



QUARTERLY  
**REPORT**  
SEPTEMBER 30  
**2023**



**WORKING TODAY**  
FOR A HEALTHIER TOMORROW

**Macter International Limited**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

1.	Mr. Amanullah Kassim	Chairman	Independent Director
2.	Mr. Asif Misbah	Chief Executive	Executive Director
3.	Mr. Swaleh Misbah Khan		Executive Director
4.	Sheikh Muhammed Waseem		Non-Executive Director
5.	Syed Anis Ahmad Shah		Independent Director
6.	Sheikh Perwez Ahmed		Non-Executive Director
7.	Mr. Muhammad Ather Sultan		Non-Executive Director
8.	Ms. Masarrat Misbah		Non-Executive Director
9.	Mr. Jawwad Ahmed Farid		Independent Director

### BOARD AUDIT COMMITTEE

1.	Syed Anis Ahmad Shah	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

Mr. Muhammad Rizwan Rauf

### 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  
Askri 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](http://www.macter.com)



## DIRECTORS' REVIEW REPORT

We are pleased to present the un-audited un-consolidated and consolidated condensed interim financial statements for the three months ended September 30, 2023:

### FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - September			
	Un-consolidated		Consolidated	
	2023	2022	2023	2022
Turnover - Net	1,657	1,946	1,749	2,003
Gross profit	632	764	686	795
Operating Profit	70	218	77	212
Profit before tax	42	208	44	201
Profit after tax	26	138	27	129

### FINANCIAL PERFORMANCE

Net Turnover for the period ended 30th September 2023 clocked in at PKR 1,657m - a 15% decline over same period last year.

Our government tender sales were significantly lower than last year (1st QTR 23/24: PKR 22m vs 1st QTR 22/23: PKR 316m). This was due to exceptional tender sales in 1st QTR 22/23 and a planned reduction in tender business in FY 23/24 on account of deteriorating margins and delayed payments in tender business.

Our core prescription business grew by +2% (Current period: Rs. 1,477m vs Last year: Rs. 1,445m). Low growth is reflected due to exceptional sales of Cobolmin (methycobalamin) and DX3 (vitamin D3) in 1st quarter 2023. Otherwise adjusted for exceptions our prescription business is growing at a good pace supported by strong performance of brands such as Pegstim (Pegylated GCSF) in Oncology; Mac-Epo (Erythropoietin) in Nephrology; and Titan (Ceftriaxone) in Anti-Infectives.

In our continued efforts to provide best health care products to our customers we launched three new products during the period, Vprazan (Vonoprazan) in Gastroenterology, Indyco (Indacaterol Maleate + Glycopyrronium Bromide) in Pulmonology and Empozin-L (Empagliflozin + Linagliptin) in Diabetes segment. We are confident that these innovative medicines will perform well in the market.

Gross margins, Operating profit and Profit before tax remained under pressure due to significant rupee devaluation and inflation especially the impact of increase in utilities, fuel cost and minimum wages. High KIBOR also contributed to increased financial charges. Price increase allowed by DRAP was not sufficient to mitigate for devaluation and inflation.

### EARNINGS PER SHARE

Earnings per share as per unconsolidated financial statements for the period July-September 2023 was Rs. 0.57 (2022-23: earning per share of Rs. 3.02).



#### **FUTURE OUTLOOK**

Recessionary macro-economic environment, significant inflationary cost pressures, high SBP base mark-up rate and persistent rupee weakness are the main hurdles in devising future strategies for price regulated pharmaceutical sector.

Government grant of one time inflationary price adjustment was not sufficient to mitigate adverse operating margins. Adoption of a fair pricing policy which transparently adjusts for macro-economic factors such as PKR depreciation and Inflation (without the need for taking permission from DRAP for essential medicines) and deregulation of pricing for rest of the medicines is the only viable solution for pharmaceutical sector business sustainability and access of high quality medicines for the nation.

Despite an extremely challenging environment, we expect that the company is well positioned to deliver consistent profitable growth under the Board's guidance.

