 38% reduction) due to severe delays in payments that industry has been experiencing.

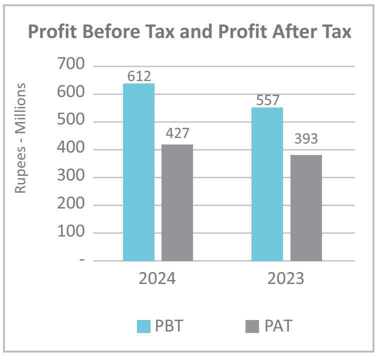
Gross margins have experienced a marginal increase of 0.5% primarily due to better sales mix, higher contribution from profitable Prescription & Export business.

Operating profit for the current fiscal year is RS. 713 million, representing a 15% increase compared to the previous year. This notable improvement is attributed to higher sales, increase in gross profit margins and the implementation of efficiency enhancements and cost optimization measures.

Finance cost increased by 64% during the year, primarily attributed to the rise in KIBOR (Karachi Interbank Offer Rate) rates in the current period, resulting in a finance cost of 101 million compared to 61 million in the previous year.

CAPITAL EXPENDITURE

During the year under review, the Company has made capital expenditure of Rupees 296 million in new manufacturing equipment, facility upgrades to ensure GMP and regulatory compliance and motor vehicles for staff as per company policy.

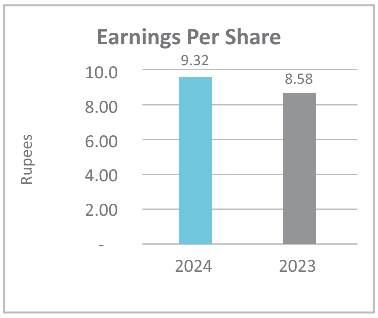


Profit before Tax: Rupees 612m is higher by +55m, reflecting a growth of 10% over last year.

Profit after Tax: Rupees 427m is higher +34m over last year, a growth of 9% over last year.

EARNINGS PER SHARE

Earnings per share of the Company for the year ended June 30, 2024 is Rupees 9.32 vs. Rupees 8.58 last year.



DIVIDEND

The board of directors have recommended a final cash dividend of 10% i.e. Rs. 1.00 per share. This is in addition to Interim Cash Dividend at Rs. 1.25 per share i.e. 12.5%.

RISKS AND UNCERTAINITIES

The Company is exposed to certain inherent business risks and uncertainties. Following key business risks have been identified:

- Cost Inflation and lag in compensatory inflationary price adjustments by DRAP
- Pak Rupee devaluation
- Global API and logistics disruptions
- Increasingly stringent local and international regulatory requirements
- Delays in product registration and pricing
- Recruiting and retaining essential talent
- Increasing threats to data security and data privacy

We are actively working with the internal and external stakeholders to mitigate and reduce aforesaid risks to acceptable levels.

CORPORATE SOCIAL RESPONSIBILITY

Our Company's mission is to serve humanity by improving their health and well-being. The Company has undertaken a number of Corporate Social Responsibility (CSR) initiatives during the year, including:

a) Provision of free medicines to various charitable organizations / hospitals
b) Capability-building of doctors and healthcare professionals
c) Support to various educational institutions and hospitals
d) Free medical screening camps
e) Support to poor patients

HEALTH, SAFETY & ENVIRONMENT

Our Company is committed to complying with all regulatory requirements related to health, safety, and the environment. We hold ISO certifications for our Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), and Occupational Health and Safety Management System (OHSAS 18001:2007).

Our manufacturing facilities operate in accordance with industry-standard EHS protocols. An Emergency Response Committee is in place to effectively manage any emergency situations. Throughout our facilities, we have installed smoke detectors, fire alarms, and fire extinguishers, and we conduct regular firefighting training sessions. Employees are equipped with personal protective equipment as necessary, including gowns, goggles, gloves, helmets, earplugs, and gas masks.

We monitor and control noise levels from all equipment to ensure they remain within safe limits. Emissions from generators are regularly assessed, and third-party inspections of our boilers are conducted to maintain safety standards. Solid chemical waste is incinerated, and all effluents undergo treatment.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company made a total contribution of Rupees 781 million to the National Exchequer by way of income tax, custom duties and sales tax.

CREDIT RATING

VIS Credit Rating Company Limited has upgraded the entity ratings of Macter International Limited from "A/A-2 (Single A / A-Two)" to A/A-1 (Single A / A-One)". Outlook assigned to our rating is "Stable".

INTERNAL FINANCIAL CONTROLS

The directors are aware of their responsibility of maintaining adequate internal financial controls. Through review of internal audit reports and discussion with management and auditors (internal and external), we confirm that adequate controls have been implemented by the Company.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Following are the statements on the corporate and financial reporting framework:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.

- Information about taxes and levies is given in the notes and form part of the financial statements.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- The value of investments of employees' provident fund based on latest unaudited accounts as of June 30, 2024 is Rupees 309 million.

COMPOSITION OF BOARD

The board consists of nine members, including 1 female and 8 male directors. The composition of the Board is as follows:

Particulars	Number
Independent Non-Executive Directors	3
Other Non-Executive Director	3
Executive Directors	2
Female Non-Executive Director	1
Total	9

The list of existing directors is as under:

S. No.	Name	Category
1	Mr. Amanullah Kassim	Independent Non-Executive
2	Mr. Jawwad Ahmed Farid	Independent Non-Executive
3	Shaikh Abdus Sami	Independent Non-Executive
4	Sheikh Perwez Ahmed	Non-Executive
5	Sheikh Muhammed Waseem	Non-Executive
6	Mr. Muhammed Ather Sultan	Non-Executive
7	Ms. Masarrat Misbah	Female Non-Executive
8	Mr. Asif Misbah	Executive
9	Mr. Swaleh Misbah Khan	Executive

BOARD AUDIT COMMITTEE

Board Audit Committee assists the Board of Directors in discharging their responsibilities in accordance with the Corporate Governance and Financial Reporting framework. The Committee consists of following three members, two of them are non-executive members and Chairman is independent non-executive director.

S. No.	Name	Category	Position
1	Shaikh Abdus Sami	Independent Non-Executive	Chairman
2	Sheikh Muhammed Waseem	Non-Executive	Member
3	Muhammad Ather Sultan	Non-Executive	Member

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Board Human Resource and Remuneration Committee assists the Board of Directors in discharging their responsibilities with regard to periodic review of human resource policies and practices within the Company. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel. The Committee consists of following three members, two of them are non-executive directors and Chairman is independent non-executive director.

S. No.	Name	Category	Position
1	Mr. Jawwad Ahmed Farid	Independent Non-Executive	Chairman
2	Mr. Muhammad Ather Sultan	Non-Executive	Member
3	Mr. Asif Misbah	Executive	Member

BOARD AND BOARD COMMITTEES ATTENDANCE

S. No.	Name	Board of Directors		Board Audit Committee		Board Human Resource and Remuneration Committee	
		Entitled	Attended	Entitled	Attended	Entitled	Attended
1	Mr. Amanullah Kassim	6	5	NA	NA	NA	NA
2	Mr. Asif Misbah	6	6	NA	NA	3	3
3	Mr. Swaleh Misbah Khan	6	4	NA	NA	NA	NA
4	Sheikh Muhammed Waseem	6	6	4	4	NA	NA
5	Shaikh Abdus Sami	2	2	1	1	NA	NA
6	Syed Anis Ahmad Shah	3	3	2	2	NA	NA
7	Sheikh Perwez Ahmad	6	5	NA	NA	NA	NA
8	Mr. Muhammad Ather Sultan	6	5	4	1	3	1
9	Ms. Masarrat Misbah	6	-	NA	NA	NA	NA
10	Mr. Jawwad Ahmed Farid	6	4	NA	NA	3	3

CHANGES IN BOARD OF DIRECTORS

During the year under review, following changes were made in the Board of Directors:

Outgoing	Incoming
Syed Anis Ahmed Shah	Shaikh Abdus Sami

The Board acknowledges and appreciates the services of outgoing Director and welcome new Director.

DIRECTORS' TRAINING PROGRAM

Six directors are certified under the SECP approved Directors' Training Programs as at June 30, 2024. The remaining three will receive trainings in due course to comply with the code.

REMUNERATION POLICY OF NON EXECUTIVE DIRECTORS

The fees of the non-executive directors (independent and others) to attend the board or board committee meetings is approved by the Board as per the terms of the Articles of Association of the Company.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data and ratios of last six years are annexed.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding as at June 30, 2024 is annexed. During the year no shares of the Company were traded by Directors, Executives and their spouses.

INTERNAL AUDITORS

The Company's internal audit function is managed by the Head of Internal Audit, who is assisted by Internal Auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants. The Head of Internal Audit reports to the Chairman of Board Audit Committee.

EXTERNAL AUDITORS

The present auditors, M/s A.F. Ferguson & Co. have retired being eligible have offered themselves for reappointment as the statutory auditors of the Company. The Board of Directors of the Company has endorsed the recommendation of the Board Audit Committee for the reappointment of M/s A.F. Ferguson & Co.

SUBSEQUENT EVENT

No events have occurred between the financial year end and the date of this report materially affecting the financial status of the Company.

FUTURE OUTLOOK

The future outlook for the Pakistan pharmaceutical industry remains optimistic, driven by increasing demand from a growing population and improved access to healthcare services. The recent de-regulation of non-essential medicines by the Drug Regulatory Authority of Pakistan (DRAP) is expected to enhance profit margins, foster competition, and encourage local manufacturers to innovate. Furthermore, the government's commitment to healthcare infrastructure is evident by the increased allocation to the health care sector highlighting the response to the population's growing healthcare needs.

However, challenges persist that could impact growth. The ongoing geopolitical situation introduces uncertainty affecting investment and supply chains, while fluctuations in foreign exchange rates pose risks to the cost of raw materials and imported medicines. In response, the industry is increasingly focusing on export markets to counter decreasing margins. To seize growth opportunities, pharmaceutical companies must invest in research and development, adopt advanced technologies, and strengthen distribution networks. Overall, despite the obstacles, the long-term potential for the Pakistani pharmaceutical sector remains promising. The management team, under the Board's guidance, is prioritizing research and development, upgrading plants to meet international standards, and exploring new export markets.

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

Jawwad Ahmed Farid
Director

Karachi
September 27, 2024

ڈائریکٹرز رپورٹ

ہم 30 جون، 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی بیانات کے ہمراہ سالانہ رپورٹ پیش کرنے پر مسرت کا اظہار کرتے ہیں۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

مندرجات	ختم شدہ سال 30 جون 2024			
	غیر مدغم شدہ		مدغم شدہ	
	2024	2023	2024	2023
	(روپے ملین میں)			
فروخت - خالص	**7,535**	6,680	**7,975**	6,926
خام منافع	**3,182**	2,785	**3,420**	2,911
خام مارجن	**42.2%**	41.7%	**42.9%**	42.0%
آپریٹنگ منافع	**713**	618	**719**	580
آپریٹنگ مارجن	**9.5%**	9.3%	**9.0%**	8.4%
قبل از ٹیکس منافع	**612**	557	**593**	508
بعد از ٹیکس منافع / (خسارہ)	**427**	393	**402**	349

کاروباری کارکردگی

30 جون 2024ء کو ختم ہونے والے سال کے دوران خالص فروخت 7,535 ملین روپے رہی جو گزشتہ سال کے مقابلے میں 13 فیصد زیادہ ہے۔

ہمارا بنیادی بذریعہ نسخہ فروخت کا کاروبار 23 فیصد اضافے کے ساتھ بڑھتا رہا (موجودہ مدت: 6،533 ملین روپے بمقابلہ پچھلے سال: 5،324 ملین روپے)، جو ہمارے برانڈز کی مضبوط کارکردگی کی عکاسی کرتا ہے، جیسے آنکولوجی میں (Pegylated GCSF) Pegstim۔ نیفرولوجی میں (Erythropoietin) Mac-Epo۔ اور اینٹی انفیکشن میں Titan (Ceftriaxone)۔ اس نمو کو جزوی طور پر ہمارے ادارہ جاتی شعبے میں حکومتی ٹینڈر کی شرکت اور فروخت میں منصوبہ بند کمی (ادارہ جاتی فروخت 2024 : 277 ملین روپے بمقابلہ 2023 : 448 ملین روپے - 38 فیصد تخفیف) کی وجہ سے پورا کیا گیا۔

مجموعی مارجن میں 0.5 فیصد کا معمولی اضافہ ہوا ہے جس کی بنیادی وجہ بہتر سیلز مکس، منافع بخش بذریعہ نسخہ برآمدی کاروبار سے زیادہ حصہ ہے۔

رواں مالیاتی سال کے لئے آپریٹنگ منافع 713 ملین روپے ہے، جو پچھلے سال کے مقابلے میں 15 فیصد اضافے کی نمائندگی کرتا ہے۔ اس قابل ذکر بہتری کی وجہ زیادہ فروخت، مجموعی منافع کے مارجن میں اضافہ اور کارکردگی میں اضافے اور لاگت کو بہتر بنانے کے اقدامات پر عمل درآمد ہے۔

مالیاتی لاگت میں دورانِ سال 64 فیصد اضافہ ہوا جس کی بنیادی وجہ رواں عرصے میں KIBOR (کراچی انٹر بینک آفر ریٹ) کی شرحوں میں اضافہ ہے جس کے نتیجے میں مالیاتی لاگت گزشتہ سال کے 61 ملین کے مقابلے میں 101 ملین روپے ہو گئی ہے۔

کیپٹل مصارف

زیر جائزہ سال کے دوران کمپنی نے نئے مینوفیکچرنگ آلات، GMP اور ریگولیٹری تعمیل کو یقینی بنانے کے لئے سہولیات کو اپ گریڈ کرنے اور کمپنی کی پالیسی کے مطابق عملے کے لئے موٹر گاڑیوں میں 296 ملین روپے کا سرمایہ خرچ کیا ہے۔

قبل از ٹیکس منافع: 612 ملین روپے 55 ملین روپے زیادہ ہے جو گزشتہ سال کے مقابلے میں 10 فیصد اضافے کی عکاسی کرتا ہے۔

بعد از ٹیکس منافع: 427 ملین گزشتہ سال کے مقابلے میں 34 ملین روپے زیادہ ہے جو گزشتہ سال کے مقابلے میں 9 فیصد زیادہ ہے۔

فی حصص منافع

30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کی فی حصص آمدنی 9.32 روپے رہی جو گزشتہ سال 8.58 روپے تھی۔

ڈیویڈنڈ (Dividend)

بورڈ آف ڈائریکٹرز نے 10 فیصد یعنی 1.00 روپے فی حصص کے حتمی کیش ڈیویڈنڈ کی سفارش کی ہے۔ یہ 1.25 روپے فی حصص یعنی 12.5 فیصد پر عبوری کیش ڈیویڈنڈ کے علاوہ ہے۔

خطرات اور غیر یقینی حالات

کمپنی کو کچھ فطری کاروباری خطرات اور غیر یقینی صورتحال کا سامنا ہے۔ مندرجہ ذیل اہم کاروباری خطرات کی نشاندہی کی گئی ہے:

- لاگت افراط زر اور DRAP کی طرف سے معاوضہ افراط زر کی قیمتوں میں ایڈجسٹمنٹ کرنے میں تاخیر۔
- پاکستانی روپے کی قدر میں کمی
- عالمی API اور لاجسٹک رکاوٹیں
- مقامی اور بین الاقوامی ریگولیٹری تقاضوں میں تیزی سے اضافہ
- پراڈکٹس کی رجسٹریشن اور قیمت کے تعین میں تاخیر
- ضروری ٹیلنٹ کی بھرتی اور برقرار رکھنا
- ڈیٹا کی حفاظت اور ڈیٹا کی رازداری کے بڑھتے ہوئے خطرات

مندرجہ بالا خطرات کے متوقع اثرات کو قابل قبول سطح تک لانے یا کم سے کم کرنے میں ہم داخلی اور خارجی اسٹیک ہولڈرز کے ساتھ سرگرمی سے مصروف عمل ہیں۔

کارپوریٹ سماجی ذمہ داری

ہماری کمپنی کا مشن صحت اور بہبود کے شعبے کو بہتر بنا کر انسانیت کی خدمت کرنا ہے۔ کمپنی نے سال کے دوران کارپوریٹ سماجی ذمہ داری (CSR) کے متعدد اقدامات کیے ہیں جن میں بشمول:

a) مختلف رفاہی تنظیموں / ہسپتالوں کو مفت ادویات کی فراہمی۔

b) ڈاکٹروں اور صحت کی دیکھ بھال کرنے والوں کی صلاحیت میں اضافہ کرنا

c) مختلف تعلیمی اداروں اور ہسپتالوں کی امداد
d) مفت میڈیکل اسکریننگ کیمپس
e) غریب مریضوں کے ساتھ تعاون

صحت، حفاظت اور ماحول

ہماری کمپنی صحت، حفاظت، اور ماحول سے متعلق تمام ریگولیٹری ضروریات کی تعمیل کرنے کے لئے پرعزم ہے۔ کمپنی کے پاس QMS (Quality Management System) کے لیے ISO کے 9001:2015، ISO 14001-2015 EMS (Environment Management System) اور OHSAS (Occupational Health and Safety) 18001-2007 سرٹیفکیٹس ہیں۔

ہماری مینوفیکچرنگ کی سہولیات صنعت کے معیاری EHS پروٹوکول کے مطابق کام کرتی ہیں۔ کسی بھی ہنگامی صورتحال کو مؤثر طریقے سے منظم کرنے کے لئے ایک ایمرجنسی رسپانس کمیٹی موجود ہے۔ ہماری تنصیبات کے دوران، ہم نے اسموک ڈیٹیکٹرز، فائر الارم، اور آگ بجھانے والے آلات نصب کیے ہیں، اور ہم باقاعدگی سے فائر فائٹنگ ٹریننگ سیشن منعقد کرتے ہیں۔ ملازمین کو ذاتی حفاظتی سامان سے لیس کیا جاتا ہے، جس میں گاؤن، چشمے، دستانے، ہیلمٹ، ایئر پلگ اور گیس ماسک شامل ہیں۔

ہم تمام آلات سے شور کی سطح کی نگرانی اور کنٹرول کرتے ہیں تاکہ یہ یقینی بنایا جاسکے کہ وہ محفوظ حدود کے اندر رہیں۔ جنریٹرز سے اخراج کا باقاعدگی سے جائزہ لیا جاتا ہے، اور حفاظتی معیار کو برقرار رکھنے کے لئے ہمارے بوائلرز کے تیسرے فریق کے معائنے کیے جاتے ہیں۔ ٹھوس کیمیائی فضلے کو جلا دیا جاتا ہے، اور تمام فضلے کو علاج سے گزرنا پڑتا ہے۔

تمام آلات کے شور کی پیمائش کی جاتی ہے اور اسے کنٹرول حدود میں رکھا جاتا ہے۔ جنریٹرز کے دھویں کے اخراج کی نگرانی اور اسے کنٹرول کیا جاتا ہے۔ بوائلرز کی تھرڈ پارٹیز کے ذریعے باقاعدگی سے حفاظتی جانچ کی جاتی ہے۔ ٹھوس کیمیائی فضلہ جلایا اور تمام فضلہ موزوں طریقے سے ضائع کیا جاتا ہے۔

قومی خزانے میں حصہ

کمپنی نے انکم ٹیکس، کسٹم ڈیوٹی اور سیلز ٹیکس کی مدات میں مجموعی طور پر 781 ملین روپے قومی خزانے میں جمع کرائے۔

کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے میکٹر انٹرنیشنل لمیٹڈ کی ادارہ درجہ بندی کو "A/A-2 (Single A / A-Two)" سے "A/A-1 (Single A / A-One)" میں اپ گریڈ کیا ہے۔ ہماری درجہ بندی کو تفویض کردہ درجہ بندی پر صورتحال "مستحکم" ہے۔

داخلی مالیاتی کنٹرولز

ڈائریکٹرز داخلی مالیاتی کنٹرولز کے حوالے سے اپنی ذمہ داری سے بخوبی واقف ہیں۔ مینجمنٹ اور آڈیٹرز (انٹرنل و ایکسٹرنل) کے ساتھ تبادلہ خیال اور انٹرنل آڈٹ رپورٹ کے جائزے کے ذریعے، ہم اس بات کی تصدیق کرتے ہیں کہ کمپنی میں مناسب کنٹرولز لاگو ہیں۔

کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیانات درج ذیل ہیں:

- کمپنی کی مینجمنٹ کی طرف سے تیار کردہ مالیاتی اسٹیٹمنٹ کمپنی کے معاملات، سرگرمیوں کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کا واضح اظہار کرتی ہے۔

- کمپنی کے اکاؤنٹس کی موزوں کتابیں تیار کی گئی ہیں۔
- مالیاتی اسٹیٹمنٹ کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کا یکساں اور مسلسل اطلاق کیا گیا ہے۔ اکاؤنٹنگ تخمینے موزوں اور محتاط اندازوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیارات کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے۔
- انٹرنل کنٹرول کا سسٹم ڈیزائن میں مضبوط ہے اور موثر طریقے سے لاگو ہے اور زیر نگرانی بھی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی اہلیت پر کسی شک وشبہ کی گنجائش نہیں ہے۔
- مالیاتی گوشواروں کے منسلکہ نوٹس میں ٹیکسز اور لیویز کی معلومات دی گئی ہیں۔
- لسٹنگ ریگولیشن میں تفصیلی طور پر دیئے گئے کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- 30 جون 2024 کو تازہ ترین غیر آڈٹ شدہ اکاؤنٹس کے مطابق ملازمین کے پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 309 ملین روپے ہے۔

بورڈ کی تشکیل

موجودہ بورڈ نو ممبران پر مشتمل ہے، جن میں ایک خاتون اور آٹھ مرد ڈائریکٹرز شامل ہیں۔ بورڈ کی تشکیل درج ذیل ہے:

مندرجات	تعداد
انڈیپنڈنٹ نان ایگزیکیوٹیو ڈائریکٹرز	3
دیگر نان ایگزیکیوٹیو ڈائریکٹرز	3
ایگزیکیوٹیو ڈائریکٹرز	2
خاتون نان ایگزیکیوٹیو ڈائریکٹر	1
کل	9

موجودہ ڈائریکٹرز کی فہرست درج ذیل ہے:

شمار	نام	درجہ بندی
1	جناب امان اللہ قاسم	انڈیپنڈنٹ نان ایگزیکیوٹیو
2	جناب جواد احمد فرید	انڈیپنڈنٹ نان ایگزیکیوٹیو
3	شیخ عبدالسمیع	انڈیپنڈنٹ نان ایگزیکیوٹیو
4	شیخ پرویز احمد	نان ایگزیکیوٹیو
5	شیخ محمد وسیم	نان ایگزیکیوٹیو
6	جناب محمد اطہر سلطان	نان ایگزیکیوٹیو
7	محترمہ مسرت مصباح	خاتون نان ایگزیکیوٹیو
8	جناب آصف مصباح	ایگزیکیوٹیو
9	جناب صالح مصباح خان	ایگزیکیوٹیو

بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی، کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک کے مطابق بورڈ آف ڈائریکٹرز کو ان کی ذمہ داریاں سرانجام دینے میں معاونت کرتی ہے۔ کمیٹی مندرجہ ذیل تین ارکان پر مشتمل ہے،ان میں سے دو نان ایگزیکٹو ممبر ہیں اور چیئرمین آزاد نان ایگزیکٹو ڈائریکٹر ہیں۔

نمبر شمار	نام	درجہ بندی	عہدہ
1	شیخ عبدالسمیع	انڈیپنڈنٹ نان ایگزیکٹیو	چیئرمین
2	شیخ محمد وسیم	نان ایگزیکٹیو	ممبر
3	جناب محمد اطہر سلطان	نان ایگزیکٹیو	ممبر

بورڈ ہیومن ریسورس اینڈ ریمونریشن کمیٹی

بورڈ ہیومن ریسورسز اینڈ ریمونریشن کمیٹی بھی کمپنی کے اندر ہیومن ریسورس کی پالیسیوں اور طریقوں پر عمل درآمد کا متواتر جائزہ لینے کے حوالے سے بورڈ آف ڈائریکٹرز کو ان کی ذمہ داریوں کی تکمیل میں معاونت کرتی ہے۔ یہ مینجمنٹ کے کلیدی عملے کے انتخاب، تشخیص، معاوضے اور جانشینی کی منصوبہ بندی میں بھی بورڈ کو مدد فراہم کرتی ہے۔ کمیٹی مندرجہ ذیل تین ارکان پر مشتمل ہے،ان میں سے دو نان ایگزیکٹو ڈائریکٹرز ہیں اور چیئرمین آزاد نان ایگزیکٹو ڈائریکٹر ہیں۔