#### **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

Karachi  
October 20, 2023

**Muhammad Ather Sultan**  
Director

### مستقبل کا جائزہ

کسادبازاری کا میکرواکنامک ماحول، افراط زر کی لاگت کا دباؤ، اسٹیٹ بینک کی جانب سے مارک اپ کی بلند شرح اور روپے کی مسلسل کمزوری پرائس ریگولیٹڈ فارماسیوٹیکل سیکٹر کے لیے مستقبل کی حکمت عملی وضع کرنے میں اہم رکاوٹیں ہیں۔

حکومت کی جانب سے ایک بار افراط زر کی قیمتوں میں ایڈجسٹمنٹ کی منظوری منفی آپریٹنگ مارجن کو کم کرنے کے لئے کافی نہیں تھی۔ منصفانہ قیمتوں کے تعین کی پالیسی کو اپنانا جو شفاف طریقے سے میکرواکنامک عوامل جیسے کہ روپے کی قدر میں کمی اور افراط زر (ضروری ادویات کے لئے DRAP سے اجازت کی ضرورت کے بغیر) اور باقی ادویات کے لئے قیمتوں کو ڈی ریگولیشن کے لیے ایڈجسٹ کرنا ہے، فارماسیوٹیکل سیکٹر کے کاروباری استحکام اور قوم کے لئے اعلیٰ معیار کی ادویات تک رسائی کا واحد قابل عمل حل ہے۔


انتہائی چیلنجنگ ماحول کے باوجود، ہم توقع کرتے ہیں کہ کینی بورڈ کی رہنمائی کے تحت مسلسل منافع بخش ترقی فراہم کرنے کے لئے اچھی پوزیشن میں ہے۔


### اعتراف

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کے عزم اور لگن کو سراہتے ہیں جنہوں نے ہماری زندگی بچانے والی ادویات کی فراہمی کو یقینی بنانے کے لئے کام کیا ہے۔ ہم اپنے قابل قدر شیئر ہولڈرز، صارفین، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز کی حمایت اور تعاون کا بھی اعتراف کرتے ہیں۔

مسلسل فضل و کرم پر تمام تعریضات اور تشکر اللہ سبحانہ و تعالیٰ کے لیے ہے۔

منجانب بورڈ

  
محمد اطہر سلطان  
ڈائریکٹر

  
آصف مصباح  
چیف ایگزیکٹو

کراچی

اکتوبر 20، 2023ء

## ڈائریکٹرز جائزہ رپورٹ

ہم 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ غیر مدغم شدہ اور مدغم شدہ مختصر مالیاتی عبوری گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## مالیاتی نتائج

(روپے ملین میں)

مندرجات	جولائی - ستمبر			
	مدغم شدہ		غیر مدغم شدہ	
	2022	2023	2022	2023
فروخت خالص	2,003	1,749	1,946	1,657
مجموعی منافع	795	686	764	632
آپریٹنگ منافع	212	77	218	70
قبل از ٹیکس منافع	201	44	208	42
بعد از ٹیکس منافع	129	27	138	26

## مالیاتی کارکردگی

30 ستمبر 2023ء کو ختم ہونے والی مدت کے دوران خالص کاروبار 1,657 ملین روپے رہا جو گزشتہ سال کے اسی عرصے کے مقابلے میں 15 فیصد کم ہے۔

ہماری گورنمنٹ ٹینڈر فروخت گزشتہ سال کے مقابلے میں نمایاں طور پر کم تھی (پہلی سہ ماہی 22:23/24 ملین روپے بمقابلہ پہلی سہ ماہی 22:23/24 ملین روپے)۔ یہ پہلی سہ ماہی 22/23 میں غیر معمولی ٹینڈر فروخت اور مالیاتی سال 23/24 میں ٹینڈر کے کاروبار میں خراب مارجن اور ٹینڈر کاروبار میں تاخیر سے ادائیگیوں کی وجہ سے منصوبہ بند کم کی وجہ سے ہوا تھا۔

ہمارے بذریعہ نسخہ فروخت کاروبار میں 2 فیصد اضافہ ہوا (موجودہ مدت: گزشتہ سال کے مقابلے میں 1,477 ملین روپے: 1,445 ملین روپے)۔ 2023 کی پہلی سہ ماہی میں Cobolmin (methycobalamin) اور DX3 (DX3 من D3) کی غیر معمولی فروخت کی وجہ سے کم ترقی کی عکاسی ہوتی ہے۔ بصورت دیگر مستثنیات کے لئے ایڈجسٹ کیا جائے تو براہ ذریعہ Oncology میں Nephrology: Pegstim (Pegylated GCSF) اور Anti-Infectives میں Titan Mac-Epo (Erythropoietin) اور Ceftriaxone کی مضبوط کارکردگی کی مدد سے ہمارا بذریعہ نسخہ فروخت کاروبار اچھی رفتار سے بڑھ رہا ہے۔