نمبر شمار	نام	درجہ بندی	عہدہ
1	جناب جواد احمد فرید	انڈیپنڈنٹ نان ایگزیکٹیو	چیئرمین
2	جناب محمد اطہر سلطان	نان ایگزیکٹیو	ممبر
3	جناب آصف مصباح	ایگزیکٹیو	ممبر

بورڈ اور بورڈ کمیٹیز کی حاضری

نمبر شمار	نام	بورڈ آف ڈائریکٹرز		بورڈ آڈٹ کمیٹی		بورڈ ہیومن ریسورس اینڈ ریمونریشن کمیٹی	
		استحقاق	حاضری	استحقاق	حاضری	استحقاق	حاضری
1	جناب امان اللہ قاسم	6	5	NA	NA	NA	NA
2	جناب آصف مصباح	6	6	NA	NA	3	3
3	جناب صالح مصباح خان	6	4	NA	NA	NA	NA
4	شیخ محمد وسیم	6	6	4	4	NA	NA
5	جناب عبدالسمیع	2	2	1	1	NA	NA
6	سید انیس احمد شاہ	3	3	2	2	NA	NA
7	شیخ پرویز احمد	6	5	NA	NA	NA	NA
8	جناب محمد اطہر سلطان	6	5	4	1	3	1
9	محترمہ مسرت مصباح	6	-	NA	NA	NA	NA
10	جناب جواد احمد فرید	6	4	NA	NA	3	3

بورڈ آف ڈائریکٹرز میں تبدیلیاں

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز میں درج ذیل تبدیلیاں ہوئیں:

سبکدوش ہونے والے	نئے آنے والے
سید انیس احمد شاہ	شیخ عبدالسمیع

بورڈ سبکدوش ہونے والے ڈائریکٹر کی خدمات کو تسلیم کرتا ہے اور انہیں سراہتا ہے اور نئے ڈائریکٹر کا خیر مقدم کرتا ہے۔

ڈائریکٹرز ٹریننگ پروگرام

30 جون 2024 تک ایس ای سی پی کے منظور شدہ ڈائریکٹرز ٹریننگ پروگرامز کے تحت 6 ڈائریکٹرز سرٹیفائیڈ ہیں۔ باقی تین کو کوڈ کی تعمیل کرنے کے لئے مناسب وقت پر تربیت دی جائے گی۔

نان ایگزیکٹو ڈائریکٹرز کو مالی مراعات دینے کی پالیسی

نان ایگزیکٹو ڈائریکٹرز (انڈیپنڈنٹ ودیگر) کے لیے بورڈ یا بورڈ کمیٹی کے اجلاسوں میں شرکت کی فیس کمپنی کے آرٹیکلز آف ایسوسی ایشن کی شرائط کے تحت بورڈ کی طرف سے منظور کی گئی ہے۔

کلیدی آپریٹنگ اور مالیاتی ڈیٹا

گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا اور تناسب منسلک ہیں۔

شیئر ہولڈنگ کا پیٹرن

30 جون، 2024 تک شیئر ہولڈنگ کے پیٹرن کا اسٹیٹمنٹ منسلک ہے۔ دورانِ سال کمپنی کے کسی بھی حصص میں ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات نے کوئی خرید و فروخت نہیں کی۔

انٹرنل آڈیٹرز

کمپنی کے انٹرنل آڈٹ کی نگرانی ہیڈ آف انٹرنل آڈٹ کرتے ہیں جن کی معاونت انٹرنل آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کرتے ہیں۔ انٹرنل آڈٹ کے سربراہ بورڈ آڈٹ کمیٹی کے چیئرمین کو رپورٹ کرتے ہیں۔

ایکسٹرنل آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی ریٹائر ہو چکے ہیں اور اہل ہونے کی وجہ سے انہوں نے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے اے ایف فرگوسن کمپنی کی دوبارہ تقرری کے لئے بورڈ آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔

ذیلی واقعات

اس رپورٹ کے اجراء تک مالیاتی سال کے اختتام کے دوران کمپنی کی مالی حیثیت کو متاثر کرنے والے کوئی مادی واقعات پیش نہیں آئے ہیں۔

مستقبل کا جائزہ

بڑھتی ہوئی آبادی کی جانب سے بڑھتی ہوئی طلب اور صحت کی دیکھ بھال کی خدمات تک بہتر رسائی کی وجہ سے پاکستان کی دواسازی کی صنعت کے لئے مستقبل کا نقطہ نظر پر امید ہے۔ ڈرگ ریگولیٹری اتھارٹی آف پاکستان (DRAP) کی جانب سے غیر ضروری ادویات کی حالیہ ڈی ریگولیشن سے منافع میں اضافہ، مسابقت کو فروغ اور مقامی مینوفیکچرز کو جدت طرازی کی ترغیب ملنے کی توقع ہے۔ مزید برآں، صحت کی دیکھ بھال کے بنیادی ڈھانچے کے لئے حکومت کی وابستگی صحت کی دیکھ بھال کے شعبے کے لئے بڑھتی ہوئی مختص رقم سے ظاہر ہوتی ہے جو آبادی کی بڑھتی ہوئی صحت کی دیکھ بھال کی ضروریات کے رد عمل کو اجاگر کرتی ہے۔

تاہم، چیلنجز بدستور موجود ہیں جو ترقی کو متاثر کرسکتے ہیں۔ موجودہ جغرافیائی سیاسی صورتحال سرمایہ کاری اور رسد کی زنجیروں کو متاثر کرنے والی غیر یقینی صورتحال پیدا کرتی ہے، جبکہ غیر ملکی زرمبادلہ کی شرح میں اتار چڑھاؤ خام مال اور درآمد شدہ ادویات کی قیمت کے لئے خطرات پیدا کرتا ہے۔ اس کے جواب میں، صنعت کم ہوتے مارجن کا مقابلہ کرنے کے لئے برآمدی منڈیوں پر تیزی سے توجہ مرکوز کررہی ہے۔ ترقی کے مواقع سے فائدہ اٹھانے کے لئے، دواساز کمپنیوں کو تحقیق اور ترقی میں سرمایہ کاری کرنا چاہئے، جدید ٹیکنالوجی کو اپنانا چاہئے، اور تقسیم کے نیٹ ورک کو مضبوط کرنا چاہئے۔ مجموعی طور پر، رکاوٹوں کے باوجود، پاکستانی دواسازی کے شعبے کے لئے طویل مدتی امکانات امید افزا ہیں۔ بورڈ کی رہنمائی میں مینجمنٹ ٹیم تحقیق اور ترقی کو ترجیح دے رہی ہے، بین الاقوامی معیارات کو پورا کرنے کے لئے پلانٹس کو اپ گریڈ کررہی ہے، اور نئی برآمدی منڈیوں کی تلاش کررہی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کے عزم، لگن اور خلوص کی حوصلہ افزائی کرتے ہیں جنہوں نے جان بچانے والی ادویات کی بلاتعطل فراہمی کو یقینی بنانے کے لئے کام کیا ہے۔
ہم اپنے قابل قدر شیئر ہولڈرز، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز سے ملنے والی معاونت اور تعاون کا بھی اعتراف کرتے ہیں۔
اللہ سبحانہ وتعالیٰ کے مسلسل فضل و کرم پر تمام تر تعریفات اور تشکر اسی کے لیے ہے۔

منجانب بورڈ

آصف مصباح	جواد احمد فرید
چیف ایگزیکٹیو	ڈائریکٹر

کراچی۔
27 ستمبر، 2024ء

KEY OPERATING AND FINANCIAL DATA

	Unit	2024	2023	2022	2021	2020	2019
Summary of Statement of Financial Position							
Non-Current Assets	Rs. M	**2,458**	2,414	2,064	1,867	1,669	1,435
Current Assets	Rs. M	**2,955**	2,509	2,374	1,852	2,289	1,776
Total Assets	Rs. M	**5,413**	4,923	4,438	3,719	3,958	3,211
Total Equity	Rs. M	**3,197**	2,871	2,575	1,350	1,168	1,194
Non-Current Liabilities	Rs. M	**664**	625	474	812	783	478
Current Liabilities	Rs. M	**1,552**	1,427	1,389	1,557	2,007	1,539
Total Liabilities	Rs. M	**2,216**	2,052	1,863	2,369	2,790	2,017
Total Equity and Liabilities	Rs. M	**5,413**	4,923	4,438	3,719	3,958	3,211
Summary of Profit or Loss							
Turnover - net	Rs. M	**7,535**	6,680	5,311	5,142	5,528	4,082
Gross profit	Rs. M	**3,182**	2,785	2,374	2,115	2,037	1,733
Operating profit	Rs. M	**713**	618	528	460	295	242
Profit before taxation	Rs. M	**612**	557	490	331	63	122
Taxation	Rs. M	**185**	164	172	74	48	16
Net profit	Rs. M	**427**	393	318	257	15	106
Ratios							
Profitability Ratios							
Gross profit to turnover	%	**42.22**	41.69	44.70	41.13	36.85	42.45
Operating profit to turnover	%	**9.46**	9.25	9.94	8.95	5.34	5.93
Profit before tax to turnover	%	**8.12**	8.34	9.23	6.44	1.14	2.99
Net profit to turnover	%	**5.67**	5.88	5.99	5.01	0.27	2.60
Return on equity before tax	%	**19.15**	19.40	19.03	24.52	5.39	10.22
Return on equity after tax	%	**13.36**	13.69	12.35	19.06	1.28	8.88
Return on capital employed	%	**18.46**	17.68	17.32	21.29	15.12	14.47
Return on assets	%	**7.89**	7.98	7.17	6.92	0.38	3.30
Market Ratios							
Market price per share at year end	Rs.	**94.00**	97.04	125.00	161.38	93.06	60.95
Market capitalization	Rs. M	**4,306**	4,445	5,726	6,317	3,643	2,386
Price earning ratio	Rs.	**10.08**	11.31	17.39	24.54	242.58	22.41
Break up value / share	Rs.	**69.79**	62.66	56.22	34.46	29.84	30.50
Basic / diluted earnings per share	Rs.	**9.32**	8.58	7.19	6.57	0.38	2.72
Dividend payout ratio	%	**24.13**	12.59	46.23	64.58	-	33.10
Dividend cover ratio	Times	**4.14**	7.94	2.16	1.55	-	3.01
Liquidity Ratios							
Current ratio	Times	**1.90**	1.76	1.71	1.19	1.14	1.15
Quick / acid test ratio	Times	**0.56**	0.44	0.72	0.49	0.57	0.60

* Based on proposed dividend

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024

Number of Certificate Holders	Certificate Holding From		To	Certificate Held
820	1	-	100	18,713
166	101	-	500	45,934
43	501	-	1000	32,780
45	1001	-	5000	91,189
6	5001	-	10000	40,900
5	10001	-	15000	63,100
2	15001	-	20000	35,700
1	20001	-	25000	25,000
1	30001	-	35000	33,000
1	35001	-	40000	36,572
1	40001	-	45000	40,001
1	150001	-	155000	153,061
1	200001	-	205000	203,061
4	280001	-	285000	1,137,136
1	565001	-	570000	568,568
1	605001	-	610000	606,061
2	3030001	-	3035000	6,060,606
1	6430001	-	6435000	6,430,868
1	15085001	-	15090000	15,089,321
1	15095001	-	15100000	15,099,447
1104				**45,811,018**

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
Individuals	1088	33,276,710	73
Joint Stock Companies	9	12,496,898	27
Investment Companies	1	1,825	0
Insurance Companies	1	19,000	0
Modarabas	1	30	0
Others	4	16,555	0
	1104	**45,811,018**	**100**

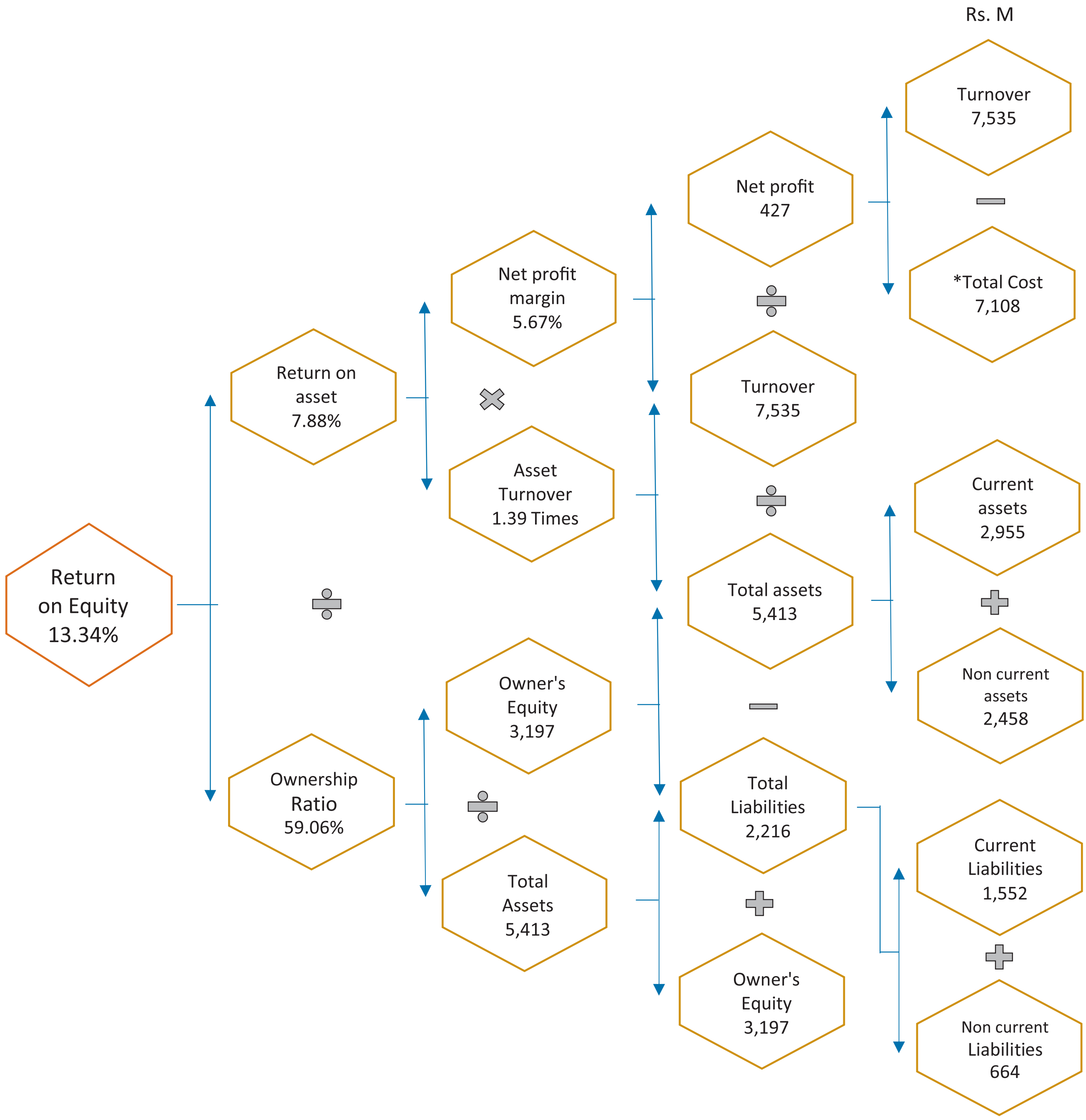
Categories Shareholders as on June 30, 2024

S. No.	Categories Shareholders	Shareholders	Shares Held	Total
1	**Directors, Chief Executive office and their spouse(s) and minor children**	**9**		**30,473,568**
	Asif Misbah		15,099,447	
	Swaleh Misbah Khan		15,089,321	
	Sheikh Perwez Ahmed		500	
	Masarrat Misbah		284,285	
	Jawwad Ahmed Farid		1	
	Sheikh Muhammed Waseem		1	
	Sheikh Abdus Sami		1	
	Amanullah Kassim		1	
	Muhammad Ather Sultan		11	
2	**Associated Companies, Undertakings and related parties**	**NIL**		
3	**Executives**	**2**		**37,600**
4	**Modarabas and Mutual Funds**	**1**		**30**
5	**NIT and ICP**	**1**		**1,825**
	Investment Corporation of Paksitan		1,825	
6	**Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful and Pension Funds**	**10**		**12,515,898**
7	**Others**	**4**		**16,555**
8	General Public	**1,077**		**2,765,542**
	Total	**1,104**		**45,811,018**

Shareholders Holding 10% or More in the Company

	Number of Shares	%
Mr. Asif Misbah	15,099,447	32.96
Mr. Swaleh Misbah Khan	15,089,321	32.94
Saas Enterprises (Pvt.) Limited	6,430,868	14.04

DUPONT ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

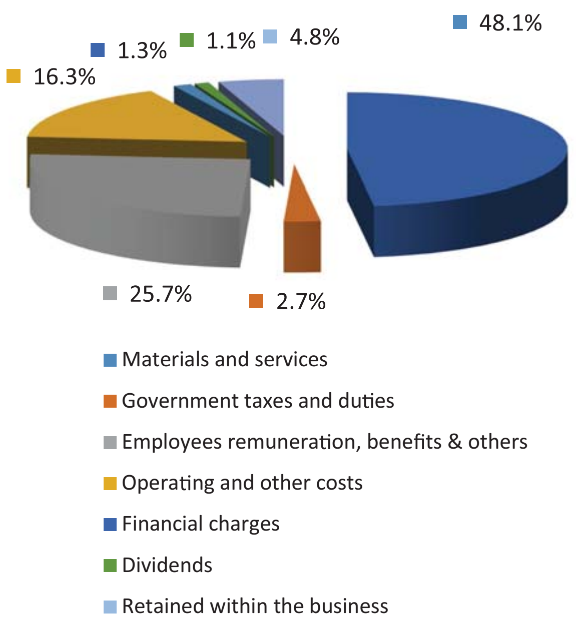


*Total Cost includes COGS, Selling, Admin, Other Expenses (less other income), Financial Charges and Taxation

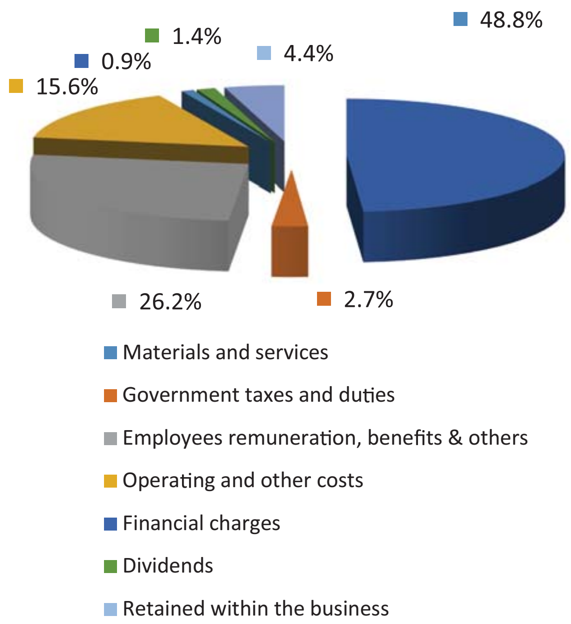
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2024 (Rupees in '000)	%	2023 (Rupees in '000)	%
VALUE ADDITION				
Turnover - net	**7,535,382**	**99.1%**	6,680,391	98.8%
Other operating income	**69,806**	**0.9%**	79,457	1.2%
	7,605,188	**100.0%**	6,759,848	100.0%
VALUE DISTRIBUTION				
Materials and services	**3,655,596**	**48.1%**	3,297,465	48.8%
Government taxes and duties	**204,442**	**2.7%**	181,500	2.7%
Employees remuneration, benefits & others	**1,952,605**	**25.7%**	1,770,582	26.2%
Operating and other costs	**1,245,391**	**16.3%**	1,056,062	15.6%
Financial charges	**100,573**	**1.3%**	61,371	0.9%
Dividends	**82,002**	**1.1%**	93,455	1.4%
Retained within the business	**364,579**	**4.8%**	299,413	4.4%
	7,605,188	**100.0%**	6,759,848	100%

2024



2023



PROFILE OF SHARIAH ADVISOR OF THE COMPANY

Mufti Muhammad Najeeb Khan holds a degree of specialization in Islamic Jurisprudence/Islamic Finance "Takhassus" from Jamia Darul Uloom Karachi under supervision of Justice Retd. Mufti Taqi Usmani which is equivalent to PHD.

Mufti Muhammad Najeeb Khan have rendered services to many local and multinational organizations especially in Islamic Banking and Finance, Islamic Assets & Fund Management, Islamic Financial Product Development, Halal Food Area, Slaughtering Rules. He was honored with an award for leading Shariah Advisor in 2015 from Mr. Mamnoon Hussain, President of Pakistan. He also has an extensive experience of management, teaching and training extending over a period of more than 20 years.

Mufti Muhammad Najeeb Khan is serving in the field of Halal Foods. He is a Chairman of Shariah Board of Halal Awareness and Research Council (HARC) and Member of Sindh Food Authority Technical Committee. He also worked as member of Pakistan Standards and Quality Control Authority (PSQCA) and Vice Chariman of Technical Committee on Halal Pharma Standards of PSQCA.

SHARIAH REVIEW REPORT
For the year ended June 30, 2024

With the grace of Allah, I have been appointed as Shariah Advisor of Macter International Limited under the provisions of Shariah Governance Regulations, 2023 (Regulations). Under the Regulations my role includes:

- Introduction of a mechanism which will strengthen Shariah compliance in letter and spirit and ensure that the systems, procedures and policies adopted are in line with the Shariah principles.

- Ensure that the inflows and outflows of financial resources are free from: Riba (interest, usury or any other form), Qimar (Gambling), Gharar (Uncertainty) and other vices prohibited by Shariah.

- Advise on regular basis that the business, transactions and investments made are in accordance with the principles of Shariah.

- Make recommendations for potential improvements and the formulation of policies in line with Shariah principles.

Issuance of Shariah Compliance Certificate:

I have performed Shariah screening of Macter International Limited on the basis of its Financial Statements of June 30, 2024 (un-audited) using the criteria mentioned in the Chapter IV (b) of Shariah Governance Regulations, 2023.

Alhamdulillah, I found Macter International Limited as Shariah Compliant as per the said screening criteria and hence I have issued a Shariah Compliance Certificate in favor of MACTER INTERNATIONAL LIMITED.

Review of Operations and my Opinion:

During the period, I reviewed the operations and business activities of Macter International Limited with respect to Shariah compliance. For that purpose, I met with the relevant officials of Macter International Limited. Accordingly, it has been agreed with management that all legal documents and policies would be executed and implemented in Macter International Limited after approval from Shariah Advisor. The Company is carrying on its operations, business affairs and activities according to the principles of Shariah.

The company has taken steps to ensure that its pharmaceuticals ingredients used in manufacturing health care products are from Halal sources and has taken Halal certificate for its majority products from an accredited Halal certification body.

I have conducted the Shariah review of Macter International Limited for the financial year ended on June 30, 2024 in accordance with the provisions of Shariah Governance Regulations, 2023 and in my opinion:

" The transactions, the documentations and the procedures adopted have been in accordance with principles of Shariah;

" The business affairs have been carried out in accordance with rules and principles of Shariah;

" No Shariah non-compliant income has been earned by the Company, during the year. Therefore, no purification of income was required during the year

Conclusion:

Based on the Review of Company's operations, transactions, related documentation, processes, policies, legal agreements and management's representation, in my opinion, the affairs of Macter International Limited have been carried out in accordance with the rules and principles of Shariah, and therefore, I am of the view that Macter International Limited is a Shariah Compliant Company.

In the end; I pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Macter International Limited.

Muhammad Najeeb Khan

Karachi
September 19, 2024

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company : MACTER INTERNATIONAL LIMITED
Year ending : JUNE 30, 2024

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is 09 as per the following:
   a. Male : 08
   b. Female : 01

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Amanullah Kassim Shaikh Abdus Sami Mr. Jawwad Ahmed Farid
Non-executive Director	Sheikh Muhammed Waseem Mr. Muhammad Ather Sultan Sheikh Perwez Ahmed
Executive Directors	Mr. Asif Misbah Mr. Swaleh Misbah Khan
Female Non-Executive Director	Ms. Masarrat Misbah

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Six directors are certified under the SECP approved Directors' Training Programs as at June 30, 2024. The remaining three will receive trainings in due course to comply with the code.

10. The board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.

12. The board has formed committees comprising of members given below:

BOARD AUDIT COMMITTEE

S. No.	Name	Category	Position
1	Shaikh Abdus Sami	Independent Non-Executive	Chairman
2	Sheikh Muhammed Waseem	Non-Executive	Member
3	Muhammad Ather Sultan	Non-Executive	Member

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

S. No.	Name	Category	Position
1	Mr. Jawwad Ahmed Farid	Independent Non-Executive	Chairman
2	Mr. Muhammad Ather Sultan	Non-Executive	Member
3	Mr. Asif Misbah	Executive	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a.	Audit Committee	Quarterly
b.	HR and Remuneration Committee	Three

15. The board has outsourced the internal audit function to **KPMG TASEER HADI & CO, CHARTERED ACCOUNTANTS** who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanations pertaining to the regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No	Requirement	Explanation	Reg. No.
I	The Chief Financial Officer and company secretary or in their absence, the nominee appointed by the Board, shall attend all meetings of the Board.	The Chief Financial Officer and the company secretary attended meetings of the Board as required by the Code of Corporate Governance, except for the period when the Chief Financial Officer position was vacant.	13
II	The Board may constitute a separate committee designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary.	29
III	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The functions of the Risk Management Committee are currently performed by the Board Audit Committee and are included in its terms of reference. Hence, a separate committee is currently not needed.	30
IV	The company may post on its website key elements of its significant policies including but not limited to the following: 1. key elements of its significant policies including but not limited to the following: (i) communication and disclosure policy; (ii) code of conduct for members of board of directors, senior management and other employees; (iii) risk management policy; (iv) internal control policy; (v) whistle blowing policy; (vi) corporate social responsibility/ sustainability/ environmental, social and governance related policy. (vii) policies for promoting DE&I and protection against harassment at the workplace.	As the regulations provides concession with respect to the disclosure of key elements of significant policies on the website, only those policies which were considered necessary, have been posted.	35(1)
V	Role of the board and its members to address sustainability risk and opportunities. The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee.	At present the Board provides governance oversight in relation to Company's initiatives on Environment, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)

Amanullah Kassim
Chairman

Karachi : September 19, 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Macter International Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Macter International Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

AFFerguson &Co

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date : October 04, 2024

UDIN: CR202410290cC5pPKg0t

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Macter International Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Macter International Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and unconsolidated notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the Key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** ***(Refer note 3.19 & 24 to the unconsolidated financial statements)*** The Company's revenue is generated from sales of pharmaceutical and other consumer products. The Company recognised revenue of Rs. 7.48 billion from the sale of goods to domestic as well as export customers during the year ended June 30, 2024. As part of our overall response to the audit risks when identifying and assessing the risk in revenue recognition, we considered that there is an inherent risk that revenue may be overstated as it is a key performance measure, which could create an incentive or pressure. Further, we have focused our audit activities over the revenue recognised near to year end as there was a high risk that the revenue is recorded before the control of goods is transferred to the customer and in an incorrect accounting period. Moreover, revenue recognition includes determination of sales prices in accordance with the regulated price regime of the Government. Based on the above and considering that the revenue recognition is a high-risk area, we considered this as a key audit matter.	Our audit procedures included the following: • obtained an understanding of the Company's process with respect to revenue recognition and tested design and operating effectiveness of controls relevant to such process; • obtained an understanding of pricing mechanism of Drug Regulatory Authority of Pakistan (DRAP) and tested, on sample basis, selling prices of regulated pharmaceutical products to ensure compliance with the pricing policies of DRAP; • inspected contracts to obtain an understanding of contract terms particularly relating to timing of transfer of control of goods and assessing the Company's accounting policies for recognition of revenue with reference to the requirements of the prevailing accounting standards; • performed substantive audit procedures over revenue transactions along with review of related supporting documents, on test basis; • Performedperformed cut-off procedures to ensure that the revenue is recognised in the correct accounting period; and • ensured that presentation and disclosures related to revenue are being addressed appropriately.
(ii)	**Impairment assessment of investment in subsidiary** ***(Refer note 3.12.2 & 7 to the unconsolidated financial statements)*** As per the requirements of accounting and reporting standards, management assessed whether there is any indication that investment in subsidiary may be impaired.	Our audit procedures included the following: • considered indicators requiring management to carry out impairment assessment;

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S. No.	Key Audit Matter	How the matter was addressed in our audit
	In view of impairment indicators, management performed an impairment assessment to estimate the recoverable amount of Company's investments in related subsidiary (Misbah Cosmetics (Private) Limited). The assessment involved estimation of future cash flows of related subsidiary and determination of recoverable amount using a number of assumptions and estimates. Based on such assessment, the Company concluded that no impairment was required as at June 30, 2024. As impairment assessment requires management to make projections of cashflows, use judgement and estimates, we considered this a key audit matter.	• obtained understanding of the management's process of assessment, including methodology and key assumptions used to estimate recoverable amount of investment in subsidiary; • evaluated the reasonableness of key assumptions and estimates used by management to prepare cash flow projections and determined the recoverable amounts. For this purpose, we involved our internal specialists, where required; and • assessed the adequacy of disclosures made in the unconsolidated financial statements in accordance with the applicable accounting and financial reporting framework.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

These unconsolidated financial statements of the Company for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on September 26, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Azhar Hussain.

AFFerguson &Co

A. F. Ferguson & Co
Chartered Accountants

Karachi

Date : October 04, 2024

UDIN: AR202410290gMWuIsnlD

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
ASSETS		---------- (Rupees in '000)	----------
NON-CURRENT ASSETS			
Property, plant and equipment	4	**2,067,234**	2,052,470
Intangible assets	6	**2,064**	1,531
Long-term investment	7	**300,000**	300,000
Long-term loans	8	**1,829**	1,930
Long-term deposits	9	**73,183**	58,165
Deferred taxation - net	10	**14,052**	357
		2,458,362	2,414,453
CURRENT ASSETS			
Stores and spares		**18,114**	18,812
Stock-in-trade	11	**1,971,962**	1,776,163
Trade debts	12	**389,899**	382,862
Loans and advances	13	**229,886**	140,183
Trade deposits, prepayments and other receivables	14	**91,205**	81,465
Sales tax refundable	15	**9,626**	38,712
Taxation - net	16	**59,806**	16,373
Cash and bank balances	17	**184,251**	54,382
		2,954,749	2,508,952
TOTAL ASSETS		**5,413,111**	4,923,405
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	18	**458,111**	458,111
Capital reserve		**1,225,860**	1,225,860
Revenue reserve - accumulated profit		**1,513,138**	1,186,722
		3,197,109	2,870,693
NON-CURRENT LIABILITIES			
Deferred liabilities	19	**256,080**	221,633
Long-term financing	20	**321,887**	279,056
Lease liabilities	5	**85,862**	122,712
Long term provision	21	**-**	1,784
		663,829	625,185
CURRENT LIABILITIES			
Trade and other payables	22	**1,339,338**	1,261,029
Current portion of long-term financing	20	**99,247**	73,265
Current portion of lease liabilities	5	**27,554**	20,654
Current portion of long term provision	21	**85,484**	71,122
Unclaimed dividend		**550**	1,457
		1,552,173	1,427,527
TOTAL LIABILITIES		**2,216,002**	2,052,712
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		**5,413,111**	4,923,405

The annexed notes 1 to 40 form an integral part of these un-consolidated financial statements.

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Revenue from contracts with customers	24	**7,535,382**	6,680,391
Cost of sales	25	**(4,353,751)**	(3,895,678)
Gross profit		**3,181,631**	2,784,713
Selling and Distribution expenses	26	**(1,966,770)**	(1,780,759)
Administrative expenses	27	**(505,089)**	(376,795)
Charge on loss allowance on trade debts and trade deposits	12.2 & 14.1	**(13,923)**	(35,873)
Other expenses	28	**(52,983)**	(52,537)
Other income	29	**69,806**	79,457
		(2,468,959)	(2,166,507)
Operating profit		**712,672**	618,206
Finance cost	30	**(100,573)**	(61,371)
Profit before income tax		**612,099**	556,835
Income tax expense	31	**(184,936)**	(163,967)
Profit after taxation		**427,163**	392,868
Earnings per share - basic and diluted	32	**9.32**	8.58

The annexed notes 1 to 40 form an integral part of these un-consolidated financial statements.

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

UNCONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	---------- (Rupees in '000) ----------	
Profit after taxation	**427,163**	392,868
Other comprehensive loss:		
Items that will not be reclassified subsequently to profit or loss		
Actuarial loss on remeasurement of defined benefit plans – net of deferred tax	**(18,745)**	(4,076)
Total comprehensive income for the year	**408,418**	388,792

The annexed notes 1 to 40 form an integral part of these un-consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up share capital	Reserves			Total
		Capital reserves	Revenue reserves	Total reserves	
		Share Premium	Accumulated profit		
	(Rupees in '000)				
Balance as at July 01, 2022	458,111	1,225,860	891,385	2,117,245	2,575,356
Profit after taxation	-	-	392,868	392,868	392,868
Other comprehensive loss for the year	-	-	(4,076)	(4,076)	(4,076)
Total comprehensive income for the year	-	-	388,792	388,792	388,792
Final cash dividend @ Rs. 1.50 per share for the year ended June 30, 2022	-	-	(68,717)	(68,717)	(68,717)
Interim cash dividend @ Rs. 0.54 per share for the half year ended December 31, 2022	-	-	(24,738)	(24,738)	(24,738)
Balance as at June 30, 2023	458,111	1,225,860	1,186,722	2,412,582	2,870,693
Balance as at July 01, 2023	**458,111**	**1,225,860**	**1,186,722**	**2,412,582**	**2,870,693**
Profit after taxation	**-**	**-**	**427,163**	**427,163**	**427,163**
Other comprehensive loss for the year	**-**	**-**	**(18,745)**	**(18,745)**	**(18,745)**
Total comprehensive income for the year	**-**	**-**	**408,418**	**408,418**	**408,418**
Final cash dividend @ Rs. 0.54 per share for the year ended June 30, 2023	**-**	**-**	**(24,738)**	**(24,738)**	**(24,738)**
Interim cash dividend @ Rs. 1.25 per share for the year ended June 30, 2024	**-**	**-**	**(57,264)**	**(57,264)**	**(57,264)**
Balance as at June 30, 2024	**458,111**	**1,225,860**	**1,513,138**	**2,738,998**	**3,197,109**

The annexed notes 1 to 40 form an integral part of these un-consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	**761,609**	353,886
Financial charges paid		**(91,641)**	(50,000)
Income tax paid		**(230,079)**	(154,796)
Gratuity paid		**(32,772)**	(27,018)
Receipts from long-term loans		**101**	52
Long-term deposits paid		**(15,018)**	(33,554)
Advance received against motor vehicles		**245**	676
		(369,164)	(264,640)
Net cash generated from operating activities		**392,445**	89,246
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		**(295,975)**	(433,711)
Proceeds from disposal of operating fixed assets	4.2	**78,091**	62,937
Additions to intangible assets		**(1,553)**	(918)
Short-term investment made		**-**	(40,000)
Proceeds from disposal of short-term investment		**-**	199,707
Dividend income on mutual fund units		**-**	7,643
Net cash used in investing activities		**(219,437)**	(204,342)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(82,002)**	(93,393)
Long-term financing obtained		**159,514**	219,501
long term financing repaid		**(90,701)**	(143,803)
Principal portion of lease liabilities paid		**(29,950)**	(25,555)
Net cash used in financing activities		**(43,139)**	(43,250)
Net increase / (decrease) in cash and cash equivalent		**129,869**	(158,346)
Cash and cash equivalents at the beginning of the year		**54,382**	212,728
Cash and cash equivalents at the end of the year	17	**184,251**	54,382

The annexed notes 1 to 40 form an integral part of these un-consolidated financial statements.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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.

1.1.1 The geographical locations and addresses of the Company's business units, including plants are as under:

- The Company's manufacturing plants are located at F-216, S.I.T.E., Karachi and E-40/A, S.I.T.E.; Karachi,

- The Company's commercial office is located at Bungalow No # 44-H, PECHS Block 6, Karachi and House No # NA-300, New Town, Nawaz Sharif Park, Rawalpindi; and

- The warehouse of the Company is situated at Plot No # F-217 & 217-A S.I.T.E., Karachi.

1.2 The principal activity of the Company is to manufacture and market pharmaceutical products. The registered office of the company is situated at F-216 S.I.T.E., Karachi.

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the IFAS and the Act differ from IFRS, the provisions of and directives issued under the IFAS and the Act have been followed.

2.2 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees.

2.3 Changes in accounting standards, interpretations and pronouncements

(a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting.

(b) Standards and amendments to approved accounting standards that are not yet effective

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements (published in April 2024) and IFRS 19 Subsidiaries without Public Accountability: Disclosures (published in May 2024) both with applicability date of January 1, 2027 as per IASB. The Company's management at present is in the process of assessing the full impacts of these new standards and is expecting to complete the assessment in due course. The amendments, however, are not expected to have a material impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

2.4 Critical accounting judgements, estimates and assumptions

The preparation of the unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgement, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates, assumptions and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following estimates and judgements which are significant to the unconsolidated financial statements:

	Notes
- Property, plant and equipment	3.1 & 3.12
- Stock in trade	3.5
- Impairment of financial & non-financial assets	3.12
- Taxation	3.24
- Employee retirement benefits	3.13
- Lease Liability and Right-of-use assets	3.2
- Contingencies	3.18
- Assets and liabilities arising from rights of return	3.20

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are as follows:

3.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for leasehold land which are stated at cost less impairment loss, if any.

Depreciation is charged to the statement of profit or loss applying the reducing balance method at the rates specified in note 4.1 to the unconsolidated financial statements. Depreciation on additions is charged from the month asset is available for use and in case of disposal upto the preceding month of disposal.

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the assets so replaced, if any, are retired.

Gains or losses on disposals of property, plant and equipment, if any, are recognized in unconsolidated statement of profit or loss.

The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

Capital work-in-progress

These are stated at cost less impairment, if any, and represent expenditures incurred and advances made in respect of specific assets during the construction / installation year. These are transferred to relevant operating fixed assets as and when assets are available for use.

3.2 Lease liability and Right-of-use assets

The Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3 Investment in subsidiary

Investments in subsidiary companies are initially recognised at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments.

A reversal of impairment loss is recognised in unconsolidated profit or loss and other comprehensive income.

3.4 Stores and spares

These are valued at lower of moving average cost and estimated net realizable value (NRV), less provision for obsolete items (if any), except items in-transit, if any, are valued at cost comprising invoice value plus other charges incurred thereon up to the date of statement of financial position.

Provision, if required is made in the financial statements for slow moving, obsolete and unusable items. Stores and spares are assessed and provision is applied according to degree of ageing based on a specific criteria.

3.5 Stock-in-trade

These are valued at the lower of cost or net realisable value. Cost is determined as follows:

- Raw and packing material	- on moving average basis.
- Finished goods and work-in-process	- at weighted average cost of purchases and applicable manufacturing expenses.
- Stock-in-transit	- Valued at cost comprising invoice value plus other charges paid thereon up to the reporting date.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is recorded for slow moving and expired stock where necessary.

3.6 Trade debts

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.7 Loans, advances, deposits, prepayments and other receivables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Exchange gains or losses arising in respect of deposits, advances and other receivables denominated in foreign currencies are adjusted to their respective carrying amounts and charged to unconsolidated statement of profit or loss, if any.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of bank balances in current, savings and deposit accounts, other short-term highly liquid investments with original maturities of upto three months, short-term borrowings under running finance and book overdraft which are payable on demand, if any. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

3.9 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.10 Share premium

It represents the difference between the par value of the Company's ordinary shares and the total amount of money a company receives for ordinary shares issued.

3.11 Financial instruments

3.11.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the unconsolidated statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the unconsolidated statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the unconsolidated statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the unconsolidated statement of profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the unconsolidated statement of profit or loss.

3.11.2 Financial assets

All financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.11.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up, lease liability and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liabilities other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.11.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.12 Impairment

3.12.1 Financial Assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 48 months before June 30, 2024 or July 1, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the inflation rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company considers a financial asset to be at a risk of default when contractual payments are 90 days past due except for receivables from institutions for which it is considered as 1440 days, unless there are factors that might indicate otherwise. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience, informed credit assessment and forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

3.12.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares and stock in trade are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss.

3.13 Employee retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme covering all eligible permanent employees. Provision is made on the basis of actuarial recommendations. The latest actuarial valuation is carried out as at June 30, 2024 using the Project Unit Credit Method.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Defined contribution plan

The Company operates a provident fund plan for all permanent management employees. Contribution is made to the fund equally by the Company and the employees at the rate of 8.33% of basic and / or gross salary, as per the respective entitlement grades.

3.14 Trade and Other Payable

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.15 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liability are recognised as revenue when the Company performs under the contract.

3.16 Unclaimed dividend

Dividend declared and payable from the unconsolidated statement of financial position date are recognised as unclaimed dividend.

3.17 Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.18 Contingencies

Contingencies are disclosed when the Company has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.19 Revenue recognition

The Company recognises revenue from sale of goods at a point in time when control of goods is transferred to customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from factory premises or when it is delivered by the Company at customer premises.

The Company generally enters into an agreement with its customers for supply of its products, including delivery of product. As the transportation of product coincides with actual delivery, sale of product and transportation is considered single performance obligation. The credit limits in contract with customers varies depending on the terms of specific contract.

Income from toll manufacturing is recognised at a point in time when services are rendered.

3.20 Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. Returns for the Company comprise of expired products or near expiry products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.21 Other income

Other income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be measured reliably. Other income is measured on the following basis:

- Return on short-term deposits and investments at amortised cost are accounted for using the effective interest rate method.

- Dividend income is recognised when the right to receive the dividend is established.

- Scrap sales are recognized on accrual basis.

3.22 Foreign currency translations

Transactions in foreign currencies are translated into Pakistani Rupees at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Pakistani Rupees at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated statement of profit or loss.

3.23 Ijarah lease rentals

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lesser, are classified as Ijarah. Rentals under these arrangements are charged to unconsolidated statement of profit or loss on straight line basis over the lease term.

Ijarah rentals directly attributable to the acquisition or construction of an asset are capitalized as part of the cost of the respective assets.

3.24 Taxation

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry forward of unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the reporting date. Deferred tax is charged or credited to statement of profit or loss except to the extent it relates to items recognized in other comprehensive income.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the unconsolidated statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

3.25 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, disclosure is made in the unconsolidated financial statements.

3.26 Earnings per share

The Company presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.27 Segment reporting

The activities of the Company are organised into one operating segment i.e., manufacturing and marketing of pharmaceutical products. The Company operates in the said reportable operating segment based on nature of the product, risks and returns, organizational and management structure, and internal financial reporting system. Accordingly, the figures reported in the unconsolidated financial statements are related to the Company's only reportable segment.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Operating fixed assets	4.1	**1,739,779**	1,818,570
Capital work-in-progress	4.5	**231,320**	99,501
Right-of-use assets	4.6	**96,135**	134,399
		2,067,234	2,052,470

4.1 Operating fixed assets:

	Cost				Accumulated Depreciation					
	As at July 01, 2023	Additions / Transfers	Disposals	As at June 30, 2024	As at July 01, 2023	Charge for the year	On disposals	As at June 30, 2024	Net book value as at June 30, 2024	Depreciation rate % per annum
	----------	----------	----------	----------	(Rupees in '000)	----------	----------	----------	----------	
Owned										
Leasehold land (note 4.3)	216,807	-	-	216,807	-	-	-	-	216,807	-
Buildings on leasehold land (note 4.3)	458,708	8,160	-	466,868	189,905	13,601	-	203,506	263,362	5
Plant and machinery	838,495	17,856	-	856,351	466,024	38,666	-	504,690	351,661	10
Tools and equipment	284,420	3,405	-	287,825	93,452	19,211	-	112,663	175,162	10
Gas and other installation	423,346	25,308	(6,596)	442,058	173,538	40,637	(5,732)	208,443	233,615	10
Furniture and fixtures	65,166	4,894	-	70,060	33,914	3,335	-	37,249	32,811	10
Office equipment	42,662	2,838	-	45,500	21,432	2,327	-	23,759	21,741	10
Computer equipment	39,111	3,958	-	43,069	29,489	3,574	-	33,063	10,006	30
Motor vehicles	621,659	97,737	(53,488)	665,908	164,050	93,830	(26,586)	231,294	434,614	20
	2,990,374	164,156	(60,084)	3,094,446	1,171,804	215,181	(32,318)	1,354,667	1,739,779	

Operating fixed assets:

	Cost				Accumulated Depreciation					
	As at July 01, 2022	Additions / Transfers	Disposals / write offs*	As at June 30, 2023	As at July 01, 2022	Charge for the year	On disposals / write offs *	As at June 30, 2023	Net book value as at June 30, 2023	Depreciation rate % per annum
	(Rupees in '000)									
Owned										
Leasehold land (note 4.3)	216,807	-	-	216,807	-	-	-	-	216,807	-
Buildings on leasehold land (note 4.3)	444,107	17,049	* (2,448)	458,708	176,999	13,657	* (751)	189,905	268,803	5
Plant and machinery	813,488	26,443	(1,436)	838,495	426,975	40,176	(1,127)	466,024	372,471	10
Tools and equipment	251,157	33,263	-	284,420	74,391	19,061	-	93,452	190,968	10
Gas and other installation	356,643	72,654	(5,951)	423,346	153,184	23,406	(3,052)	173,538	249,808	10
Furniture and fixture	59,684	5,482	-	65,166	30,767	3,147	-	33,914	31,252	10
Office equipment	40,889	1,773	-	42,662	19,162	2,270	-	21,432	21,230	10
Computer equipment	38,239	6,072	(5,200)	39,111	31,378	2,941	(4,830)	29,489	9,622	30
Motor vehicles	288,880	373,649	(40,870)	621,659	119,874	69,200	(25,024)	164,050	457,609	20
	2,509,894	536,385	(55,905)	2,990,374	1,032,730	173,858	(34,784)	1,171,804	1,818,570	

4.2 Details of disposals of operating fixed assets having book value of more than Rs. 500,000 during the year are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of buyers	Relationship with buyers
	(Rupees in '000)							
Motor vehicles								
Suzuki Alto VXR	2,487	408	2,079	2,487	408	Insurance claim	EFU Insurance	Insurer
Oshan X7	7,999	133	7,866	8,400	534	via quotation	Mr. Ishaq Ibrahim	Employee
Kia Sportage	5,405	2,815	2,590	6,000	3,410	via quotation	Mr. Syed Khalid Noor	Employee
Kia Sportage	5,405	2,815	2,590	6,700	4,110	via quotation	Mr. Mujeeb Ur Rehman	Employee
Items having book value of less than Rs.500,000 each	38,788	26,147	12,641	54,504	41,863			
June 30, 2024	**60,084**	**32,318**	**27,766**	**78,091**	**50,325**			
June 30, 2023	53,457	34,033	19,424	62,937	43,513			

4.3 **Particulars of immovable fixed assets in the name of Company are as follows:**

Location	Usage	Total Area (Square fit)*
F-216, S.I.T.E, Karachi	Production plant	44,020
E-40/A, S.I.T.E, Karachi	Production plant	44,226
Neclass No. 158 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi	Land	718,741

* The covered area includes multi storey buildings.