اپنے صارفین کو بہترین صحت کی دیکھ بھال کی مصنوعات فراہم کرنے کی ہماری مسلسل کوششوں میں ہم نے اس عرصے کے دوران تین نئی مصنوعات لانچ کیں، Gastroenterology میں Vprazan (Vonoprazan) اور Pulmonology میں Indycyco (Indacaterol Maleate + Glycopyrronium Bromide) اور ذیابیطس کے شعبے میں Empozin-L (Empagliflozin + Linagliptin)۔ ہمیں یقین ہے کہ یہ جدید ادویات مارکیٹ میں اچھی کارکردگی کا مظاہرہ کریں گی۔

روپے کی قدر میں نمایاں کمی اور افراط زر بالخصوص یوٹیلیٹی، ایندھن کی لاگت اور کم از کم اجرت میں اضافے کے اثرات کی وجہ سے مجموعی مارجن، آپریٹنگ منافع اور قبل از ٹیکس منافع دباؤ میں رہا۔ بلند KIBOR بھی مالی چارجز میں اضافے کا سبب بنا۔ قدر میں کمی اور افراط زر کو کم کرنے کے لیے DRAP کی جانب سے دی گئی قیمتوں میں اضافہ کافی نہیں تھا۔

## فی حصص منافع

جولائی تا ستمبر 2023ء کی مدت کے لئے غیر مدغم شدہ مالیاتی گوشواروں کے مطابق فی حصص آمدنی 0.57 روپے (2022-23: 3.02 روپے فی حصص آمدنی) تھی۔





**UN-CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2023**

**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2023

		SEPTEMBER 30, 2023	JUNE 30, 2023
	NOTE	..... (RUPEES IN '000) .....	
<b>ASSETS</b>		<b>UN-AUDITED</b>	<b>AUDITED</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,990,690	2,052,470
Intangible assets		1,242	1,531
Long-term investment	6	300,000	300,000
Long-term loans		2,122	1,930
Long-term deposits		59,428	58,165
Deferred taxation - net		3,559	357
		<b>2,357,041</b>	<b>2,414,453</b>
<b>CURRENT ASSETS</b>			
Stores and spares		19,578	18,812
Stock-in-trade	7	1,826,036	1,776,163
Trade debts	8	307,899	382,862
Loans and advances		132,657	140,183
Trade deposits, prepayments and other receivables		107,870	81,465
Sales tax refundable	9	35,532	38,712
Taxation - net		57,874	16,373
Cash and bank balances	10	87,825	54,382
		<b>2,575,271</b>	<b>2,508,952</b>
<b>TOTAL ASSETS</b>		<b>4,932,312</b>	<b>4,923,405</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital			
65,000,000 (2023: 65,000,000) ordinary shares of Rs 10/- each		650,000	650,000
Issued, subscribed and paid-up capital	11	458,111	458,111
Capital reserve		1,225,860	1,225,860
Revenue reserve - accumulated profit		1,213,029	1,186,722
		<b>2,897,000</b>	<b>2,870,693</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		212,545	221,633
Long-term financing	12	266,199	279,056
Long-term provision	13	74,390	72,906
Lease Liabilities		98,706	122,712
		<b>651,840</b>	<b>696,307</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,261,219	1,254,912
Accrued profit		2,880	6,117
Current portion of long-term financing	12	74,486	73,265
Current portion of lease liabilities		43,430	20,654
Unclaimed dividends		1,457	1,457
		<b>1,383,472</b>	<b>1,356,405</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,932,312</b>	<b>4,923,405</b>

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
		..... (RUPEES IN '000) .....	
Turnover		1,657,361	1,945,631
Cost of sales		(1,025,107)	(1,182,022)
Gross profit		632,254	763,609
Distribution costs		(463,216)	(449,891)
Administrative expenses		(109,905)	(88,356)
Other expenses		(3,602)	(17,852)
Other income		14,644	10,182
		(562,079)	(545,917)
Operating profit		70,175	217,692
Financial charges	12.2	(28,178)	(9,569)
Profit before taxation		41,997	208,123
Taxation	16	(15,690)	(69,910)
Net profit for the period		26,307	138,213
		..... (RUPEES) .....	
Basic and diluted earnings per share		0.57	3.02