4.4 Depreciation charge for the year on operating fixed assets has been allocated as follows:

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	25	**116,742**	99,089
Selling and Distribution expenses	26	**77,612**	53,801
Administrative expenses	27	**20,827**	20,968
		215,181	173,858

4.5 Capital work-in-progress

	2024			
	Building on Leasehold land	**Plant and machinery**	**Others**	**Total**
	(Rupees in '000)			
Balance at the beginning of the year	**38,593**	**807**	**60,101**	**99,501**
Capital expenditure incurred / advances made	**19,396**	**145,579**	**157,953**	**322,928**
Advances refunded / reclassified	**(3,691)**	**-**	**(25,820)**	**(29,511)**
Transfer to operating fixed assets including advances adjusted	**(45,071)**	**(4,674)**	**(111,853)**	**(161,598)**
Balance at the end of the year	**9,227**	**141,712**	**80,381**	**231,320**

	2023			
	Building on Leasehold land	Plant and machinery	Others	Total
	(Rupees in '000)			
Balance at the beginning of the year	15,068	7,544	179,563	202,175
Capital expenditure incurred / advances made	46,857	16,539	337,812	401,208
Transfer to operating fixed assets including advances adjusted	(23,332)	(23,276)	(457,274)	(503,882)
Balance at the end of the year	38,593	807	60,101	99,501

4.6 Right-of-use assets

	Note	2024	2023
		(Rupees in '000)	
As at July 01,			
Cost		**211,040**	136,091
Accumulated depreciation		**(76,641)**	(80,287)
Net book value		**134,399**	55,804
Year ended June 30,			
Opening net book value		**134,399**	55,804
Additions during the year		**-**	91,479
Reassessment of lease during the year		**-**	42,220
Termination of lease during the year			
- Cost		**-**	(58,750)
- Accumulated depreciation		**-**	33,676
		-	(25,074)
Depreciation for the year	4.6.1	**(38,264)**	(30,030)
Closing net book value		**96,135**	134,399
As at June 30,			
Cost		**211,040**	211,040
Accumulated depreciation		**(114,905)**	(76,641)
Net book value		**96,135**	134,399

	Note	2024	2023
		---------- (Rupees in '000) ----------	
4.6.1 Depreciation charge for the year on right-of-use assets has been allocated as follows:			
Cost of sales	25	**7,444**	5,992
Selling and Distribution expenses	26	**30,820**	24,038
		38,264	30,030

4.6.2 Right-of-use assets comprise of lease arrangements for premises utilised as office building and warehouse.

4.6.3 The right-of-use assets are depreciated over a life of 3 - 5 years.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
5. LEASES			
5.1 LEASE LIABILITIES			
Lease liabilities		**113,416**	143,366
Current portion of lease liabilities		**(27,554)**	(20,654)
		85,862	122,712
5.1.1 Reconciliation of the carrying amount is as follows:			
Lease liabilities at the beginning of the year		**143,366**	67,163
Additions during the year		**-**	91,479
Reassessment of lease during the year		**-**	42,220
Termination of lease during the year		**-**	(31,941)
Accretion of interest	30	**13,574**	11,295
Lease rental payments made during the year		**(43,524)**	(36,850)
Lease liabilities at the end of the year		**113,416**	143,366
Current portion of lease liabilities		**(27,554)**	(20,654)
Non current portion of lease liabilities		**85,862**	122,712

5.1.2 The amount of future payments under the lease arrangement and the period in which these payments will become due are as follows:

	2024	2023
	---------- (Rupees in '000) ----------	
Gross lease liabilities - minimum lease payments:		
Not later than one year	**46,366**	44,350
Later than one year but not later than five years	**105,953**	157,793
	152,319	202,143
Future finance charge	**(38,903)**	(58,777)
Present value of finance lease liabilities	**113,416**	143,366

6. INTANGIBLE ASSETS

2024	Cost			Accumulated Amortisation				
	As at July 01, 2023	**Additions during the year**	**As at June 30, 2024**	**As at July 01, 2023**	**Charge for the year**	**As at June 30, 2024**	**Net book value as at June 30, 2024**	**Amortisation rate % per annum**
	(Rupees in '000)							
Software licenses	**24,724**	**1,553**	**26,277**	**23,193**	**1,020**	**24,213**	**2,064**	**20-33.33%**
SAP ERP	**41,802**	**-**	**41,802**	**41,802**	**-**	**41,802**	**-**	**20%**
Manufacturing and distribution rights	**20,000**	**-**	**20,000**	**20,000**	**-**	**20,000**	**-**	**20%**
2024	**86,526**	**1,553**	**88,079**	**84,995**	**1,020**	**86,015**	**2,064**	

2023	Cost			Accumulated Amortisation				
	As at July 01, 2022	Additions during the year	As at June 30, 2023	As at July 01, 2022	Charge for the year	As at June 30, 2023	Net book value as at June 30, 2023	Amortization rate % per annum
	(Rupees in '000)							
Software licenses	23,806	918	24,724	21,505	1,688	23,193	1,531	20-33.33%
SAP ERP	41,802	-	41,802	41,802	-	41,802	-	20%
Manufacturing and distribution rights	20,000	-	20,000	20,000	-	20,000	-	20%
2023	85,608	918	86,526	83,307	1,688	84,995	1,531	

	Note	2024	2023
		(Rupees in '000)	
6.1 Amortisation charge for the year has been allocated as follows:			
Cost of sales	25	**577**	725
Administrative expenses	27	**443**	963
		1,020	1,688

7. LONG-TERM INVESTMENT

	Note	2024	2023
Investment in subsidiary - at cost			
Misbah Cosmetics (Private) Limited			
Equity held: 79.84% (2023: 79.84%)			
No. of shares: 30,000,000 (2023: 30,000,000) of Rs.10 each	7.1	**300,000**	300,000

7.1 The subsidiary company is engaged in selling and distribution of cosmetics products.

The subsidiary Company has incurred significant losses in prior years resulting in net equity position of Rs. 37.95 million which is less than the cost of investment (after adjustment of accumulated losses of 337.81 million) based on the financial statement for the year ended June 30, 2024.The Company considered this as an idicator of impairment accordingly the Company carried out an assessment for the recoverable amount of its investment in subsidiary. The assessment involved estimation of future cash flows of subsidiary and determination of recoverable amount using the number of assumptions and estimates. Based on such assessment, no impairment loss was required as at June 30, 2024.

	Note	2024	2023
		---------- (Rupees in '000) ----------	

8. LONG-TERM LOANS - secured, considered good

	Note	2024	2023
Due from:			
- Executives		**677**	511
- Other employees		**5,051**	5,098
	8.1	**5,728**	5,609
Less: Current portion			
- Executives		**(133)**	(59)
- Other employees		**(3,766)**	(3,620)
	13	**(3,899)**	(3,679)
		1,829	1,930

8.1 These represent mark-up free loans to executives and employees for purchase of motor cars, motor cycles, house building, umrah and others, in accordance with the Company's policy. These loans are secured against the final settlement of respective employees and are recoverable in monthly installments over a period of one month to one hundred and thirteen months, these loans are secured against retirement benefits of respective employees.

Long-term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these unconsolidated financial statements.

9. LONG-TERM DEPOSITS

	2024	2023
	---------- (Rupees in '000) ----------	
Diminishing musharakah	**57,277**	42,843
Utilities	**11,601**	11,017
Rent	**4,305**	4,305
	73,183	58,165

10. DEFERRED TAXATION - NET

	Accelerated tax depreciation	Right of use of asset and lease liability	Provision for gratuity payable	Provision for doubtful receivables	Provision for trade deposits	Provision for slow moving and obsolete items	Total
	---------- (Rupees in '000) ----------						
Balance at July 01, 2023	**(178,125)**	**3,156**	**74,000**	**48,563**	**8,994**	**43,769**	**357**
Charge / (credit) to profit or loss	**(12,745)**	**3,584**	**12,848**	**(4,618)**	**3,933**	**(1,292)**	**1,710**
Charge to other comprehensive income for the year	**-**	**-**	**11,985**	**-**	**-**	**-**	**11,985**
Balance at June 30, 2024	**(190,870)**	**6,740**	**98,833**	**43,945**	**12,927**	**42,477**	**14,052**
Balance at July 01, 2022	(138,320)	3,500	64,059	34,302	-	30,779	(5,680)
Charge / (credit) to profit or loss	(39,805)	(344)	4,369	14,261	8,994	12,990	465
Charge to other comprehensive income for the year	-	-	5,572	-	-	-	5,572
Balance at June 30, 2023	(178,125)	3,156	74,000	48,563	8,994	43,769	357

10.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the unconsolidated statement of financial position.

10.2 Deferred tax asset / (liability) is recorded at 100% (2023:92.02%) of the total deferred tax liability based on the changes in Finance Act, 2024, according to which export sales will not be treated under Final Tax Regime, instead the export sales will now fall under Minimum Tax Regime.

10.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including pharmaceutical sector, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

		2024	**2023**
11. STOCK-IN-TRADE	**Note**	**---------- (Rupees in '000)**	**----------**
In hand			
- raw materials	11.2	**881,269**	840,094
- packing materials	11.2	**264,295**	271,087
- work-in-process		**214,700**	158,131
- finished goods	11.3	**583,087**	627,565
		1,943,351	1,896,877
Less: Provision for slow moving and obsolete items	11.4	**(108,916)**	(124,383)
		1,834,435	1,772,494
In transit	11.5	**137,527**	3,669
		1,971,962	1,776,163

11.1 As at June 30, 2024, stock of finished products has been written down by Rs. 9.19 million (2023: Rs. 3.50 million) to arrive at its net realisable value of Rs. 37.30 million (2023: Rs. 28.85 million).

11.2 These Include raw material and packaging material held by third party amounting to Rs. 48.64 million (2023 Rs. Nil) and Rs. 9.23 million (2023 Rs. Nil) respectively.

11.3 Finished goods includes right of return assets amounting to Rs. 38.29 million (2023: Rs.44.28 million).

		2024	**2023**
	Note	**---------- (Rupees in '000)**	**----------**
11.4 Provision for slow moving and obsolete items			
Balance at the beginning of the year		**124,383**	99,909
Charge for the year	25	**49,593**	110,545
Write off during the year		**(65,060)**	(86,071)
Balance at the end of the year		**108,916**	124,383

11.5 Stock in transit includes raw material of Rs. 102.78 million (2023: Rs.3.61 million) and packing material of Rs. 27.44 million (2023: Rs. 0.05 million).

	Note	2024	2023
		(Rupees in '000)	
12. TRADE DEBTS - unsecured			
Considered good	12.1	**389,899**	382,862
Considered doubtful		**112,680**	138,005
		502,579	520,867
Allowance for expected credit loss	12.2	**(112,680)**	(138,005)
		389,899	382,862

12.1 These trade debts include Rs. 22.76 million (2023: Rs. 38.65 million) representing receivable against export sales to Africa and Asia amounting to Rs. 0.61 million (2023: Rs. 0.61 million) and Rs. 22.15 million (2023: Rs. 38.04 million), respectively.

	2024	2023
12.2 Allowance for expected credit loss	(Rupees in '000)	
The movement in expected credit loss during the year is as follows:		
Balance at the beginning of the year	**138,005**	111,346
Provision recognised during the year	**5,843**	26,659
Write offs during the year	**(31,168)**	-
	(25,325)	26,659
Balance at the end of the year	**112,680**	138,005

12.3 The aging of trade debts at the statement of financial position date was:

2024

	Not past due	30 days	31-90 days	90-180 days	181 to 360 days	over 360 days	Total
	(Rupees in '000)						
Total gross carrying amount	**253,356**	**5,774**	**51,150**	**7,252**	**31,443**	**153,604**	**502,579**
Expected credit loss	**-**	**124**	**923**	**7,061**	**7,599**	**96,973**	**112,680**

2023

	Not past due	30 days	31-90 days	90-180 days	181 to 360 days	over 360 days	Total
	(Rupees in '000)						
Total gross carrying amount	155,444	80,434	17,168	24,489	71,998	171,334	520,867
Expected credit loss	-	-	-	405	14,298	123,302	138,005

	Note	2024	2023
		---------- (Rupees in '000) ----------	
13. LOANS AND ADVANCES - considered good			
Current portion of long-term loans	8	**3,899**	3,679
Advances to:			
- employees	13.1	**24,448**	22,926
- suppliers	13.2	**201,539**	113,578
		225,987	136,504
		229,886	140,183

13.1 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

13.2 This includes interest free advances to major foreign suppliers having maturity latest by September 2024.

Jurisdiction	**Name**
Asia	Zhejiang Jingxin Pharmaceuticals
	Shijianzhuang Lonzeal Pharmaceutical
	Echemi Global Co, Limited
	Shandong Wego Prefills
Europe	Meggle Gmbh & Co., Kg
	Syntegon Technology Services Ag

	Note	2024	2023
		---------- (Rupees in '000) ----------	
14. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits			
Margin against bank guarantees		**36,665**	27,025
Tender deposits		**77,853**	74,877
Provision for doubtful deposits	14.1	**(33,143)**	(25,563)
		44,710	49,314
Others		**380**	-
		81,755	76,339
Prepayments			
Software license		**90**	1,057
Takaful		**-**	1,565
Machine and equipments		**-**	28
Fees, rates and taxes		**-**	1,135
		90	3,785
Other receivables			
Profit on saving accounts		**1,450**	491
Margin against Letter of credits		**6,575**	-
Others		**1,335**	850
		9,360	1,341
		91,205	81,465

	2024	2023
	---------- (Rupees in '000) ----------	

14.1 Provision for doubtful deposits

The movement in provision for doubtful deposits during the year is as follows:

	2024	2023
Balance at the beginning of the year	**25,563**	16,349
Provision recognised during the year	**8,080**	9,214
Write offs during the year	**(500)**	-
Balance at the end of the year	**33,143**	25,563

15. SALES TAX REFUNDABLE

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

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

In this respect net Rs. 16.52 million (2023: Rs. 38.71 million) is sales tax input paid on purchases / import of materials which is refundable on consumption basis.

16. TAXATION - NET

	2024	2023
	---------- (Rupees in '000) ----------	
Tax receivable at the beginning of the year	**16,373**	26,008
Tax payments / adjustment made during the year	**228,369**	154,332
	244,742	180,340
Less: provision for tax- current	**(184,936)**	(163,967)
Tax receivable at the end of the year	**59,806**	16,373

17. CASH AND BANK BALANCES

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Cash in hand		-	-
Cash at bank			
Conventional Bank:			
- current account in local currency		**1,902**	6,917
Islamic Banks:			
- current account		**5,330**	1,466
- saving accounts in local currency	17.1	**176,469**	44,542
- dividend accounts in local currency		**550**	1,457
		184,251	54,382
		184,251	54,382

17.1 These carry profit at the rates ranging from 11.01% to 19.00% (2023: 3.25% to 10.25%) per annum.

18. SHARE CAPITAL

Authorized share capital

2024	2023		2024	2023
----- Number of shares -----			---------- (Rupees in '000) ----------	
65,000,000	65,000,000	Ordinary shares of Rs.10 each	**650,000**	650,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
----- Number of shares -----			---------- (Rupees in '000) ----------	
8,430,868	8,430,868	Fully paid ordinary shares of Rs.10 each Issued for cash	**84,309**	84,309
30,489,649	30,489,649	Fully paid ordinary shares of Rs.10 each Issued as fully paid bonus shares	**304,897**	304,897
223,834	223,834	Fully paid ordinary shares of Rs.10 each Issued pursuant to merger with Associated Services Limited	**2,238**	2,238
6,666,667	6,666,667	Fully paid ordinary shares of Rs.10 each Issues as fully paid right shares	**66,667**	66,667
45,811,018	45,811,018		**458,111**	458,111

18.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
19. DEFERRED LIABILITIES			
Advance against motor vehicles		**2,661**	2,416
Employees' gratuity payable	19.1	**253,419**	219,217
		256,080	221,633

19.1 Defined benefit plan - unfunded gratuity scheme

19.1.1 In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2024, using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligation in accordance with the actuarial recommendations.

19.1.2 Risks on account of defined benefit plan

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would increase proportionately also.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate determined by reference to market yields (at the statement of financial position date) on government bond. A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Withdrawal risk

The risk that the actual withdrawal experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and entitled benefits of the beneficiary.

Inflation fluctuation

The salary inflation is the major risk that the funds carry. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted benefit obligations. But viewed with the fact that the plan have no asset, the impact of salary inflation might be significant.

Mortality risk

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

	2024	2023
	--- Number of Employees ---	
The number of employees covered under the defined benefit scheme are:	**354**	375
The following principal actuarial assumptions were used for the valuation of above mentioned scheme:		
Financial assumptions		
- Discount rate (per annum compounded)	**14.50%**	15.50%
- Salary increase per annum	**14.50%**	15.50%
Demographic assumptions		
- Normal retirement	**60 years**	60 years
- Mortality rate	**EFU (61-66)**	EFU (61-66)

	Note	2024	2023
		---------- (Rupees in '000) ----------	
19.1.3 Liability in balance sheet			
Present value of defined benefit obligations		**253,419**	219,217
19.1.4 Movement in liability during the year			
Balance at the beginning of the year		**219,217**	207,938
Charged to profit or loss		**36,244**	28,649
Benefits paid during the year		**(32,772)**	(27,018)
Actuarial loss recognised in other comprehensive income		**30,730**	9,648
Balance at the end of the year		**253,419**	219,217
19.1.5 Reconciliation of the present value of defined benefit obligations			
Present value of defined benefit obligations as at July 01		**219,217**	207,938
Current service cost		**6,174**	5,191
Finance cost		**30,070**	23,458
Benefits paid		**(32,772)**	(27,018)
Actuarial loss on obligations		**30,730**	9,648
Present value of defined benefit obligations as at June 30		**253,419**	219,217

	2024	2023
	---------- (Rupees in '000) ----------	

19.1.6 Charge for the defined benefit plan

Cost recognised in profit or loss

	2024	2023
Current service cost	**6,174**	5,191
Finance cost	**30,070**	23,458
	36,244	28,649

Actuarial loss on defined benefit obligations recognised in other comprehensive income

	2024	2023
Actuarial loss on defined benefit obligations - Loss due to change in experience adjustments	**30,730**	9,648
Expected benefit payments to retirees in the following year	**19,199**	21,084
Weighted average duration of the defined benefit obligations (year)	**8.10**	7.50

19.1.7 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations on various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

	2024	2023
	---------- (Rupees in '000) ----------	
Increase in discount rate by 1%	**(16,381)**	(12,744)
Decrease in discount rate by 1%	**18,419**	14,309
Increase in expected future increment in salary by 1%	**18,250**	14,178
Decrease in expected future increment in salary by 1%	**16,517**	(12,849)

19.1.8 Maturity Profile

	2024	2023
Year 1	**19,199**	21,084
Year 2	**28,765**	21,546
Year 3	**30,433**	26,737
Year 4	**29,251**	26,323
Year 5	**38,859**	25,389
Year 6 and onwards	**206,712**	173,016

19.1.9 As per the recommendation of the actuary, the charge for the year ending June 30, 2025 amounts to Rs. 7.88 million.

19.1.10 Comparison for Five Years

As at June 30	2024	2023	2022	2021	2020
	(Rupees in '000)				
Defined benefit obligation	**253,419**	219,217	207,938	207,028	196,286
Experience adjustment loss / (gain) on obligation (as percentage of plan obligations)	**12.13%**	4.40%	-1.52%	0.67%	-2.06%

20. FINANCING

20.1 Long-Term Financing

	Note	2024	2023
		(Rupees in '000)	
Diminishing musharakah:			
- vehicles	20.1.1	**421,134**	352,321
Less: Current maturity shown under current liabilities		**(99,247)**	(73,265)
		321,887	279,056

20.1.1 These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR + 1.00% to 1.25% (2023: 3 Months KIBOR + 1.00% to 1.25%) per annum and are having maturity till June 2029 (2023: March 2028). These facilities are secured by way of hypothecation charge over current / fixed assets of the Company.

20.2 Short-Term Borrowing Avalaible

The Company has following short term borrowing facilities available as at year end:

The facilities for running musharakah arrangements with various banks amounted to Rs. 700 million (2023: Rs. 500 million) all of which remained unutillised at the year end. The rate of mark-up applicable on running finance is based on one month KIBOR + 0.8% to 1.5% (2023: one month KIBOR + 1% to 1.5%) per annum.

The facilities from Murahaba, Musawamah and Istisna arrangement from various banks amounted to Rs. 3,350 million (2023: Rs. 2,950 million) all of which remained unutilised as at the year end. The rate of markup applicable is based on respective tenor KIBOR + 0.8% to 1.5% (2023: respective tenor KIBOR + 1% to 1.5%) per annum.

21. LONG TERM PROVISION

Provision for Gas Infrastructure Development Cess

	Note	2024	2023
		(Rupees in '000)	
Provision for gas infrastructure development cess	21.1	**85,484**	72,906
Less: Current portion of provision		**(85,484)**	(71,122)
		-	1,784

21.1 This 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.

22. TRADE AND OTHER PAYABLES

	Note	2024	2023
		(Rupees in '000)	
Trade and other creditors		**531,948**	575,339
Advances from customers - contract liabilities		**413,646**	237,481
Refund liability		**65,552**	75,650
Accrued liabilities		**236,052**	218,359
Sindh Workers' Welfare Fund	22.1	**12,721**	44,817
Payable to provident fund	22.2	**12,098**	11,430
Withholding taxes payable		**15,758**	11,402
Sindh Workers' Profit Participation Fund	22.3	**8,477**	30,230
Central Research Fund	22.4	**6,786**	6,046
Auditors' remuneration		**4,316**	3,603
Accrued profit		**2,471**	6,117
Others		**29,513**	40,555
		1,339,338	1,261,029

22.1 Sindh Workers' Welfare Fund

This pertains to the provision recorded by the Company on account of Sindh Workers' Welfare Fund. During the year, the Deputy Commissioner SRB issued a show cause notice dated September 4, 2023, demanding the Company Rs. 20.74 million along with penalty and default surcharge. In response, the Company submitted documentary evidences, however the Commissioner raised the same demand through order dated November 4, 2023. The Company challenged the order before the Appeals SRB, however paid the Sindh Workers Welfare Fund as per the demand.

22.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

22.3 Sindh Workers' Profit Participation Fund

	2024	2023
	(Rupees in '000)	
Balance at the beginning of the year	**30,230**	1,591
Mark-up thereon	**3,015**	66
Charge for the year	**33,477**	30,230
	66,722	31,887
Less: Payments made during the year	**(58,245)**	(1,657)
Balance at the end of the year	**8,477**	30,230

	2024	2023
	---------- (Rupees in '000) ----------	

22.4 Central Research Fund

	2024	2023
Balance at the beginning of the year	**6,046**	5,318
Charge for the year	**6,785**	6,046
	12,831	11,364
Less: Payments made during the year	**(6,045)**	(5,318)
Balance at the end of the year	**6,786**	6,046

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1

Description of the factual basis of the Name of the Court proceedings and relief sought	Name of court	Principle Party	Date instituted
Certain cases have been filed against the Company by some employees against their termination / dismissal, having exposure of the Company to the extent of Rs.18.03 million (2023: Rs.12.62 million). Provision has not been made in these unconsolidated financial statements for the said amount as the management of the Company, based on the advice of its legal counsel handling the subject cases, is of the opinion that matters shall be decided in the Company's favour.	National Industrial Relations Commission	Employees vs Macter International Limited	Various dates

23.1.2 The Additional Commissioner of Inland Revenue (ACIR) raised demands of Rs. 22.43 million, Rs. 51.46 million, and Rs. 245 million for the tax years 2015, 2016, and 2017, respectively, through an order under section 122(5A) of the Income Tax Ordinance, 2001. In this order, the assessing officer added back certain expenses. The Company filed an appeal before the Commissioner of Inland Revenue (Appeals). Subsequently, an order was passed by the CIR (Appeals) dated December 30, 2022, wherein most of the disallowances were remanded back to the ACIR. Being aggrieved, the Company filed an appeal before the Appellate Tribunal. Subsequently, orders were passed by the Appellate Tribunal dated April 20, 2023, and September 15, 2023, for the tax years 2017, 2015, and 2016, respectively, wherein most of the disallowances were remanded back to the ACIR. The ACIR issued amended orders on June 11, 2024, with appeal effects, in which most of the disallowances were reversed, and a demand of Rs. 15.67 million was raised, which was adjusted against available tax refunds from the relevant years. The adjustment has been appropriately accounted for in these unconsolidated financial statements.

23.2 Commitments

Capital expenditure commitments outstanding as at June 30, 2024 amounted to Rs. 114.32 million (2023: Rs. 13.61 million).

The facilities for opening letters of credit and guarantees as well as shipping guarantee from banks as at June 30, 2024 amounted to Rs. 2,475 million (2023: Rs. 1,700 million), Rs. 275 million (2023: Rs. 150 million) and Rs. 700 million (2023: Rs.500 million) respectively of which unutilized balance at period end amounted to Rs. 2,022 million (2023: Rs. 1,118 million), Rs. 152 million (2023: Rs. 32 million) and Rs. 700 million (2023: Rs. 500 million) respectively.

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Gross Sales			
Local	24.2	8,305,994	6,995,531
Export		561,369	652,786
		8,867,363	7,648,317
Toll manufacturing		60,076	57,118
		8,927,439	7,705,435
Less: Trade discount		1,156,940	822,713
Sales return		68,384	62,572
Sales tax		166,733	139,759
		1,392,057	1,025,044
		7,535,382	6,680,391

24.1 Disaggregation of revenue

	2024	2023
Sale of goods and services	7,475,907	6,623,844
Toll manufacturing	59,475	56,547
	7,535,382	6,680,391

24.2 This include sales to government organizations amounting to Rs. 10.15 million (2023: Rs. 366.46 million)

25. COST OF SALES

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Raw and packing materials consumed	25.1	3,281,518	2,997,523
Manufacturing overheads			
Salaries, wages and benefits	25.2	532,642	472,523
Fuel and power		256,353	201,959
Depreciation on operating fixed assets	4.4	116,742	99,089
Repairs and maintenance		92,599	72,680
Provision for slow moving and obsolete stock-in-trade	11.4	49,593	110,545
Laboratory and factory supplies		45,879	52,434
Research and development cost		19,418	-
Stores and spares consumed		13,332	11,995
Rent, rates and taxes		12,573	13,991
Printing and stationery		9,670	10,145
Depreciation on right-of-use assets	4.6.1	7,444	5,992
Travelling, conveyance and entertainment		6,635	3,350
Takaful		5,263	4,260
Postage and communication		1,998	1,346
Amortisation	6.1	577	725
Training and development cost		542	151
Legal and professional		35	1,103
Others		956	136
		1,172,251	1,062,424
		4,453,769	4,059,947
Work-in-process			
Opening		158,131	190,105
Closing		(214,700)	(158,131)
		(56,569)	31,974
Cost of goods manufactured		4,397,200	4,091,921
Finished goods			
Opening		627,565	484,262
Closing		(583,087)	(627,565)
		44,478	(143,303)
Physician samples		(87,927)	(52,940)
		4,353,751	3,895,678

	2024	2023
	---------- (Rupees in '000) ----------	
25.1 Raw and packing materials consumed		
Opening stock	**1,111,181**	682,114
Purchases	**3,315,901**	3,426,590
	4,427,082	4,108,704
Closing stock	**(1,145,564)**	(1,111,181)
	3,281,518	2,997,523

25.2 This includes amount of Rs. 16.3 million (2023: Rs. 14.64 million) and Rs. 26.61 million (2023: Rs. 19.7 million) in respect of defined contribution and defined benefit plan respectively.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
26. SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits	26.1	**1,085,001**	1,019,170
Sales promotion expenses		**339,471**	287,236
Training and development cost		**80,688**	106,563
Freight charges		**79,471**	79,375
Depreciation on operating fixed assets	4.4	**77,612**	53,801
Repair and maintenance		**70,362**	56,186
Traveling, conveyance and entertainment		**95,619**	60,888
Subscription charges		**35,305**	37,595
Depreciation on right-to-use assets	4.6.1	**30,820**	24,038
Fuel and power		**30,430**	23,860
Takaful		**12,520**	8,104
Rent, rate and taxes		**11,660**	11,574
Service charges		**5,481**	-
Postage and communication		**4,545**	3,856
Legal and professional		**4,467**	4,470
Printing and stationery		**3,318**	4,043
		1,966,770	1,780,759

26.1 This includes Rs. 32.38 million (2023: Rs. 29.75 million) and Rs. 5.94 million (2023: Rs. 5.7 million) in respect of defined contribution and defined benefit plan respectively.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
27. ADMINISTRATIVE EXPENSES			
Salaries and benefits	27.1	**299,960**	245,493
Repairs and maintenance		**82,146**	41,540
Fuel and power		**23,950**	19,636
Legal and professional		**21,621**	12,332
Depreciation on operating fixed assets	4.4	**20,827**	20,968
Rent, rates and taxes		**13,910**	8,367
Printing and stationery		**13,186**	8,355
Traveling, conveyance and entertainment		**12,744**	4,864
Postage and communication		**5,481**	3,523
Auditors' remuneration	27.2	**4,316**	4,086
Directors' fee		**1,525**	3,100
Takaful		**3,508**	2,852
Amortisation	6.1	**443**	963
Training and development cost		**206**	253
Others		**1,266**	463
		505,089	376,795

27.1 This includes amount of Rs.11.88 million (2023: Rs. 9.64 million) and Rs. 3.69 million (2023: Rs. 3.2 million) in respect of defined contribution and defined benefit plan respectively.

	2024	2023
	---------- (Rupees in '000) ----------	
27.2 Auditors' remuneration		
Annual audit fee of unconsolidated financial statements	**1,600**	1,586
Half year review of unconsolidated financial statements	**600**	474
Annual audit fee of consolidated financial statements	**500**	517
Certifications for free float, CDC, unclaimed dividend, Code of Corporate Governance and Shariah Audit	**900**	833
	3,600	3,410
Out of pocket expenses	**396**	374
Sales tax	**320**	302
	4,316	4,086
28. OTHER EXPENSES		
Sindh Workers' Profit Participation Fund	**33,477**	30,230
Workers' Welfare Fund	**12,721**	11,487
Central Research Fund	**6,785**	6,046
Exchange loss - net	**-**	3,011
Mark-up on Sindh Workers' Profit Participation Fund	**-**	66
Operating fixed assets written off	**-**	1,697
	52,983	52,537

		Note	2024	2023
			---------- (Rupees in '000) ----------	
29.	**OTHER INCOME**			
	Income from financial assets			
	Profit on saving accounts - Islamic		**14,272**	9,410
	Income from non-financial assets			
	Gain on disposal of operating fixed assets	4.2	**50,325**	43,513
	Gain on termination of lease		**-**	6,867
	Scrap sales		**2,144**	6,147
	Exchange gain - net		**716**	-
	Dividend income on mutual fund units		**-**	7,643
	Others		**2,349**	5,877
			55,534	70,047
			69,806	79,457
30.	**FINANCE COST**			
	Profit on:			
	- Diminishing musharakah		**67,714**	43,410
	- Musharakah running finance		**2,558**	5,472
	Markup on lease liabilities	5.1.1	**13,574**	11,295
	Markup on GIDC		**12,578**	-
	Mark-up on Sindh Workers' Profit Participation Fund		**3,015**	-
			99,439	60,177
	Bank charges and commission		**1,134**	1,194
			100,573	61,371
31.	**TAXATION**			
	Current		**221,933**	178,649
	Prior		**(35,287)**	(14,217)
	Deferred		**(1,710)**	(465)
			184,936	163,967

31.1 Income tax assessments of the Company have been finalised up to and including the tax year 2023 under the self assessment scheme.

	2024	2023	2024	2023
	(Effective tax rate%)		---------- (Rupees in '000) ----------	
31.2 Relationship between income tax expense and accounting profit				
Profit before income tax			**612,099**	556,835
Tax at the enacted tax rate	**29.00**	29.00	**177,509**	161,482
Effect of super tax	**9.53**	10.00	**58,338**	55,684
Tax effects of:				
Income subject to FTR	**(2.24)**	(1.41)	**(13,725)**	(7,830)
Carried forward turnover tax adjustment	**(0.65)**	(6.34)	**(4,000)**	(35,300)
Prior period adjustment	**(5.76)**	(2.55)	**(35,287)**	(14,217)
Others	**0.34**	0.74	**2,101**	4,148
Income tax- note 31	**30.22**	29.44	**184,936**	163,967

	Note	2024	2023
32. BASIC AND DILUTED EARNINGS PER SHARE		---------- (Rupees in '000) ----------	
Profit after taxation		**427,163**	392,868
		------- Number of shares -------	
Weighted average number of ordinary shares in issue		**45,811,018**	45,811,018
Basic earnings per share (Rupees)	32.1	**9.32**	8.58

32.1 There is no dilutive effect on basic earnings per share of the Company as at June 30, 2024 and June 30, 2023.

	Note	2024	2023
33. CASH GENERATED FROM OPERATIONS		---------- (Rupees in '000) ----------	
Profit before income tax		**612,099**	556,835
Adjustments of non cash and other items:-			
Depreciation on operating fixed assets	4.4	**215,181**	173,858
Depreciation on right-of-use assets	4.6.1	**38,264**	30,030
Amortisation	6.1	**1,020**	1,688
Finance cost	30	**86,999**	50,076
Mark-up on lease liabilities	30	**13,574**	11,295
Provision for gratuity	19.1.6	**36,244**	28,649
Operating fixed assets written off		**-**	1,697
Gain on disposal of operating fixed assets	4.2	**(50,325)**	(43,513)
Gain on termination of lease		**-**	(6,867)
Dividend income on mutual fund units		**-**	(7,643)
Provision for slow moving and obsolete stock-in-trade	11.4	**49,593**	110,545
Allowance for expected credit loss	12.2 &14.1	**13,923**	26,659
Change in working capital	33.1	**(254,963)**	(579,423)
		761,609	353,886

	2024	2023
	---------- (Rupees in '000) ----------	

33.1 Change in working capital

	2024	2023
(Increase) / decrease in current assets		
Stores and spares	**698**	(2,013)
Stock-in-trade	**(245,392)**	(626,263)
Trade debts	**(12,880)**	(108,157)
Loans and advances	**(89,703)**	(23,993)
Trade deposits, prepayments and other receivables	**(17,820)**	20,242
Sales tax refundable	**29,086**	140,787
	(336,011)	(599,397)
Increase in current liabilities		
Trade and other payables	**81,048**	19,974
	(254,963)	(579,423)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, operational risk, liquidity risk and market risk (including return rate risk, currency risk and price risk). The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

34.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's management is regularly conducting detailed analysis on sectors.

34.1.1 Exposure to credit risk

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy. The maximum exposure to credit risk at the reporting date is:

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Long-term deposits	9	**73,183**	58,165
Trade debts	12	**389,899**	382,862
Loans	8	**5,728**	5,609
Trade deposits and other receivables	14	**91,115**	77,680
Cash and bank balances	17	**184,251**	54,382
		744,176	578,698

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Long-term deposits

This represents long term deposits under diminishing musharakah and with utility companies. The Company does not foresee any credit exposure there against as the amounts are paid to counterparty as per agreement and is refundable on termination of the agreement with respective counterparty.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.

The information about the credit risk exposure on the Company's trade receivables as at June 30, 2023 and June 30, 2024 is disclosed in Note 12.3 of these unconsolidated financial statements.

Loans

This represent loan given to executive and other employees as per the policy of the company. The management does not expect to incur credit loss against these loans.

Trade deposits and other receivables

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Cash and bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Banks	Rating agency	Rating	
		Short term	Long term
Al Baraka Bank (Pakistan) Limited	VIS	A-1	A+
Askari Bank Limited	PACRA	A-1+	AA+
Bank Al Habib Limited	PACRA	A-1+	AAA
Bank Al Falah Islamic	PACRA	A-1+	AAA
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Habib Bank Limited	VIS	A-1+	AAA
Mcb Bank Limited	PACRA	A-1+	AAA
Mcb Islamic Bank Limited	PACRA	A-1	A+
Meezan Bank Limited	VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Bankislami Pakistan Limited	PACRA	A-1	AA-
Bank of Punjab	PACRA	A-1+	AA+
Habib Metro Bank Pakistan	PACRA	A-1+	AA+
First Habib Modaraba	PACRA	A-1+	AA+

34.1.2 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

34.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	2024				
	Carrying amount	**Contractual cashflows**	**upto one year**	**one to five years**	**More than five years**
	(Rupees in '000)				
Long-term financing	**421,134**	**(525,471)**	**(171,224)**	**(354,247)**	**-**
Lease liabilities	**113,416**	**(152,319)**	**(46,366)**	**(105,953)**	**-**
Trade and other payables	**580,346**	**(580,346)**	**(580,346)**	**-**	**-**
Unclaimed dividend	**550**	**(550)**	**(550)**	**-**	**-**
	1,115,446	**(1,258,686)**	**(798,486)**	**(460,200)**	**-**

	2023				
	Carrying amount	Contractual cashflows	upto one year	one to five years	More than five years
	(Rupees in '000)				
Long-term financing	352,321	(463,090)	(136,129)	(326,961)	-
Lease liabilities	143,366	(202,143)	(44,350)	(157,793)	-
Trade and other payables	637,044	(637,044)	(637,044)	-	-
Unclaimed dividend	1,457	(1,457)	1,457	-	-
	1,134,188	(1,303,734)	(816,066)	(484,754)	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

	July 01, 2023	Cash Flows	Non cash flow	June 30, 2024
	---------- (Rupees in '000) ----------			
34.2.1 Changes in liabilities from financing activities				
Long-term financing	352,321	1,099	67,714	**421,134**
Lease liabilities	143,366	(43,524)	13,574	**113,416**
Unclaimed dividend	1,457	(907)	-	**550**
	497,144	(43,332)	81,288	**535,100**

34.3 Market Risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risks which includes interest rate risk, currency risk and other price risk, such as equity risk. There has been no change in the Company's exposure to market risk or the manner in which this risk is managed and measured.

34.4 Return rate risk

Return rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market return rates. The Company’s return rate risk arises from long-term financing and bank deposits obtained with floating rates. All the borrowings of the Company are obtained and investments made in the functional currency.

At the reporting date, the return rate profile of Company’s return-bearing financial instruments was:

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Financial asset			
Local currency - saving accounts	17	**176,469**	44,542
Financial liabilities			
Long-term financing	20	**421,134**	352,321

The Company analyses its return rate exposure on a regular basis by monitoring existing facilities against prevailing market return rates and taking into account various other financing options available.

The following figures demonstrate the sensitivity to a reasonably possible change in return rate, with all other variables held constant, of the Company’s profit before tax:

	Increase / (decrease) in basis points	Effect on profit before tax
		(Rupees in '000)
2024		
Change in return rate	**+100**	**(2,447)**
Change in return rate	**-100**	**2,447**
2023		
Change in return rate	+100	(3,078)
Change in return rate	-100	3,078

34.5 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2024			2023		
	Rupees	**US Dollars**	**Chinese Yuan**	Rupees	US Dollars	Chinese Yuan
	----------	----------	---------- (Amounts in '000)	----------	----------	----------
Financial assets						
Bank Balance	**26,101**	**94**	**-**	-	-	-
Financial liabilities						
Trade creditors	**(37,951)**	**(110)**	**(188)**	-	-	-
Net exposure	**(11,850)**	**(16)**	**(188)**	-	-	-

The following significant exchange rates applied during the year:

	2024	2023	**2024**	2023
	Average rates		**Reporting date rates**	
	----------	---------- (Rupees in '000)	----------	----------
US Dollar to PKR	**282.90**	250.57	**278.34**	285.99
Chinese Yuan to PKR	**39.16**	35.96	**38.31**	39.67

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the US Dollar and Chinese Yuan at June 30, 2024 would have decreased the profit by Rs. 1.13 million. This analysis assumes that all other variables, in particular return rates, remains constant and the analysis is performed on the same basis as done in prior year.

34.6 Equity price risk

The Company is not exposed to any equity price risk.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
34.7 Categories of financial instruments			
34.7.1 Financial assets as per statement of financial position			
At amortised cost			
Trade debts	12	**389,899**	382,862
Cash and bank balances	17	**184,251**	54,382
Trade deposits and other receivables	14	**91,115**	77,680
Long-term deposits	9	**73,183**	58,165
Loans	8	**5,728**	5,609
		744,176	578,698
34.7.2 Financial liabilities as per statement of financial position			
At amortised cost			
Long-term financing	20	**421,134**	352,321
Lease liabilities	5	**113,416**	143,366
Trade and other payables	22	**580,346**	637,044
Unclaimed dividend		**550**	1,457
		1,115,446	1,134,188

34.7.3 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate fair values.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The following table shows assets recognised at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34.8 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance charges thereon, less cash and cash equivalents.

The gearing ratios as at June 30, 2024 and 2023 are as follows:

		2024	2023
	Note	---------- (Rupees in '000)	----------
Long term financing	20	**421,134**	352,321
Accrued profit	22	**2,471**	6,117
Total debt		**423,605**	358,438
Cash and bank balances	17	**(184,251)**	(54,382)
Net debt		**239,354**	304,056
Share capital	18	**458,111**	458,111
Reserves		**2,738,998**	2,412,582
Total capital		**3,197,109**	2,870,693
Capital and net debt		**3,436,463**	3,174,749
Gearing ratio		**6.97%**	9.58%

The Company finances its operations through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

35. CAPACITY AND PRODUCTION

The capacity and production of the Company's machines are indeterminable as these are multi-product and involve varying processes of manufacture.

36. TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties of the Company comprise associates, companies with common directorship, directors, key management personnel, staff provident fund and a subsidiary. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements are as follows:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

		2024	**2023**
		---------- (Rupees in '000) ----------	
Descriptions	**Nature of transactions**		
Key Management Personnel	Dividend	**46,423**	62,324
	Short term benefits	**63,368**	50,210
	Retirement benefits	**3,064**	2,460
Non-Executive Directors	Fee for attending meetings	**1,525**	3,100
Provident fund	Contribution paid	**60,557**	54,040
Misbah Cosmetics Private Limited	Purchases	**3,388**	-
	Payments	**3,360**	-
	Payable	**28**	-

36.2 There are no other related parties with whom the Company had entered into transactions or has arrangement / agreement in place.

36.3 The Company carries out transactions with related parties at commercial terms and conditions as per the Company's policy.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Executive		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	------------------ (Rupees in '000) ------------------							
Managerial remuneration	**27,330**	23,018	**27,330**	23,018	**411,657**	321,354	**466,317**	367,390
Bonus	**1,658**	-	**1,658**	-	**14,706**	-	**18,022**	-
Perquisites	**99**	247	**573**	99	**1,317**	625	**1,989**	971
Retirement benefits	**1,532**	1,230	**1,532**	1,230	**31,755**	22,100	**34,819**	24,560
Other benefits	**2,344**	1,909	**2,376**	1,919	**46,593**	30,728	**51,313**	34,556
	32,963	26,404	**33,469**	26,266	**506,028**	374,807	**572,460**	427,477
Number of persons	**1**	1	**1**	1	**72**	65	**74**	67

37.1 The Chief Executive, Directors and Executives are also provided with free use of Company maintained cars as per the terms of their employment.

37.2 The non-executive directors are not entitled to any remuneration except meeting fee as disclosed in note 36.1.

37.3 As per the Act, an executive means an employee, other than the chief executive and director, whose salary exceeds twelve hundred thousand rupees in a financial year.

38. NUMBER OF PERSONS EMPLOYED

Number of persons employed as at year end were 1,141 (2023: 1,232), the average number of persons employed during the year were 1,175 (2023: 1,355) and number of person employed in factory as at year end were 464 (2023: 411).

39. CORRESPONDING FIGURES

39.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison or better presentation, the effect of which is immaterial and is summarised below:

Particulars	Reclassified from	Reclassified to	Amount Rupees in '000
Charge on loss allowance on trade debts and trade deposits	Selling and distribution expenses	Statement of profit or loss	35,873
Provision For Gas Infrastructure Development Cess (GIDC)	Long term provision	Current portion of long term provision	71,122

40. GENERAL

40.1 Non-adjusting event after the reporting date

Subsequent to year ended June 30, 2024, the Board of Directors of the Company in its meeting held on September 27, 2024 has proposed final cash dividend @ Rs. 1.00/- per share amounting to Rs. 45.811 million (2023: Rs. 0.54/- per share amounting to Rs. 24.738 million) for approval of the members at the Annual General Meeting to be held on October 26, 2024.

40.2 Date of authorisation for issue

These financial statements were authorized for issue on September 27, 2024 by the Board of Directors of the Company.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Macter International Limited

Opinion

We have audited the annexed consolidated financial statements of Macter International Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the Key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customer** ***(Refer note 3.18 & 25 to the consolidated financial statements)*** The Group's revenue is generated from sales of pharmaceutical and cosmetic products. The Group recognised revenue of Rs. 7.91 billion from the sale of goods to domestic as well as export customers during the year ended June 30, 2024. As part of our overall response to the audit risks when identifying and assessing the risks in revenue recognition, we considered that there is an inherent risk that revenue may be overstated as it is a key performance measure, which could create an incentive or pressure on the Group's management to meet targets. Further, we have focused our audit activities over the revenue recognised near to year end as there was a high risk that the revenue may be recorded before the control of goods is transferred to the customer and in an incorrect accounting period. Moreover, for pharmaceutical goods, revenue recognition includes determination of sales prices in accordance with the regulated price regime of the Government. Based on the above and considering that the revenue recognition is a significant and high-risk area, we considered this as a key audit matter.	Our audit procedures included the following: • obtained an understanding of the Group's process with respect to revenue recognition and tested design and operating effectiveness of controls relevant to such process; • for pharmaceutical goods, obtained an understanding of pricing mechanism of Drug Regulatory Authority of Pakistan (DRAP) and tested, on sample basis, selling prices of regulated pharmaceutical products to ensure compliance with the pricing policies of DRAP; • inspected contracts to obtain an understanding of contract terms particularly relating to timing of transfer of control of goods and assessing the Group's accounting policies for recognition of revenue with reference to the requirements of the prevailing accounting standards; • performed substantive audit procedures over revenue transactions along with review of related supporting documents, on test basis; • performed cut-off procedures to ensure that the revenue is recognised in the correct accounting period; and • ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

These consolidated financial statements of the Company for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on September 26, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Azhar Hussain.

AFFerguson &Co

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date : October 04, 2024
UDIN: AR2024102900gNjZ8AEh

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
ASSETS		---------- (Rupees in '000) ----------	
NON-CURRENT ASSETS			
Property, plant and equipment	4	**2,090,217**	2,070,014
Intangible assets	6	**46,048**	48,537
Long-term loans	7	**1,829**	1,930
Long-term deposits	8	**75,240**	60,402
Deferred taxation - net	9	**14,052**	357
		2,227,386	2,181,240
CURRENT ASSETS			
Stores and spares		**18,114**	18,812
Stock-in-trade	10	**2,022,439**	1,861,822
Trade debts	11	**472,307**	416,489
Loans and advances	12	**278,126**	145,570
Trade deposits, prepayments and other receivables	13	**91,205**	81,465
Sales tax refundable	14	**9,626**	38,712
Taxation - net	15	**60,433**	21,568
Cash and bank balances	16	**187,673**	54,974
		3,139,923	2,639,412
TOTAL ASSETS		**5,367,309**	4,820,652
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	17	**458,111**	458,111
Capital reserve		**1,225,860**	1,225,860
Revenue reserve - accumulated profit		**1,270,529**	965,136
Equity attributable to the owner's of the Holding Company		**2,954,500**	2,649,107
Non controlling interest		**3,583**	8,209
		2,958,083	2,657,316
NON-CURRENT LIABILITIES			
Deferred liabilities	18	**262,834**	224,785
Long-term financing	19	**361,087**	319,890
Lease liabilities	5	**85,862**	122,712
Long term provision	20	**-**	1,784
		709,783	669,171
CURRENT LIABILITIES			
Trade and other payables	21	**1,377,418**	1,289,817
Short-term borrowings	22	**105,000**	34,166
Current portion of long-term financing	19	**103,437**	76,949
Current portion of lease liabilities	5	**27,554**	20,654
Current portion of long term provision	20	**85,484**	71,122
Unclaimed dividend		**550**	1,457
		1,699,443	1,494,165
TOTAL LIABILITIES		**2,409,226**	2,163,336
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		**5,367,309**	4,820,652

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Revenue from contracts with customers	25	**7,974,520**	6,926,117
Cost of sales	26	**(4,554,527)**	(4,015,217)
Gross profit		**3,419,993**	2,910,900
Selling and Distribution expenses	27	**(2,193,146)**	(1,942,043)
Administrative expenses	28	**(508,432)**	(379,907)
Charge on loss allowance on trade debts and trade deposits	11.2 & 13.1	**(19,761)**	(35,873)
Other expenses	29	**(52,983)**	(52,537)
Other income	30	**73,000**	79,469
		(2,701,322)	(2,330,891)
Operating profit		**718,671**	580,009
Finance cost	31	**(125,995)**	(72,450)
Profit before income tax		**592,676**	507,559
Income tax expense	32	**(190,470)**	(158,772)
Profit after taxation		**402,206**	348,787
		---------- (Rupees) ----------	
Earnings per share - basic and diluted	33	**8.88**	7.80
		---------- (Rupees) ----------	
Attributable to:			
Owners of the Holding Company		**406,692**	357,128
Non-controlling interest		**(4,486)**	(8,341)
		402,206	348,787

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	---------- (Rupees in '000) ----------	
Profit after taxation	**402,206**	348,787
Other comprehensive loss:		
Items that will not be reclassified subsequently to profit or loss		
Actuarial loss on remeasurement of defined benefit plans – net of deferred tax	**(19,437)**	(4,076)
Total comprehensive income for the year	**382,769**	344,711
Attributable to:		
Owners of the Holding Company	**387,395**	350,520
Non-controlling interest	**(4,626)**	(5,809)
	382,769	344,711

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up share capital	Reserves			Non Controlling Interest	Total
		Capital reserves	Revenue reserves	Total reserves		
		Share Premium	Accumulated profit			
	(Rupees in '000)					
Balance as at July 01, 2022	458,111	1,225,860	705,539	1,931,399	16,550	2,406,060
Profit after taxation	-	-	357,128	357,128	(8,341)	348,787
Other comprehensive loss for the year	-	-	(4,076)	(4,076)	-	(4,076)
Total comprehensive income for the year	-	-	353,052	353,052	(8,341)	344,711
Transactions with owners						
Final cash dividend @ Rs. 1.50 per share for the year ended June 30, 2022	-	-	(68,717)	(68,717)	-	(68,717)
Interim cash dividend @ Rs.0.54 per share for the half year ended December 31, 2022	-	-	(24,738)	(24,738)	-	(24,738)
Balance as at June 30, 2023	458,111	1,225,860	965,136	2,190,996	8,209	2,657,316
Balance as at July 01, 2023	**458,111**	**1,225,860**	**965,136**	**2,190,996**	**8,209**	**2,657,316**
Profit after taxation	**-**	**-**	**406,692**	**406,692**	**(4,486)**	**402,206**
Other comprehensive loss for the year	**-**	**-**	**(19,297)**	**(19,297)**	**(140)**	**(19,437)**
Total comprehensive income for the year	**-**	**-**	**387,395**	**387,395**	**(4,626)**	**382,769**
Transactions with owners						
Final cash dividend @ Rs. 0.54 per share for the year ended June 30, 2023	**-**	**-**	**(24,738)**	**(24,738)**	**-**	**(24,738)**
Interim cash dividend @ Rs. 1.25 per share for the year ended June 30, 2024	**-**	**-**	**(57,264)**	**(57,264)**	**-**	**(57,264)**
Balance as at June 30, 2024	**458,111**	**1,225,860**	**1,270,529**	**2,496,389**	**3,583**	**2,958,083**

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	**723,269**	340,112
Financial charges paid		**(112,741)**	(60,428)
Income tax paid		**(231,045)**	(154,796)
Gratuity paid	18.1	**(33,808)**	(27,018)
Receipts from long term loan		**101**	52
Long-term deposits paid		**(14,838)**	(34,001)
Advance received against motor vehicle		**245**	676
		(392,086)	(275,515)
Net cash generated from operating activities		**331,183**	64,597
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(304,430)**	(437,249)
Proceeds from disposal of operating fixed assets	4.2	**80,931**	62,967
Addition to intangible asset		**(1,553)**	(1,978)
Short-term investment made		**-**	(40,000)
Proceeds from disposal of short-term investment		**-**	199,707
Dividend income on mutual fund units		**-**	7,643
Net cash used in investing activities		**(225,052)**	(208,910)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(82,002)**	(93,393)
Short-term borrowings obtained		**169,998**	75,737
Short-term borrowings repaid		**(99,164)**	(44,822)
Long-term financing obtained		**162,071**	219,501
Long term financing repaid		**(94,385)**	(147,487)
Principal portion of lease liabilities paid		**(29,950)**	(25,555)
Net cash generated from / (used in) financing activities		**26,568**	(16,019)
Net increase / (decrease) in cash and cash equivalents during the year		**132,699**	(160,332)
Cash and cash equivalents at the beginning of the year		**54,974**	215,306
Cash and cash equivalents at the end of the year	16	**187,673**	54,974

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER	CHIEF EXECUTIVE	DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE GROUP AND ITS OPERATIONS

The Group consist of Macter International Limited ("the Holding Company") and Misbah Cosmetics (Private) Limited ("the Subsidiary Company"). Brief profile of the Holding Company and the Subsidiary Company is given below:

1.1 Macter International Limited

1.1.1 Macter International Limited (the Holding Company) was incorporated in Pakistan in 1992 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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.