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	QUARTER ENDED	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	..... (RUPEES IN '000) .....	
Net profit for the period	26,307	138,213
Other comprehensive income for the period	-	-
Total comprehensive income for the period	26,307	138,213

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
		..... (RUPEES IN '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		41,997	208,123
Adjustments of non cash and other items:			
Depreciation on operating fixed assets		48,724	36,568
Depreciation on right-of-use assets		8,711	6,442
Amortization		289	403
Financial charges		21,718	7,916
Markup on Lease liabilities		6,460	1,653
Provision for gratuity		15,897	9,785
Gain on disposal of property, plant and equipment		(13,539)	935
Dividend income on mutual fund units		-	(5,284)
Provision for slow moving and obsolete stock-in-trade		29,305	40,648
Allowance for expected credit loss		-	5,606
		117,565	104,672
		159,562	312,795
<b>(Increase) / decrease in current assets</b>			
Stores and spares		(766)	(1,428)
Stock-in-trade		(79,178)	(156,899)
Trade debts		74,963	(398,568)
Loans and advances		7,526	19,102
Trade deposits, prepayments and other receivables		(26,405)	(1,493)
Sales tax refund / (paid) - net		3,180	109,501
		(20,680)	(429,785)
<b>Increase in current liabilities</b>			
Trade and other payables		6,307	389,797
		145,189	272,807
Financial charges paid		(24,955)	(7,970)
Income tax (paid) / refunded - net		(60,393)	(33,752)
Gratuity paid		(25,275)	(7,969)
Long-term loans - net		(192)	124
Long-term deposits - net		(1,263)	(4,110)
Deferred liabilities - net		289	216
		(111,789)	(53,461)
<b>Net cash generated from operating activities</b>		33,400	219,346
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(65)	(58,340)
Proceeds from disposal of property, plant and equipment		17,950	2,770
Additions to intangible assets		-	(918)
Short-term investment made		-	(44,491)
Proceeds from disposal of short-term investment		-	25,000
Dividend income on mutual fund units		-	5,284
Net cash generated / (used in) investing activities		17,885	(70,695)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing - net		(11,636)	(33,183)
Long-term provision		1,484	1,434
Principal portion of lease liabilities paid		(7,690)	(3,189)
<b>Net cash (used in) financing activities</b>		(17,842)	(34,938)
<b>Net (decrease) / increase in cash and cash equivalent</b>		33,443	113,713
<b>Cash and cash equivalents at the beginning of the period</b>		54,382	212,728
<b>Cash and cash equivalents at the end of the period</b>	10	87,825	326,441

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	TOTAL
		CAPITAL RESERVES	REVENUE RESERVES		
		SHARE PREMIUM	UNAPPROP- -RIATED PROFIT		
..... (RUPEES IN '000) .....					
Balance as at July 01, 2022	458,111	1,225,860	891,385	2,117,245	2,575,356
Net profit for the period	-	-	138,213	138,213	138,213
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	138,213	138,213	138,213
Balance as at September 30, 2022	458,111	1,225,860	1,029,598	2,255,458	2,713,569
Balance as at July 01, 2023	458,111	1,225,860	1,186,722	2,412,582	2,870,693
Net profit for the period	-	-	26,307	26,307	26,307
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	26,307	26,307	26,307
Balance as at September 30, 2023	458,111	1,225,860	1,213,029	2,438,889	2,897,000

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

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE

  
 DIRECTOR



**NOTES TO THE UN-CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

**1. THE COMPANY AND ITS OPERATIONS**

- 1.1** Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company and was converted into a public limited company in 2011. Effective from August 01, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The geographical location of the registered office of the Company is F-216, S.I.T.E., Karachi.
- 1.2** The principal activity of the Company is to manufacture and market pharmaceutical products.
- 1.3** These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2023.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's unconsolidated annual audited financial statements for the year ended June 30, 2023.