1.1.2 The geographical locations and addresses of the Company's business units, including plants are as under:

- The Company's manufacturing plants are located at F-216, S.I.T.E., Karachi and E-40/A, S.I.T.E., Karachi,

- The Company's commercial office is located at Bungalow No # 44-H, PECHS Block 6, Karachi and House No # NA-300, New Town, Nawaz Sharif Park, Rawalpindi, and

- The warehouse of the Company is situated at Plot No # F-217 & 217-A S.I.T.E., Karachi.

1.1.3 The principal activity of the Company is to manufacture and market pharmaceutical products. The registered office of the company is situated at F-216 S.I.T.E., Karachi.

1.2 Misbah Cosmetics (Private) Limited

1.2.1 The Subsidiary Company is a Private Limited Company incorporated in Pakistan on June 09, 2014 under the Companies Ordinance, 1984. The geographical location and registered office of the Company is situated at F-216, S.I.T.E., Karachi.

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

1.3 These financial statements denote the consolidated financial statements of the Group. Unconsolidated financial statements of the Holding Company and its subsidiary have been presented separately.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Act; and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the IFAS and Act differ from IFRS, the provisions of and directives issued under the IFAS and Act have been followed.

2.2 Basis of consolidation

Subsidiary is a entity over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Income and expenses of a subsidiary acquired or disposed off during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary Company have been changed to conform with accounting policies of the Holding Company, where required.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of acquisition is recorded as goodwill, however, if the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of the Subsidiary Company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in the consolidated financial statements.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends within the Group are eliminated in full.

Non-controlling interest (NCI) is that part of the net results of operations and of net assets of subsidiary attributable interest which are not owned by the Group. The Group measures NCI on proportionate basis of the net assets of Subsidiary Company.

When the ownership of a subsidiary is less than hundred percent, a NCI exists. The NCI is allocated its share of the total comprehensive income for the year, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit and loss account or retained earnings, as appropriate.

2.2.1 Non-controlling interest in the Subsidiary Company has been calculated as follows:

	2024	**2023**
	---------- (Rupees in '000) ----------	
Non-current assets	**25,824**	20,882
Current assets	**185,203**	130,460
Non-current liabilities	**(45,954)**	(43,986)
Current liabilities	**(147,298)**	(66,638)
Net assets	**17,775**	40,718
Share of NCI @ 20.16% (2023: 20.16%)	**3,583**	8,209

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees which is the Group's functional and presentation currency and figures are rounded off to the nearest thousand of Rupees, unless otherwise disclosed.

2.4 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Group's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective

There are certain new standards and amendments that will be applicable to the Group for its annual periods beginning on or after July 1, 2024. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements (published in April 2024) and IFRS 19 Subsidiaries without Public Accountability: Disclosures (published in May 2024) both with applicability date of January 1, 2027 as per IASB. The Group's management at present is in the process of assessing the full impacts of these new standards and is expecting to complete the assessment in due course. The amendments, however, are not expected to have a material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

2.5 Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgement, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and accompanying disclosures.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates, assumptions and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following estimates and judgements which are significant to the consolidated financial statements:

	Notes
- Property, plant and equipment	3.1 & 3.13
- Stock in trade	3.5
- Impairment of financial and non-financial assets	3.13
- Taxation	3.25
- Employee retirement benefits	3.14
- Lease Liability	3.2
- Contingencies	3.19
- Assets and liabilities arising from rights of return	3.21

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The summary of material accounting policies and methods of computations adopted in the preparation of these consolidated financial statements are as follows.

3.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for leasehold land which are stated at cost less impairment loss, if any.

Depreciation is charged to the statement of profit or loss applying the reducing balance method at the rates specified in note 4.1 to the consolidated financial statements. Depreciation on additions is charged from the month asset is available for use and in case of disposal upto the preceding month of disposal.

Maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Group and the assets so replaced, if any, are retired.

Gains or losses on disposals of property, plant and equipment, if any, are recognized in consolidated statement of profit or loss.

The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year end.

Capital work-in-progress

These are stated at cost less impairment, if any, and represent expenditures incurred and advances made in respect of specific assets during the construction / installation year. These are transferred to relevant operating fixed assets as and when assets are available for use.

3.2 Lease liability and Right-of-use assets

The Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Group assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group mainly leases properties for its operations. The Group recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- Variable lease payment that are based on an index or a rate;

- Amounts expected to be payable by the lessee under residual value guarantees;

- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The Group has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3 Intangible

These are stated at cost less accumulated amortisation and impairment loss, if any. These are amortised on a straight line method when assets are available for use at the rates specified in note 6.1 to the consolidated financial statement. Amortisation is charged from the month when asset is available for use while no amortisation is charged in the month in which an asset is disposed off.

The useful lives of intangible assets are reviewed at each reporting date. The effect of any adjustment to useful lives is recognised prospectively as a change of accounting estimate.

The gain or loss on disposal or retirement of an intangible asset represented by the difference between the sale proceeds and the carrying amount is recognised in the statement of profit or loss in the period of disposal.

3.4 Stores and spares

These are valued at lower of moving average cost and estimated net realizable value (NRV), less provision for obsolete items (if any), except items in-transit, if any, are valued at cost comprising invoice value plus other charges incurred thereon up to the date of consolidated statement of financial position.

Provision, if required is made in the financial statements for slow moving, obsolete and unusable items. Stores and spares are assessed and provision is applied according to degree of ageing based on a specific criteria.

3.5 Stock-in-trade

These are valued at the lower of cost or net realisable value. Cost is determined as follows:

- Raw and packing material	- on moving average basis.
- Finished goods and work-in-process	- at weighted average cost of purchases and applicable manufacturing expenses.
- Stock-in-transit	- Valued at cost comprising invoice value plus other charges paid thereon up to the reporting date.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is recorded for slow moving and expired stock where necessary.

3.6 Trade debts

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.7 Loans, advances, deposits, and other receivables

These are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Exchange gains or losses arising in respect of deposits, advances and other receivables denominated in foreign currency are adjusted to their respective carrying amounts and charged to consolidated statement of profit or loss, if any.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost / amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise of bank balances in current, savings and deposit accounts, other short-term highly liquid investments with original maturities of upto three months, short-term borrowings under running finance and book overdraft which are payable on demand, if any. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

3.10 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.11 Share premium

It represents the difference between the par value of the Group's ordinary shares and the total amount of money the Group receives for ordinary shares issued.

3.12 Financial instruments

3.12.1 Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the consolidated statement of profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the consolidated statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in consolidated statement of profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the consolidated statement of profit or loss.

3.12.2 Financial assets

All financial assets are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade debts, deposits, advances and cash and cash equivalents. The Group derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.12.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings, unclaimed / unpaid dividend, accrued mark-up, lease liability and trade and other payables. The Group derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liabilities other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.12.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Group has currently legally enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Group or the counter parties.

3.13 Impairment

3.13.1 Financial Assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs.

The expected loss rates are based on the payment profiles of sales over a period of 36 - 48 months before June 30, 2024 or July 1, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Group has identified the Gross Domestic Product (GDP) and the inflation rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group considers a financial asset to be at a risk of default when contractual payments are 90 days past due except for receivables from institutions for which it is considered as 1440 days, unless there are factors that might indicate otherwise. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

3.13.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than stores and spares and stock in trade are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

3.14 Employee retirement benefits

Defined benefit plan

The Group operates an unfunded gratuity scheme covering all eligible permanent employees. Provision is made on the basis of actuarial recommendations. The latest actuarial valuation is carried out as at June 30, 2024 using the Project Unit Credit Method.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Defined contribution plan

The Group operates a provident fund plan for all permanent management employees. Contribution is made to the fund equally by the Group and the employees at the rate of 8.33% of basic and / or gross salary, as per the respective entitlement grades.

3.15 Trade and Other Payable

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.16 Contract liabilities

A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).Contract liabilities are recognised as revenue when the Group performs under the contract.

3.17 Unclaimed dividend

Dividend declared and payable from the consolidated statement of financial position date are recognised as unclaimed dividend.

3.18 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.19 Contingencies

Contingencies are disclosed when the Group has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.20 Revenue recognition

The Group recognises revenue from sale of goods at a point in time when control of product is transferred to customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from factory premises or when it is delivered by the Group at customer premises.

The Group generally enters into an agreement with its customers for supply of its products, including delivery of product. As the transportation of product coincides with actual delivery, sale of product and transportation is considered single performance obligation. The credit limits in contract with customers varies depending on the terms of specific contract.

Income from toll manufacturing is recognised at a point in time when services are rendered.

3.21 Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. Returns for the Group comprise of expired products or near expiry products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.22 Other income

Other income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be measured reliably. Other income is measured on the following basis:

- Return on short-term deposits and investments at amortised cost are accounted for using the effective interest rate method.

- Dividend income is recognised when the right to receive the dividend is established.

- Scrap sales are recognized on accrual basis.

3.23 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pak Rupees at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Pak Rupees at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

3.24 Ijarah lease rentals

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lesser, are classified as Ijarah. Rentals under these arrangements are charged to consolidated statement of profit or loss on straight line basis over the lease term.

Ijarah rentals directly attributable to the acquisition or construction of an asset are capitalized as part of the cost of the respective assets.

3.25 Taxation

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry forward of unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the reporting date. Deferred tax is charged or credited to statement of profit or loss except to the extent it relates to items recognized in other comprehensive income.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the consolidated statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

During the year, The Institute of Chartered Accountants of Pakistan (ICAP) has issued guidelines via Circular No. 07/2024 dated May 15, 2024 which requires the Group to classify 'Levies' (IFRIC 21) seperately from 'Income tax' (IAS 12) in the consolidated statement of profit or loss. Since, the amount of levy is not material to these consolidated financial statements, Levies are not classified separately in the consolidated statement of profit or loss.

3.26 Dividend and appropriation to reserves

Dividend distribution to the Holding Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, disclosure is made in the consolidated financial statements.

3.27 Earnings per share

The Group presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.28 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decision about resources allocated to the segment and assess its performance and for which discrete financial information is available.Segment results that are reported to the Chief Executive include items directly attributable to a segment.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**1,762,762**	1,836,114
Capital work-in-progress	4.5	**231,320**	99,501
Right-of-use assets	4.6	**96,135**	134,399
		2,090,217	2,070,014

4.1 Operating fixed assets:

	Cost				Accumulated Depreciation					
	As at July 01, 2023	Additions / Transfers	Disposals	As at June 30, 2024	As at July 01, 2023	Charge for the year	On disposals	As at June 30, 2024	Net book value as at June 30, 2024	Depreciation rate % per annum
	(Rupees in '000)									
Owned										
Leasehold land (note 4.3)	216,807	-	-	216,807	-	-	-	-	216,807	-
Buildings on leasehold land (note 4.3)	458,708	8,160	-	466,868	189,905	13,601	-	203,506	263,362	5
Plant and machinery	839,045	18,631	-	857,676	466,052	38,758	-	504,810	352,866	10
Tools and equipment	284,420	3,405	-	287,825	93,452	19,211	-	112,663	175,162	10
Gas and other installation	423,346	25,308	(6,596)	442,058	173,538	40,637	(5,732)	208,443	233,615	10
Furniture and fixture	89,910	7,815	-	97,725	42,797	5,123	-	47,920	49,805	10
Office equipment	43,021	2,906	-	45,927	21,502	2,358	-	23,860	22,067	10
Computer equipment	41,027	4,874	-	45,901	30,571	3,946	-	34,517	11,384	30
Motor vehicles	621,764	101,512	(53,843)	669,433	164,117	94,208	(26,586)	231,739	437,694	20
	3,018,048	172,611	(60,439)	3,130,220	1,181,934	217,842	(32,318)	1,367,458	1,762,762	

Operating fixed assets:

	Cost				Accumulated Depreciation					
	As at July 01, 2022	Additions / Transfers	Disposals / write offs*	As at June 30, 2023	As at July 01, 2022	Charge for the year	On disposals / write offs *	As at June 30, 2023	Net book value as at June 30, 2023	Depreciation rate % per annum
	---------- (Rupees in '000) ----------									
Owned										
Leasehold land (note 4.3)	216,807	-	-	216,807	-	-	-	-	216,807	-
Buildings on leasehold land (note 4.3)	444,107	17,049	* (2448)	458,708	176,999	13,657	* (751)	189,905	268,803	5
Plant and machinery	813,488	26,993	(1,436)	839,045	426,975	40,204	(1,127)	466,052	372,993	10
Tools and equipment	251,157	33,263	-	284,420	74,391	19,061	-	93,452	190,968	10
Gas and other installation	356,643	72,654	(5,951)	423,346	153,184	23,406	(3,052)	173,538	249,808	10
Furniture and fixture	82,018	7,892	-	89,910	38,025	4,772	-	42,797	47,113	10
Office equipment	41,096	1,925	-	43,021	19,209	2,293	-	21,502	21,519	10
Computer equipment	39,809	6,498	(5,280)	41,027	32,288	3,175	(4,892)	30,571	10,456	30
Motor vehicles	288,985	373,649	(40,870)	621,764	119,931	69,210	(25,024)	164,117	457,647	20
	2,534,110	539,923	(55,985)	3,018,048	1,041,002	175,778	(34,846)	1,181,934	1,836,114	

4.2 Details of disposals of operating fixed assets having book value of more than Rs. 500,000 during the year are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of buyers	Relationship with buyers
	(Rupees in '000)							
Motor vehicles								
Suzuki Alto VXR	2,487	408	2,079	2,487	408	Insurance claim	EFU Insurance	Insurer
Oshan X7	7,999	133	7,866	8,400	534	via quotation	Mr. Ishaq Ibrahim	Employee
Kia Sportage	5,405	2,815	2,590	6,000	3,410	via quotation	Syed Khalid Noor	Employee
Kia Sportage	5,405	2,815	2,590	6,700	4,110	via quotation	Mr. Mujeeb Ur Rehman	Employee
Items having book value of less than Rs.500,000 each	39,143	26,147	12,996	57,344	44,348			
June 30, 2024	**60,439**	**32,318**	**28,121**	**80,931**	**52,810**			
June 30, 2023	53,537	34,095	19,442	62,967	43,525			

4.3 **Particulars of immovable fixed assets in the name of Company are as follows:**

Location	Usage	Total Area (Square fit)*
F-216, S.I.T.E, Karachi	Production plant	44,020
E-40/A, S.I.T.E, Karachi	Production plant	44,226
Neclass No. 158 of Deh Tore, Tapo Konkar, Gadap Town, District Malir, Karachi	Land	718,741

* The covered area includes multi storey buildings.

4.4 Depreciation charge for the year on operating fixed assets has been allocated as follows:

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Cost of sales	26	**116,742**	99,089
Selling and Distribution expenses	27	**80,273**	55,721
Administrative expenses	28	**20,827**	20,968
		217,842	175,778

4.5 Capital work-in-progress

	2024			
	Building on Leasehold land	**Plant and machinery**	**Others**	**Total**
	---------------------- **(Rupees in '000)** ----------------------			
Balance at the beginning of the year	**38,593**	**807**	**60,101**	**99,501**
Capital expenditure incurred / advances made	**19,396**	**145,579**	**157,953**	**322,928**
Advances refunded / reclassified	**(3,691)**	**-**	**(25,820)**	**(29,511)**
Transfer to operating fixed assets including advances adjusted	**(45,071)**	**(4,674)**	**(111,853)**	**(161,598)**
Balance at the end of the year	**9,227**	**141,712**	**80,381**	**231,320**

	2023			
	Building on Leasehold land	Plant and machinery	Others	Total
	---------------------- (Rupees in '000) ----------------------			
Balance at the beginning of the year	15,068	7,544	179,563	202,175
Capital expenditure incurred / advances made	46,857	16,539	337,812	401,208
Transfer to operating fixed assets including advances adjusted	(23,332)	(23,276)	(457,274)	(503,882)
Balance at the end of the year	38,593	807	60,101	99,501

4.6 Right-of-use assets

	Note	2024	2023
		---------- (Rupees in '000) ----------	
As at July 01,			
Cost		**211,040**	136,091
Accumulated depreciation		**(76,641)**	(80,287)
Net book value		**134,399**	55,804
Year ended June 30,			
Opening net book value		**134,399**	55,804
Additions during the year		**-**	91,479
Reassessment of lease during the year		**-**	42,220
Termination of lease during the year			
- Cost		**-**	(58,750)
- Accumulated depreciation		**-**	33,676
	-		(25,074)
Depreciation for the year	4.6.1	**(38,264)**	(30,030)
Closing net book value		**96,135**	134,399
As at June 30,			
Cost		**211,040**	211,040
Accumulated depreciation		**(114,905)**	(76,641)
Net book value		**96,135**	134,399

	Note	2024	2023
		---------- (Rupees in '000) ----------	
4.6.1 Depreciation charge for the year on right-of-use assets has been allocated as follows:			
Cost of sales	25	**7,444**	5,992
Selling and Distribution expenses	26	**30,820**	24,038
		38,264	30,030

4.6.2 Right-of-use assets comprise of lease arrangements for premises utilised as office building and warehouse.

4.6.3 The right-of-use assets are depreciated over a life of 3 - 5 years.

	Note	2024	2023
		---------- (Rupees in '000) ----------	

5. LEASES

5.1 LEASE LIABILITIES

	Note	2024	2023
Lease liabilities		**113,416**	143,366
Current portion of lease liabilities		**(27,554)**	(20,654)
		85,862	122,712

5.1.1 Reconciliation of the carrying amount is as follows:

	Note	2024	2023
Lease liabilities at the beginning of the year		**143,366**	67,163
Additions during the year		**-**	91,479
Reassessment of lease during the year		**-**	42,220
Termination of lease during the year		**-**	(31,941)
Accretion of interest	30	**13,574**	11,295
Lease rental payments made during the year		**(43,524)**	(36,850)
Lease liabilities at the end of the year		**113,416**	143,366
Current portion of lease liabilities		**(27,554)**	(20,654)
Non current portion of lease liabilities		**85,862**	122,712

5.1.2 The amount of future payments under the lease arrangement and the period in which these payments will become due are as follows:

	2024	2023
	---------- (Rupees in '000) ----------	
Gross lease liabilities - minimum lease payments:		
Not later than one year	**46,366**	44,350
Later than one year but not later than five years	**105,953**	157,793
	152,319	202,143
Future finance charge	**(38,903)**	(58,777)
Present value of finance lease liabilities	**113,416**	143,366

	Note	2024	2023
		(Rupees in '000)	
6. INTANGIBLE ASSETS			
Goodwill	6.3	**4,632**	4,632
Brand "MMM"		**38,567**	41,273
Other intangible assets		**2,849**	2,632
		46,048	48,537

6.1

2024	**Cost**			**Accumulated Amortisation**				
	As at July 01, 2023	**Additions during the year**	**As at June 30, 2024**	**As at July 01, 2023**	**Charge for the year**	**As at June 30, 2024**	**Net book value as at June 30, 2024**	**Amortisation rate % per annum**
	(Rupees in '000)							
Goodwill - note 6.3	**4,632**	**-**	**4,632**	**-**	**-**	**-**	**4,632**	
Brand "MMM"	**54,127**	**-**	**54,127**	**12,854**	**2,706**	**15,560**	**38,567**	**5%**
Software licenses	**26,738**	**1,553**	**28,291**	**24,106**	**1,336**	**25,442**	**2,849**	**20-33.33%**
SAP ERP	**41,802**	**-**	**41,802**	**41,802**	**-**	**41,802**	**-**	**20%**
Manufacturing and distribution rights	**20,000**	**-**	**20,000**	**20,000**	**-**	**20,000**	**-**	**20%**
2024	**147,299**	**1,553**	**148,852**	**98,762**	**4,042**	**102,804**	**46,048**	

2023	Cost			Accumulated Amortisation				
	As at July 01, 2022	Additions during the year	As at June 30, 2023	As at July 01, 2022	Charge for the year	As at June 30, 2023	Net book value as at June 30, 2023	Amortization rate % per annum
	(Rupees in '000)							
Goodwill - note 6.3	4,632	-	4,632	-	-	-	4,632	
Brand "MMM"	54,127	-	54,127	10,148	2,706	12,854	41,273	5%
Software licenses	24,760	1,978	26,738	22,259	1,847	24,106	2,632	20-33.33%
SAP ERP	41,802	-	41,802	41,802	-	41,802	-	20%
Manufacturing and distribution rights	20,000	-	20,000	20,000	-	20,000	-	20%
2023	86,562	1,978	88,540	84,061	1,847	85,908	2,632	

	Note	2024	2023
		(Rupees in '000)	
6.2 Amortisation charge for the year has been allocated as follows:			
Cost of sales	26	**577**	725
Selling and Distribution expenses	27	**2,832**	2,786
Administrative expenses	28	**633**	1,042
		4,042	4,553

6.3 Impairment testing of goodwill

The Group has performed its annual impairment test on the following cash generating unit as at June 30, 2024:

Misbah Cosmetics (Private) Limited (MCPL)

Goodwill acquired through business combinations have been allocated to the Subsidiary Company and monitored at Group level.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 24.97% for goodwill impairment testing. The growth rate used to extrapolate the cash flows beyond the five year period is 5%. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 4.63 million is allocated.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
7. LONG-TERM LOANS - secured, considered good			
Due from:			
- Executives		**667**	511
- Other employees		**5,061**	5,098
	7.1	**5,728**	5,609
Less: Current portion			
- Executives		**(133)**	(59)
- Other employees		**(3,766)**	(3,620)
	12	**(3,899)**	(3,679)
		1,829	1,930

7.1 These represent mark-up free loans to executives and employees for purchase of motor cars, motor cycles, house building, umrah and others, in accordance with the Group's policy. These loans are secured against the final settlement of respective employees and are recoverable in monthly installments over a period of one month to one hundred and thirteen months, these loans are secured against retirement benefits of respective employees.

Long-term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these consolidated financial statements.

	2024	2023
	---------- (Rupees in '000) ----------	
8. LONG-TERM DEPOSITS		
Ijarah lease rentals	**597**	1,143
Diminishing musharakah	**57,277**	42,843
Utilities	**12,161**	11,577
Rent	**5,205**	4,839
	75,240	60,402

9. DEFERRED TAXATION - NET

	Accelerated tax depreciation	Right of use of asset and lease liability	Provision for gratuity payable	Provision for doubtful receivables	Provision for trade deposits	Provision for slow moving and obsolete items	Total
	----------	----------	----------	(Rupees in '000)	----------	----------	----------
Balance at July 01, 2023	**(178,125)**	**3,156**	**74,000**	**48,563**	**8,994**	**43,769**	**357**
Charge / (credit) to profit or loss	**(12,745)**	**3,584**	**12,848**	**(4,618)**	**3,933**	**(1,292)**	**1,710**
Charge to other comprehensive income for the year	**-**	**-**	**11,985**	**-**	**-**	**-**	**11,985**
Balance at June 30, 2024	**(190,870)**	**6,740**	**98,833**	**43,945**	**12,927**	**42,477**	**14,052**
Balance at July 01, 2022	(138,320)	3,500	64,059	34,302	-	30,779	(5,680)
Charge / (credit) to profit or loss	(39,805)	(344)	4,369	14,261	8,994	12,990	465
Charge to other comprehensive income for the year	-	-	5,572	-	-	-	5,572
Balance at June 30, 2023	(178,125)	3,156	74,000	48,563	8,994	43,769	357

9.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the consolidated statement of financial position.

9.2 Deferred tax asset / (liability) is recorded at 100% (2023: 92.02%) of the total deferred tax liability based on the changes in Finance Act 2024, according to which export sales will not be treated as Final Tax Regime, instead the export sales will now fall under Minimum Tax Regime.

9.3 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors, including pharmaceutical sector, are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

10. STOCK-IN-TRADE

	Note	2024	2023
		---------- (Rupees in '000)	----------
In hand			
- raw materials	10.2	**881,269**	840,094
- packing materials	10.2	**264,295**	271,087
- work-in-process		**214,700**	158,131
- finished goods	10.1	**633,564**	688,258
		1,993,828	1,957,570
Less: Provision for slow moving and obsolete items	10.4	**(108,916)**	(134,462)
		1,884,912	1,823,108
In transit	10.5	**137,527**	38,714
		2,022,439	1,861,822

10.1 As at June 30, 2024, stock of finished products has been written down by Rs. 9.19 million (2023: Rs. 3.50 million) to arrive at its net realisable value of Rs. 37.30 million (2023: Rs. 28.85 million).

10.2 These include raw material and packaging material held by third party amounting to Rs. 48.64 million (2023: Rs. Nil) and Rs. 9.23 million (2023: Rs. Nil) respectively.

10.3 Finished goods includes right of return assets amounting to Rs. 38.29 million (2023: Rs. 44.28 million).

	Note	2024	2023
		---------- (Rupees in '000) ----------	
10.4 Provision for slow moving and obsolete items			
Balance at the beginning of the year		**134,462**	111,784
Charge for the year	26	**50,076**	110,545
Reversal for the year		**-**	(1,796)
Write off during the year		**(75,622)**	(86,071)
Balance at the end of the year		**108,916**	134,462

10.5 Stock in transit includes raw material of Rs. 102.78 million (2023: Rs. 3.61 million) and packing material of Rs. 27.44 million (2023: Rs. 0.05 million).

	Note	2024	2023
11. TRADE DEBTS - unsecured		---------- (Rupees in '000) ----------	
Considered good	11.1	**472,308**	416,490
Considered doubtful		**127,808**	147,295
		600,116	563,785
Allowance for expected credit loss	11.2	**(127,809)**	(147,296)
		472,307	416,489

11.1 These trade debts include Rs. 22.76 million (2023: Rs. 38.65 million) representing receivable against export sales to Africa and Asia amounting to Rs. 0.61 million (2023: Rs. 0.61 million) and Rs. 22.15 million (2023: Rs. 38.04 million), respectively.

	Note	2024	2023
11.2 Allowance for expected credit loss		---------- (Rupees in '000) ----------	
The movement in expected credit loss during the year is as follows:			
Balance at the beginning of the year		**147,296**	120,637
Provision recognised during the year		**11,681**	26,659
Write offs during the year		**(31,168)**	-
		(19,487)	26,659
Balance at the end of the year		**127,809**	147,296

11.3 This includes receivable from a related party - Depilex (Private) Ltd amounting to Rs. 3.10 million (2023: Rs. 1.34 million). The maximum aggregate amount outstanding during the year was Rs.3.10 million (2023: Rs. 1.89 million).

11.4 The aging of trade debts at the consolidated statement of financial position date was:

	2024						
	Not past due	**30 days**	**31-90 days**	**90-180 days**	**181 to 360 days**	**over 360 days**	**Total**
	(Rupees in '000)						
Total gross carrying amount	316,694	10,990	65,364	8,187	45,275	153,606	600,116
Expected credit loss	280	187	1,515	7,422	21,431	96,974	127,809

	2023						
	Not past due	30 days	31-90 days	90-180 days	181 to 360 days	over 360 days	Total
	(Rupees in '000)						
Total gross carrying amount	177,856	85,270	19,202	28,834	71,998	180,625	563,785
Expected credit loss	-	-	-	405	14,298	132,593	147,296

	Note	**2024**	**2023**
		(Rupees in '000)	
12. LOANS AND ADVANCES - considered good			
Current portion of long-term loans	7	**3,899**	3,679
Advances to:			
- employees	12.1	**24,873**	28,056
- suppliers	12.2	**249,354**	113,835
		274,227	141,891
		278,126	145,570

12.1 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

12.2 Includes interest free advances to major foreign suppliers having maturity latest by September 2024.

Jurisdiction	**Name**
Asia	Zhejiang Jingxin Pharmaceuticals
	Shijianzhuang Lonzeal Pharmaceutical
	Echemi Global Co, Limited
	Shandong Wego Prefills
Europe	Meggle Gmbh & Co., Kg
	Syntegon Technology Services Ag

	Note	2024	2023
		---------- (Rupees in '000) ----------	
13. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits			
Margin against bank guarantees		**36,665**	27,025
Tender deposits		**77,853**	74,877
Provision for doubtful deposits	13.1	**(33,143)**	(25,563)
		44,710	49,314
Others		**380**	-
		81,755	76,339
Prepayments			
Software license		**90**	1,057
Takaful		**-**	1,565
Machine and equipments		**-**	28
Fees, rates and taxes		**-**	1,135
		90	3,785
Other receivables			
Profit on saving accounts		**1,450**	491
Letter of credits		**6,575**	-
Others		**1,335**	850
		9,360	1,341
		91,205	81,465

13.1 Provision for doubtful deposits

The movement in provision for doubtful deposits during the year is as follows:

	2024	2023
Balance at the beginning of the year	**25,563**	16,349
Provision recognised during the year	**8,080**	9,214
Write offs during the year	**(500)**	-
Balance at the end of the year	**33,143**	25,563

14. SALES TAX REFUNDABLE

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

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

In this respect net Rs. 16.52 million (2023: Rs. 38.71 million) is sales tax input paid on purchases / import of materials up to June 30, 2024 which is refundable on consumption basis.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
15. TAXATION - NET			
Tax receivable at the beginning of the year		**21,568**	26,008
Tax payments/ adjustment made during the year		**229,335**	154,332
		250,903	180,340
Less: provision for tax- current		**(190,470)**	(158,772)
Tax receivable at the end of the year		**60,433**	21,568
16. CASH AND BANK BALANCES			
Cash in hand		**-**	-
Cash in bank			
Conventional bank:			
- current account in local currency		**5,324**	7,509
Islamic banks:			
- current accounts		**5,330**	1,466
- saving accounts in local currency	16.1	**176,469**	44,542
- dividend accounts in local currency		**550**	1,457
		187,673	54,974
		187,673	54,974

16.1 These carry profit at the rates ranging from 11.01% to 19.00% (2023: 3.25% to 10.25%) per annum.

18. SHARE CAPITAL

Authorized share capital

2024	2023		2024	2023
----- Number of shares -----			---------- (Rupees in '000) ----------	
65,000,000	65,000,000	Ordinary shares of Rs.10 each	**650,000**	650,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
----- Number of shares -----			---------- (Rupees in '000) ----------	
8,430,868	8,430,868	Fully paid ordinary shares of Rs.10 each Issued for cash	**84,309**	84,309
30,489,649	30,489,649	Fully paid ordinary shares of Rs.10 each Issued as fully paid bonus shares	**304,897**	304,897
223,834	223,834	Fully paid ordinary shares of Rs.10 each Issued pursuant to merger with Associated Services Limited	**2,238**	2,238
6,666,667	6,666,667	Fully paid ordinary shares of Rs.10 each Issues as fully paid right shares	**66,667**	66,667
45,811,018	45,811,018		**458,111**	458,111

17.1 All ordinary shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
18. DEFERRED LIABILITIES			
Advance against motor vehicles		**2,661**	2,416
Employees' gratuity payable	18.1	**260,173**	222,369
		262,834	224,785

18.1 Defined benefit plan - unfunded gratuity scheme

18.1.1 In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2024, using the "Projected Unit Credit Method". Provision has been made in the consolidated financial statements to cover obligation in accordance with the actuarial recommendations.

18.1.2 Risks on account of defined benefit plan

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would increase proportionately also.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate determined by reference to market yields (at the statement of financial position date) on government bond. A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Withdrawal risk

The risk that the actual withdrawal experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and entitled benefits of the beneficiary.

Inflation fluctuation

The salary inflation is the major risk that the funds carry. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted benefit obligations. But viewed with the fact that the plan have no asset, the impact of salary inflation might be significant.

Mortality risk

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

	2024	**2023**
	--- Number of Employees ---	
The number of employees covered under the defined benefit scheme are:	**389**	404

The following principal actuarial assumptions were used for the valuation of above mentioned scheme:

	2024	2023
Financial assumptions		
- Discount rate (per annum compounded)	**14.50%**	15.50%
- Salary increase per annum	**14.50%**	15.50%
Demographic assumptions		
- Normal retirement	**60 years**	60 years
- Mortality rate	**EFU (61-66)**	EFU (61-66)

	Note	2024	2023
		---------- (Rupees in '000) ----------	
18.1.3 Liability in the consolidated of financial position			
Present value of defined benefit obligations		**260,173**	222,369
18.1.4 Movement in liability during the year			
Balance at the beginning of the year		**222,369**	207,938
Charged to profit or loss		**40,190**	31,801
Benefits paid during the year		**(33,808)**	(27,018)
Actuarial loss recognised in other comprehensive income		**31,422**	9,648
Balance at the end of the year		**260,173**	222,369
18.1.5 Reconciliation of the present value of defined benefit obligations			
Present value of defined benefit obligations as at July 01		**222,369**	207,938
Current service cost		**9,697**	8,343
Finance cost		**30,493**	23,458
Benefits paid		**(33,808)**	(27,018)
Actuarial loss on obligation		**31,422**	9,648
Present value of defined benefit obligations as at June 30		**260,173**	222,369
18.1.6 Charge for the defined benefit plan			
Cost recognised in profit or loss			
Current service cost		**9,697**	8,343
Finance cost		**30,493**	23,458
		40,190	31,801
Actuarial loss on defined benefit obligation recognised in other comprehensive income			
Actuarial loss on defined benefit obligations			
- Loss due to change in experience adjustments		**31,422**	9,648
Expected benefit payments to retirees in the following year		**20,922**	21,084
18.1.7 Maturity profile of the defined benefit obligation			
Weighted average duration of the defined benefit obligation (years)			
Holding Company		**8.10**	7.50
Misbah Cosmetics (Private) Limited		**3.60**	3.90

18.1.8 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations on various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

	2024	2023
	---------- (Rupees in '000) ----------	
Increase in discount rate by 1%	**(16,580)**	(12,837)
Decrease in discount rate by 1%	**18,634**	14,409
Increase in expected future increment in salary by 1%	**18,463**	14,277
Decrease in expected future increment in salary by 1%	**16,718**	(12,943)

18.1.9 Maturity Profile

	2024	2023
Year 1	**20,922**	21,942
Year 2	**31,408**	23,129
Year 3	**37,050**	28,877
Year 4	**31,861**	31,620
Year 5	**41,818**	27,423
Year 6 to Year 10	**225,059**	186,343

18.1.10 As per the recommendation of the actuary, the charge for the year ending June 30, 2025 amounts to Rs. 13.38 million.

18.1.11 Comparison for Five Years

As at June 30	**2024**	**2023**	**2022**	**2021**	**2020**
	------------------------------ (Rupees in '000) --------------------------				
Defined benefit obligation	**260,173**	222,369	207,938	207,028	196,286
Experience adjustment loss / (gain) on obligation (as percentage of plan obligations)	**12.08%**	4.34%	-1.52%	0.67%	-2.06%

	Note	2024	2023
		---------- (Rupees in '000) ----------	
19. LONG-TERM FINANCING			
Loan from a related party	19.1	**40,833**	44,518
Diminishing musharakah - vehicles	19.2	**423,691**	352,321
		464,524	396,839
Less: Current maturity shown under current liabilities		**(103,437)**	(76,949)
		361,087	319,890

19.1 This represents loan obtained from a director of the Parent Company to meet working capital requirement, under mark-up arrangements. It carries profit at 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2023 which was fixed for one year starting from August as 22.32% per annum. Profit rate for the month of July was 14.48%. (2023: 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2022 which was fixed for the period as 14.48% per annum). The profit and principle are payable on monthly basis.

19.2 These facilities have been obtained from First Habib Modaraba. These carry mark-up at the rates of 3 Months KIBOR plus 1.00% to 1.5% (2023: 3 Months KIBOR plus 1.00% to 1.25%) per annum and are having maturity till June 2029 (2023: March 2028). These facilities are secured against the respective assets.

	Note	2024	2023
		(Rupees in '000)	
20. LONG TERM PROVISION			
Provision for gas infrastructure development cess			
Provision for gas infrastructure development cess	20.1	**85,484**	72,906
Less: Current portion of provision		**(85,484)**	(71,122)
		-	1,784

20.1 This 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 taking any coercive action.

	Note	2024	2023
21. TRADE AND OTHER PAYABLES		(Rupees in '000)	
Trade and other creditors		**546,863**	582,974
Advances from customers - contract liabilities		**414,160**	238,337
Refund liability		**65,552**	75,650
Accrued liabilities		**250,058**	231,810
Sindh Workers' Welfare Fund	21.1	**12,721**	44,817
Payable to provident fund	21.2	**12,098**	11,430
Sales tax and withholding taxes payable		**19,247**	17,414
Sindh Workers' Profit Participation Fund	21.3	**8,477**	30,230
Central Research Fund	21.4	**6,786**	6,046
Auditors' remuneration		**4,316**	3,603
Accrued profit		**7,627**	6,951
Others		**29,513**	40,555
		1,377,418	1,289,817

21.1 Sindh Workers' Welfare Fund

This pertains to the provision recorded by the Company on account of Sindh Workers' Welfare Fund. During the year, the Deputy Commissioner SRB issued a show cause notice dated September 4, 2023, demanding the Company Rs. 20.74 million along with penalty and default surcharge. In response, the Company submitted documentary evidences, however the Commissioner raised the same demand through order dated November 4, 2023. The Company challenged the order before the Appeals SRB, however paid the Sindh Workers Welfare Fund as per the demand.

21.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the rules formulated for this purpose.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
21.3 Sindh Workers' Profit Participation Fund			
Balance at the beginning of the year		**30,230**	1,591
Mark-up thereon		**3,015**	66
Charge for the year		**33,477**	30,230
		66,722	31,887
Less: Payments made during the year		**(58,245)**	(1,657)
Balance at the end of the year		**8,477**	30,230
21.4 Central Research Fund			
Balance at the beginning of the year		**6,046**	5,318
Charge for the year		**6,785**	6,046
		12,831	11,364
Less: Payments made during the year		**(6,045)**	(5,318)
Balance at the end of the year		**6,786**	6,046
22. SHORT-TERM BORROWINGS - secured			
Murabaha - MCB	22.1	**-**	24,166
Murabaha - Others	22.2	**105,000**	10,000
		105,000	34,166

22.1 Murabaha facilities were utilised with MCB Islamic Bank for the purpose of purchase of inventory. They carry profit at the rate 3 Month KIBOR + 2% (2023: 3 Month KIBOR + 2.25%) per annum. These were secured against hypothecation of stock in trade and trade debts of the Company.

22.2 This represents outstanding murabaha facilities with the Fuad Abubakar Chundrigar, Asif Misbah, Nighat Misbah and Anis Fatima for the purpose of purchase of inventory. These carry profit at the rates ranging from 16% to 23.79% (2023: 16%) per annum and having maturity till November 2024 (2023: December 2023).

22.3 Short-term borrowing avalaible

The Holding Company has following short term borrowing facilities available as at year end:

The facilities for running musharakah arrangements with various banks amounted to Rs. 700 million (2023: Rs. 500 million) all of which remained unutillised at the year end. The rate of mark-up applicable on running finance is based on one month KIBOR + 0.8% to 1.5% (2023: one month KIBOR + 1% to 1.5%) per annum.

The facilities from Murabaha, Musaadah and Istisna arrangement from various banks amounted to Rs. 3,350 million (2023: Rs. 2,950 million) all of which remained unutilised as at the year end. The rate of markup applicable is based on respective tenor KIBOR + 0.8% to 1.5% (2023: respective tenor KIBOR + 1% to 1.5%) per annum.

23. CONTINGENCIES AND COMMITMENTS

Holding Company

23.1 Contingencies

23.1.1

Description of the factual basis of the Name of the Court proceedings and relief sought	Name of court	Principle Party	Date instituted
Certain cases have been filed against the Company by some employees against their termination / dismissal, having exposure of the Company to the extent of Rs.18.03 million (2023: Rs.12.62 million). Provision has not been made in these unconsolidated financial statements for the said amount as the management of the Company, based on the advice of its legal counsel handling the subject cases, is of the opinion that matters shall be decided in the Company's favour.	National Industrial Relations Commission	Employees vs Macter International Limited	Various dates

23.1.2 The Additional Commissioner of Inland Revenue (ACIR) raised demands of Rs. 22.43 million, Rs. 51.46 million, and Rs. 245 million for the tax years 2015, 2016, and 2017, respectively, through an order under section 122(5A) of the Income Tax Ordinance, 2001. In this order, the assessing officer added back certain expenses. The Holding Company filed an appeal before the Commissioner of Inland Revenue (Appeals). Subsequently, an order was passed by the CIR (Appeals) dated December 30, 2022, wherein most of the disallowances were remanded back to the ACIR. Being aggrieved, the Holding Company filed an appeal before the Appellate Tribunal. Subsequently, orders were passed by the Appellate Tribunal dated April 20, 2023, and September 15, 2023, for the tax years 2017, 2015, and 2016, respectively, wherein most of the disallowances were remanded back to the ACIR. The ACIR issued amended orders on June 11, 2024, with appeal effects, in which most of the disallowances were reversed, and a demand of Rs. 15.67 million was raised, which was adjusted against available tax refunds from the relevant years. The adjustment has been appropriately accounted for in these consolidated financial statements.

23.2 Commitments

Capital expenditure commitments outstanding as at June 30, 2024 amounted to Rs. 114.32 million (2023: Rs. 13.61 million).

The facilities for opening letters of credit and guarantees as well as shipping guarantee from banks as at June 30, 2024 amounted to Rs. 2,475 million (2023: Rs. 1,700 million), Rs. 275 million (2023: Rs. 150 million) and Rs. 700 million (2023: Rs.500 million) respectively of which unutilized balance at period end amounted to Rs. 2,022 million (2023: Rs. 1,118 million), Rs. 152 million (2023: Rs. 32 million) and Rs. 700 million (2023: Rs. 500 million) respectively.

Subsidiary Company

23.3 Contingencies

There are no contingencies as at June 30, 2024 (2023: Nil).

23.4 Commitments

Ijarah rental commitment outstanding as at June 30, 2024 amounting to Rs. 3.368 million.

24. OPERATING SEGMENTS

	Pharmaceuticals		Cosmetics and Fragrance		Total	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Local	**8,305,994**	6,995,531	**581,933**	339,941	**8,887,927**	7,335,472
Export	**561,369**	652,786	**-**	-	**561,369**	652,786
Inter segment revenue	**-**	-	**-**	-	**(3,388)**	-
Toll income	**60,076**	57,118	**-**	-	**60,076**	57,118
Turnover	**8,927,439**	7,705,435	**581,933**	339,941	**9,505,984**	8,045,376
Trade discount	**1,156,940**	822,713	**673**	-	**1,157,613**	822,713
Sales return	**68,384**	62,572	**28,842**	38,671	**97,226**	101,243
Sales tax	**166,733**	139,759	**109,892**	55,544	**276,625**	195,303
Net turnover	**7,535,382**	6,680,391	**442,526**	245,726	**7,974,520**	6,926,117
Cost of sales	**(4,353,751)**	(3,895,678)	**(200,776)**	(119,539)	**(4,554,527)**	(4,015,217)
Gross profit	**3,181,631**	2,784,713	**241,750**	126,187	**3,419,993**	2,910,900
Other income	**69,806**	79,457	**3,194**	12	**73,000**	79,469
Distribution costs	**(1,966,770)**	(1,780,759)	**(223,670)**	(158,578)	**(2,190,440)**	(1,939,337)
Administrative expenses	**(505,089)**	(376,795)	**(6,731)**	(3,112)	**(511,820)**	(379,907)
Inter segment expenses	**-**	-	**-**	-	**3,388**	-
Charge on loss allowance on trade debts and trade deposits	**(13,923)**	(35,873)	**(5,838)**	-	**(19,761)**	(35,873)
Other expenses	**(52,983)**	(52,537)	**-**	-	**(52,983)**	(52,537)
Finance cost	**(100,573)**	(61,371)	**(25,422)**	(11,079)	**(125,995)**	(72,450)
Unallocated expense (brand Amortization)	**-**	-	**-**	-	**(2,706)**	(2,706)
Profit / (loss) before tax	**612,099**	556,835	**(16,717)**	(46,570)	**592,676**	507,559

	Pharmaceuticals		Cosmetics and Fragrance		Total	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Segments assets	**5,113,083**	4,623,405	**211,027**	151,342	**5,324,110**	4,774,747
Unallocated assets	**-**	-	**-**	-	**43,199**	45,905
Segment liabilities	**2,215,974**	2,052,712	**193,252**	110,624	**2,409,226**	2,163,336
Depreciation and amortization charge	**254,465**	205,576	**2,977**	2,079	**257,442**	207,655
Capital expenditure	**295,975**	433,711	**8,455**	3,538	**304,430**	437,249

24.1 Out of total net turnover of the Group 93% (2023: 91%) relates to customers in Pakistan. Further, all non-current assets of the Group as at June 30, 2024 are located in Pakistan.

24.2 Out of total net turnover of the Group, 11% (2023: 10.49%) relates to a single major customer located in Pakistan.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
24.3 Reconciliation of segments assets and liabilities			
24.4 Assets			
Total assets for reportable segments		**5,324,110**	4,774,747
Intangibles - goodwill and brands		**43,199**	45,905
		5,367,309	4,820,652
24.5 Depreciation and amortisation			
Depreciation and amortisation for reportable segments		**257,442**	204,949
Amortization of brand		**2,706**	2,706
		260,148	207,655
25. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Gross sales			
Local	25.2	**8,884,539**	7,335,472
Export		**561,369**	652,786
		9,445,908	7,988,258
Toll manufacturing		**60,076**	57,118
		9,505,984	8,045,376
Less: Trade discount		**1,157,613**	822,713
Sales return		**97,226**	101,243
Sales tax		**276,625**	195,303
		1,531,464	1,119,259
		7,974,520	6,926,117
25.1 Disaggregation of revenue			
Sale of goods and services		**7,915,045**	6,869,570
Toll manufacturing		**59,475**	56,547
		7,974,520	6,926,117

25.2 This include sales to government organizations amounting to Rs. 10.15 million (2023: Rs. 366.46 million)

	Note	2024	2023
		---------- (Rupees in '000) ----------	
26. COST OF SALES			
Raw and packing materials consumed	26.1	**3,481,811**	3,117,062
Manufacturing overheads			
Salaries, wages and benefits	26.2	**532,642**	472,523
Fuel and power		**256,353**	201,959
Depreciation on operating fixed assets	4.4	**116,742**	99,089
Repairs and maintenance		**92,599**	72,680
Provision for slow moving and obsolete stock-in-trade	10.4	**50,076**	110,545
Laboratory and factory supplies		**45,879**	52,434
Research and development cost		**19,418**	-
Stores and spares consumed		**13,332**	11,995
Rent, rates and taxes		**12,573**	13,991
Printing and stationery		**9,670**	10,145
Depreciation on right-to-use assets	4.6.1	**7,444**	5,992
Travelling, conveyance and entertainment		**6,635**	3,350
Takaful		**5,263**	4,260
Postage and communication		**1,998**	1,346
Amortisation	6.2	**577**	725
Training and development cost		**542**	151
Legal and professional		**35**	1,103
Others		**956**	136
		1,172,734	1,062,424
		4,654,545	4,179,486
Work-in-process			
Opening		**158,131**	190,105
Closing		**(214,700)**	(158,131)
		(56,569)	31,974
Cost of goods manufactured		**4,597,976**	4,211,460
Finished goods			
Opening		**627,565**	484,262
Closing		**(583,087)**	(627,565)
		44,478	(143,303)
Physician samples		**(87,927)**	(52,940)
		4,554,527	4,015,217

26.1 Raw and packing materials consumed

	2024	2023
Opening stock	**1,161,795**	743,087
Purchases	**3,516,057**	3,535,770
	4,677,852	4,278,857
Closing stock	**(1,196,041)**	(1,161,795)
	3,481,811	3,117,062

26.2 This includes amount of Rs. 16.3 million (2023: Rs. 14.64 million) and Rs. 26.61 million (2023: Rs. 19.7 million) in respect of defined contribution and defined benefit plan respectively.

	Note	2024	2023
		---------- (Rupees in '000) ----------	

27. SELLING AND DISTRIBUTION EXPENSES

	Note	2024	2023
Salaries and benefits	27.1	**1,189,900**	1,103,412
Sales promotion expenses		**439,838**	345,311
Training and development cost		**81,534**	108,236
Freight charges		**80,531**	79,804
Depreciation on operating fixed assets	4.4	**80,273**	55,721
Repair and maintenance		**72,016**	56,849
Traveling, conveyance and entertainment		**95,619**	60,897
Subscription charges		**35,305**	37,595
Depreciation on right-of-use assets	4.6.1	**30,820**	24,038
Fuel and power		**38,947**	31,414
Takaful		**12,869**	8,380
Rent, rate and taxes		**11,660**	11,574
Allowance for expected credit loss		**-**	
Service charges		**5,481**	-
Postage and communication		**5,963**	4,608
Legal and professional		**4,628**	4,649
Printing and stationery		**3,318**	4,043
Ijarah lease rentals		**1,612**	2,726
Amortization	6.2	**2,832**	2,786
		2,193,146	1,942,043

27.1 This includes Rs. 36.23 million (2023: Rs. 29.75 million) and Rs. 5.94 million (2023: Rs. 5.7 million) in respect of defined contribution and defined benefit plan respectively.

	Note	2024	2023
		---------- (Rupees in '000) ----------	

28. ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries and benefits	28.1	**299,960**	245,493
Repairs and maintenance		**81,663**	43,924
Fuel and power		**23,950**	19,636
Legal and professional		**23,636**	12,592
Depreciation on operating fixed assets	4.4	**20,827**	20,968
Rent, rates and taxes		**15,045**	8,421
Printing and stationery		**13,186**	8,355
Traveling, conveyance and entertainment		**12,744**	4,864
Postage and communication		**5,481**	3,523
Auditors’ remuneration	28.2	**4,802**	4,421
Directors' fee		**1,525**	3,100
Takaful		**3,508**	2,852
Amortization	6.2	**633**	1,042
Training and development cost		**206**	253
Others		**1,266**	463
		508,432	379,907

28.1 This includes amount of Rs.11.88 million (2023: Rs. 9.64 million) and Rs. 3.69 million (2023: Rs. 3.2 million) in respect of contribution to provident fund and provision of gratuity respectively.

	Note	2024	2023
		(Rupees in '000)	
28.2 Auditors' remuneration			
Annual audit fee of the Holding Company and a Subsidiary		**2,000**	1,857
Half year review of the Holding Company		**600**	474
Annual audit fee of consolidated financial statements of the Holding Company		**500**	517
Certifications for free float, CDC, unclaimed dividend Code of Corporate Governance and Shariah Audit		**900**	833
		4,000	3,681
Out of pocket expenses		**446**	413
Sales tax		**356**	327
		4,802	4,421

29. OTHER EXPENSES

	Note	2024	2023
Sindh Workers' Profit Participation Fund		**33,477**	30,230
Workers' Welfare Fund		**12,721**	11,487
Central Research Fund		**6,785**	6,046
Exchange loss - net		**-**	3,011
Mark-up on Sindh Workers' Profit Participation Fund		**-**	66
Operating fixed assets written off		**-**	1,697
		52,983	52,537

30. OTHER INCOME

	Note	2024	2023
Income from financial assets			
Profit on saving accounts - Islamic		**14,272**	9,410
Income from non-financial assets			
Gain on disposal of operating fixed assets	4.2	**52,810**	43,525
Gain on termination of lease		**-**	6,867
Scrap sales		**2,144**	6,147
Exchange gain - net		**716**	-
Dividend income on mutual fund units		**-**	7,643
Others		**3,058**	5,877
		58,728	70,059
		73,000	79,469

31 FINANCE COST

	Note	2024	2023
Profit / mark-up on:			
- Loan from a related party		**10,613**	7,896
- Diminishing musharakah		**67,998**	43,410
- Murabaha		**14,398**	3,051
- Musharakah running finance		**2,558**	5,472
Markup on lease liabilities	5.1.1	**13,574**	11,295
Markup on GIDC		**12,578**	-
Mark-up on Sindh Workers' Profit Participation Fund		**3,015**	-
Others		**-**	39
		124,734	71,163
Bank charges and commission		**1,261**	1,287
		125,995	72,450

	2024	2023
	---------- (Rupees in '000) ----------	
32. TAXATION		
Current	**227,467**	181,720
Prior	**(35,287)**	(22,483)
Deferred	**(1,710)**	(465)
	190,470	158,772

32.1 Income tax assessments of the Group have been finalised up to and including the tax year 2023 under the self assessment scheme.

	2024	2023	2024	2023
	(Effective tax rate%)		---------- (Rupees in '000) ----------	
32.2 Relationship between income tax expense and accounting profit				
Accounting profit before taxation			**595,382**	556,835
Tax at the enacted tax rate	**29.00**	29.00	**172,661**	161,482
Effect of super tax	**9.80**	10.00	**58,338**	55,684
Tax effects of:				
Income subject to minimum tax	**1.88**	0.55	**11,167**	3,071
Income subject to FTR	**(2.31)**	(1.41)	**(13,725)**	(7,830)
Carried forward turnover tax adjustment	**(0.67)**	(6.34)	**(4,000)**	(35,300)
Prior period adjustment	**(5.93)**	(4.04)	**(35,287)**	(22,483)
Others	**0.35**	0.74	**2,101**	4,148
	32.12	28.50	**191,255**	158,772

32.3 Subsidiary Company

Provision for current taxation has been made on the basis of Minimum tax under section 113 of the Income Tax Ordinance, 2001.

	Note	2024	2023
		---------- (Rupees in '000) ----------	
33. BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the year attributable to the owners of the Holding company		**406,692**	357,128
		------- Number of shares -------	
Weighted average number of ordinary shares in issue		**45,811,018**	45,811,018
Basic earnings per share (Rupees)	33.1	**8.88**	7.80

33.1 There is no dilutive effect on basic earnings per share of the Group as at June 30, 2024 and June 30, 2023.

	Note	2024	2023
		---------- (Rupees in '000) ----------	

34. CASH GENERATED FROM OPERATIONS

	Note	2024	2023
Profit before income tax		**592,676**	507,559
Adjustments of non-cash and other items:			
Depreciation on operating fixed assets	4.4	**217,842**	175,778
Depreciation on right-of-use assets	4.6.1	**38,264**	30,030
Amortisation	6.2	**4,042**	4,553
Finance cost	31	**112,421**	61,155
Mark-up on lease liabilities	31	**13,574**	11,295
Provision for gratuity	18.1.4	**40,190**	31,801
Operating fixed assets written off		**-**	1,697
Gain on disposal of property, plant and equipment	30	**(52,810)**	(43,525)
Gain on termination of lease		**-**	(6,867)
Dividend income on mutual fund units		**-**	(7,643)
Provision for slow moving and obsolete stock-in-trade	10.4	**50,076**	108,749
Allowance for expected credit loss		**19,761**	26,659
Change in working capital	34.1	**(312,767)**	(561,129)
		723,269	340,112

34.1 Change in working capital

	2024	2023
(Increase) / decrease in current assets		
Stores and spares	**698**	(2,013)
Stock-in-trade	**(210,693)**	(648,914)
Trade debts	**(67,528)**	(80,301)
Loans and advances	**(132,556)**	(10,364)
Trade deposits, prepayments and other receivables	**(17,820)**	20,282
Sales tax refundable	**29,086**	140,787
	(398,813)	(580,523)
Increase in current liabilities		
Trade and other payables	**86,046**	19,394
	(312,767)	(561,129)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are credit risk, operational risk, liquidity risk and market risk (including return rate risk, currency risk and price risk). The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

35.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group's management is regularly conducting detailed analysis on sectors.

35.1.1 Exposure to credit risk

The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy. The maximum exposure to credit risk at the reporting date is:

	Note	2024	2023
		(Rupees in '000)	
Long-term deposits	8	**75,240**	60,402
Trade debts	11	**472,307**	416,489
Loans	7	**5,728**	5,609
Trade deposits and other receivables	13	**91,115**	77,680
Cash and Bank balances	16	**187,673**	54,974
		832,063	615,154

The Group does not take into consideration the value of collateral while testing financial assets for impairment. The Group considers the credit worthiness of counterparties as part of its risk management.

Long-term deposits

This represents long term deposits under diminishing musharakah and with utility companies. The Group does not foresee any credit exposure there against as the amounts are paid to counterparty as per agreement and is refundable on termination of the agreement with respective counterparty.

Trade debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Group's sales are made against receipts in advance from customers. The Group has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Group for several years. The Group establishes an allowance for impairment where it considers recoveries are not probable.

The information about the credit risk exposure on the Group's trade receivables as at June 30, 2023 and June 30, 2024 is disclosed in note 11.4 of these consolidated financial statements

Loans

This represent loan given to executive and other employees as per the policy of the Group, the management does not expect to incur credit loss there against.

Trade deposits and other receivables

These represent deposits placed with various suppliers as per the terms of securing availability of services. The management does not expect to incur credit loss there against.

Cash and bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Banks	Rating agency	Rating	
		Short term	Long term
Al Baraka Bank (Pakistan) Limited	VIS	A-1	A+
Askari Bank Limited	PACRA	A-1+	AA+
Bank Al Habib Limited	PACRA	A-1+	AAA
Bank Al Falah Limited - Islamic	PACRA	A-1+	AAA
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Habib Bank Limited	VIS	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
MCB Islamic Bank Limited	PACRA	A-1	A+
Meezan Bank Limited	VIS	A-1+	AAA
Allied Bank Limited	PACRA	A-1+	AAA
Bank islami Pakistan Limited	PACRA	A-1	AA-
The Bank of Punjab	PACRA	A-1+	AA+
Habib Metro Bank Pakistan Limited	PACRA	A-1+	AA+
First Habib Modaraba	PACRA	A-1+	AA+
UBL Ameen Islamic Banking	VIS	A-1+	AAA

35.1.2 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

35.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Group's financial liabilities at the following reporting dates:

	2024				
	Carrying amount	Contractual cashflows	upto one year	one to five years	More than five years
	(Rupees in '000)				
Long term financing	464,524	(627,531)	(185,806)	(410,747)	(30,978)
Lease liabilities	113,416	(152,319)	(46,366)	(105,953)	-
Trade and other payables	903,929	(903,929)	(903,929)	-	-
Short-term borrowings	105,000	(111,807)	(111,807)	-	-
Unclaimed dividend	550	(550)	(550)	-	-
	1,587,419	(1,796,136)	(1,248,458)	(516,700)	(30,978)

	2023				
	Carrying amount	Contractual cashflows	upto one year	one to five years	More than five years
	(Rupees in '000)				
Long term financing	396,839	(575,961)	(150,392)	(385,639)	(39,930)
Lease liabilities	143,366	(202,143)	(44,350)	(157,793)	-
Trade and other payables	941,543	(941,543)	(941,543)	-	-
Short-term borrowings	34,166	(34,966)	(34,966)	-	-
Unclaimed dividend	1,457	(1,457)	(1,457)	-	-
	1,517,371	(1,756,070)	(1,172,708)	(543,432)	(39,930)

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

35.2.1 Changes in liabilities from financing activities

	July 01, 2023	**Cash Flows**	**Non cash flow**	**June 30, 2024**
	(Rupees in '000)			
Long-term financing	**396,839**	**(94,385)**	**162,070**	**464,524**
Lease liabilities	**143,366**	**(43,524)**	**13,574**	**113,416**
Short-term borrowings	**34,166**	**169,998**	**-**	**204,164**
Unclaimed dividend	**1,457**	**(907)**	**-**	**550**
	575,828	**31,182**	**175,644**	**782,654**

35.3 Market Risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risks which includes interest rate risk, currency risk and other price risk, such as equity risk. There has been no change in the Group's exposure to market risk or the manner in which this risk is managed and measured.

35.3.1 Return rate risk

Return rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market return rates. The Group’s return rate risk arises from long-term financing, short-term borrowings, Murabaha payables and bank deposits obtained with floating rates. All the borrowings of the Group are obtained and investments made in the functional currency.

At the reporting date, the return rate profile of Group’s return-bearing financial instruments was:

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Financial asset			
Local currency - savings accounts	16	**176,469**	44,542
Financial liabilities			
Long-term financing	19	**464,524**	396,839
Short-term borrowings	22	**105,000**	34,166
		393,055	386,463

The Group analyses its return rate exposure on a regular basis by monitoring existing facilities against prevailing market return rates and taking into account various other financing options available.

The following figures demonstrate the sensitivity to a reasonably possible change in return rate, with all other variables held constant, of the Group's profit before tax:

	Increase / (decrease) in basis points	Effect on profit before tax
		(Rupees in '000)
2024		
Change in return rate	**+100**	(3,931)
Change in return rate	**-100**	3,931
2023		
Change in return rate	**+100**	(3,865)
Change in return rate	**-100**	3,865

35.3.2 Currency Risk

Currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at the reporting date, the Group is not materially exposed to such risk.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2024			2023		
	Rupees	**US Dollars**	**Chinese Yuan**	Rupees	US Dollars	Chinese Yuan
	---------------------------------- (Amounts in '000) ----------------------------------					
Financial assets						
Bank Balance	**26,101**	**94**	**-**	-	-	-
Financial liabilities						
Trade creditors	**(37,951)**	**(110)**	**(188)**	-	-	-
Net exposure	**(11,850)**	**(16)**	**(188)**	-	-	-

The following significant exchange rates applied during the year:

	2024	2023	2024	2023
	Average rates		Reporting date rates	
	(Rupees in '000)			
US Dollar to PKR	**282.90**	250.57	**278.34**	285.99
Chinese Yuan to PKR	**39.16**	35.96	**38.31**	39.67

Sensitivity analysis

A 10 percent strengthening / (weakening) of the Pak Rupee against the US Dollar and Chinese Yuan at June 3, 2024 would have decreased the profit by Rs. 1.13 million. This analysis assumes that all other variables, in particular return rates, remain constant and the analysis is performed on the same basis as done in prior year.

35.3.3 Equity price risk

Equity price risk is the risk arising from uncertainties about future value of investment securities. As at reporting date, the Group is not exposed to equity price risk.

	Note	2024	2023
		(Rupees in '000)	
35.4 Categories of financial instruments			
35.4.1 Financial assets as per statement of financial position			
At amortised cost			
Trade debts	11	**472,307**	416,489
Cash and bank balances	16	**187,673**	54,974
Trade deposits and other receivables	13	**91,115**	77,680
Long-term deposits	8	**75,240**	60,402
Loans	7	**5,728**	5,609
		832,063	615,154
35.4.2 Financial liabilities as per statement of financial position			
At amortised cost			
Long-term financing	19	**464,524**	396,839
Lease liabilities	5.1	**113,416**	143,366
Trade and other payables	21	**903,929**	941,543
Short-term borrowings	22	**105,000**	34,166
Unclaimed dividend		**550**	1,457
		1,587,419	1,517,371

35.5 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate fair values.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The following table shows assets recognised at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35.6 Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance charges thereon, less cash and cash equivalents.

The gearing ratios as at June 30, 2024 and 2023 are as follows:

	Note	2024	2023
		---------- (Rupees in '000) ----------	
Long-term financing	19	**464,524**	396,839
Accrued profit	21	**7,627**	6,951
Total debt		**472,151**	403,790
Cash and bank balances	16	**(187,673)**	(54,974)
Net debt		**284,478**	348,816
Share capital	17	**458,111**	458,111
Reserves		**2,496,389**	2,190,996
Total capital		**2,954,500**	2,649,107
Capital and net debt		**3,238,978**	2,997,923
Gearing ratio		**8.78%**	11.64%

The Group finances its operations through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

36. CAPACITY AND PRODUCTION

The capacity and production of the Group's Pharmaceuticals machines are indeterminable as these are multi-product and involve varying processes of manufacture.

37. TRANSACTIONS WITH RELATED PARTIES

37.1 Related parties of the Group comprise associates, companies with common directorship, directors, key management personnel, staff provident fund and a subsidiary. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

Descriptions	**Nature of transactions**	2024	2023
		---------- (Rupees in '000) ----------	
Key Management Personnel	Dividend	**46,423**	62,324
	Short term benefits	**63,368**	50,210
	Retirement benefits	**3,064**	2,460
Executive Director	Loan repaid	**3,684**	3,684
Non-Executive Directors	Fee for attending meetings	**1,525**	3,100
Provident fund	Contribution paid	**60,557**	54,040
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	**5,461**	4,525
Balances Outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	**3,102**	1,339

37.2 There are no other related parties with whom the Group had entered into transactions or has arrangement / agreement in place.

37.3 The Group carries out transactions with related parties at commercial terms and conditions as per the Group's policy.

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Executive		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees in '000)							
Managerial remuneration	**27,330**	23,018	**27,330**	23,018	**23,062,631**	339,084	**23,117,291**	385,120
Bonus	**1,658**	-	**1,658**	-	**24,706**	1,540	**28,022**	1,540
Perquisites	**99**	247	**573**	99	**1,317**	625	**1,989**	971
Retirement benefits	**1,532**	1,230	**1,532**	1,230	**1,318,322**	22,100	**1,321,386**	24,560
Other benefits	**2,344**	1,909	**2,376**	1,919	**3,036,354**	33,619	**3,041,074**	37,447
	32,963	26,404	**33,469**	26,266	**27,443,330**	396,968	**27,509,762**	449,638
Number of persons	**1**	1	**1**	1	**77**	68	**79**	70

38.1 The Chief Executive, Directors and Executives are also provided with free use of Group maintained cars as per the terms of their employment.

38.2 The non-executive directors are not entitled to any remuneration except meeting fee as disclosed in note 37.1.

38.3 As per the Act, an executive means an employee, other than the chief executive and director, whose salary exceeds twelve hundred thousand rupees in a financial year.

39. NUMBER OF PERSONS EMPLOYED

Number of persons employed as at year end were 1,176 (2023: 1,262), the average number of persons employed during the year were 1,207 (2023: 1,385) and number of person employed in factory as at year end were 464 (2023: 411).

40. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison or better presentation, the effect of which is immaterial and is summarised below:

Particulars	Reclassified from	Reclassified to	Amount Rupees in '000
Charge on loss allowance on trade debts and trade deposits	Selling and distribution expenses	Statement of profit or loss	35,873
Provision For Gas Infrastructure Development Cess (GIDC)	Long term provision	Current portion of long term provision	71,122

40. GENERAL

40.1 Non-adjusting event after the reporting date

Subsequent to year ended June 30, 2024, the Board of Directors of the Company in its meeting held on September 27, 2024 has proposed final cash dividend @ Rs. 1.00/- per share amounting to Rs. 45.811 million (2023: Rs. 0.54/- per share amounting to Rs. 24.738 million) for approval of the members at the Annual General Meeting to be held on October 26, 2024.

40.2 Date of authorisation for issue

These consolidated financial statements were authorised for issue on September 27, 2024 by the Board of Directors of the Group.

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

FORM OF PROXY
Annual General Meeting

I / We, ____ of ______________________________being the member(s) of Macter International Limited and holder of ___________________________________ Ordinary Shares as per Share Register Folio/CDC Account No. _____________________________hereby appoint Mr./Ms. ________________________ having CNIC No. or Passport No. ____________________ Folio/CDC Account No._______of_________________ or failing him/her___________________________ having CNIC No. or Passport No.___________________ Folio/CDC Account No. _____________________of ___________________ who is also a member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on October 26, 2024 at 12:30 pm and/or at any adjournment thereof.

Signed this ___________day of October, 2024

Rupees Five Revenue Stamp)

Witnesses:
1. Signature:___________________
Name:________________________
CNIC#:________________________
Address:______________________
2. Signature:___________________
Name:________________________
CNIC#:________________________
Address:______________________

Signature_________________________
(The signature should agree with the specimen signature with the Company)

IMPORTANT:

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, F-216, SITE, Karachi at least 48 hours before the time fixed for the meeting.

2. This form should be signed by the member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.

For CDC Account Holders/Corporate Entities

In addition to the above the following requirements have to be met.

(i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC or Passport Numbers shall be mentioned on the form.

(ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iii) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

(iv) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

پراکسی فارم

سالانہ اجلاس عام

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ از ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ بحیثیت میکٹر انٹرنیشنل لمیٹڈ کے ممبر(ز)اور۔۔۔۔۔۔۔۔۔۔۔۔ عام حصص یافتہ مطابق شیئر زرجسٹرڈ فولیو/ سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ محترم/ محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔جن کا سی این آئی سی نمبر یا پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔فولیو/ سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔از۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔یا ان کے حاضر نہ ہوسکنے کی صورت میں محترم/ محترمہ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔از۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔جن کا سی این آئی سی نمبر یا پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔فولیو/ سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔کو اپنے/ ہمارے ایماء پر کمپنی کے 26 اکتوبر 2024 کو صبح 12:30 بجے ہونے والے سالانہ اجلاس عام میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا/ کرتے ہیں۔

آج بتاریخ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ اکتوبر 2024 میرے/ ہمارے دستخط ہوئے۔

پانچ روپے کا رسیدی ٹکٹ

دستخط ____________________________

(اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے۔)

گواہ نمبر 1۔ دستخط: ____________________________

نام: ____________________________

سی این آئی سی نمبر: ____________________________

پتہ: ____________________________

گواہ نمبر 2۔ دستخط: ____________________________

نام: ____________________________

سی این آئی سی نمبر: ____________________________

پتہ: ____________________________

اہم نکات:

1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس ایف 216، سائٹ، کراچی میں موصول ہو جانا چاہیئے۔

2۔ فارم پر ممبر یا اس کا تحریراً مقرر کردہ اٹارنی دستخط کرے گا۔ ممبر کارپوریشن ہونے کی صورت میں اس کی مہر فارم پر ثبت کرنی ہوگی۔

سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کے لئے

مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔

(i) پراکسی فارم پر دو افراد کی گواہی ہونی چاہیئے جن کے نام، پتے اور شناختی کارڈ یا پاسپورٹ نمبر فارم میں درج ہوں۔

(ii) پراکسی فارم کے ہمراہ بینیفیشل اونر کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔

(iii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔

(iv) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو تو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔


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