#### 4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2023.

	NOTE	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 AUDITED
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		<b>UN-AUDITED</b>	
Operating fixed assets	5.1	1,785,501	1,818,570
Capital work-in-progress	5.2	79,502	99,501
Right-of-use asset		125,687	134,399
		<b>1,990,690</b>	<b>2,052,470</b>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	..... (UN-AUDITED) .....			
	..... (RUPEES IN '000) .....			
Buildings on leasehold land	-	1,321	-	-
Plant and machinery	8,886	2,717	-	309
Tools and equipment	403	745	-	-
Gas and other installation	329	7,260	-	2,898
Furniture and fixtures	1,013	583	-	-
Office equipment	2,235	100	-	-
Computer equipment	418	490	-	77
Motor vehicles	6,782	106,162	4,411	420
	<b>20,066</b>	<b>119,378</b>	<b>4,411</b>	<b>3,704</b>



## 5.2 Capital work-in-progress

	SEPTEMBER 30, 2023		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	..... (RUPEES IN '000) .....		
	..... (UN-AUDITED) .....		
Balance at beginning of the period	38,593	60,908	99,501
Capital expenditure incurred / advances made	3,483	(11,698)	(8,215)
Transferred to operating fixed assets	-	(11,784)	(11,784)
Balance at end of the period	42,076	37,426	79,502

	NOTE	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 ..... (RUPEES IN '000) .....
		UN-AUDITED	AUDITED
6. LONG-TERM INVESTMENT			
Investment in subsidiary - at cost			
Misbah Cosmetic (Private) Limited			
30,000,000 (2023 : 30,000,000) ordinary shares			
representing 79.84% (2023 : 79.84% ) voting shares		300,000	300,000

6.1 The Subsidiary Company is Engaged in selling and distribution of cosmetic products.

## 7. STOCK IN TRADE

In hand			
- raw material		893,355	840,094
- packing material		251,317	271,087
- work-in-process		199,437	158,131
- finished goods		613,296	627,565
		1,957,405	1,896,877
Less: Provision for slow moving and obsolete stock-in-trade	7.1	(141,118)	(124,383)
		1,816,287	1,772,494
In transit		9,749	3,669
		1,826,036	1,776,163

	NOTE	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 AUDITED
		UN-AUDITED	
<b>7.1 Provision for slow moving and obsolete stock-in-trade</b>			
The movement of provision for slow moving and obsolete stock-in-trade during the period / year is as follows:			
Balance at beginning of the period / year		124,383	99,909
Provision recognised during the period / year		29,305	110,545
Write offs during the period / year		(12,570)	(86,071)
		16,735	24,474
Balance at end of the period / year		141,118	124,383
<b>8. TRADE DEBTS - unsecured</b>			
Considered good		307,899	382,862
Considered doubtful		138,005	138,005
		445,904	520,867
Allowance for expected credit loss	8.1	(138,005)	(138,005)
Trade debts - net		307,899	382,862
<b>8.1 Allowance for expected credit loss</b>			
The movement in expected credit loss during the period / year is as follows:			
Balance at beginning of the period / year		138,005	111,346
Provision recognised during the period / year		-	26,659
Write offs during the period / year		-	-
		-	26,659
Balance at end of the period / year		138,005	138,005
<b>9. SALES TAX - net</b>			
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. In this respect net Rs.35.53 (2023: 38.71) million is sales tax input paid on purchases/import of materials up to September 30, 2023 which is refundable on consumption basis.			
Moreover, aforesaid law has further been amended through the Finance Act, 2022 with effective 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.			

	NOTE	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 AUDITED
		UN-AUDITED	
<b>10. CASH AND BANK BALANCES</b>			
Cash in hand		1	-
Cash in bank			
Conventional bank:			
- current account		4,976	6,917
Islamic banks:			
- current accounts		60,406	1,466
- saving accounts	10.1	20,985	44,542
- dividend accounts		1,457	1,457
		87,824	54,382
		87,825	54,382

10.1 These carry profit at the rates ranging from 10.00% to 11.00% (2023: 3.25% to 10.25%) per annum.

#### 11. SHARE CAPITAL

##### 11.1 Authorized share capital

SEPTEMBER 30, 2023 ----- NUMBER OF SHARES ----- UN-AUDITED	JUNE 30, 2022 AUDITED		SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2022 AUDITED
65,000,000	65,000,000	Ordinary shares of Rs.10 each	650,000	650,000

##### 11.2 Issued, subscribed and paid-up share capital

SEPTEMBER 30, 2023 ----- NUMBER OF SHARES ----- UN-AUDITED	JUNE 30, 2022 AUDITED		SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2022 AUDITED
8,430,868	8,430,868	Issued for cash	84,309	84,309
30,489,649	30,489,649	Issued as fully paid bonus shares	304,897	304,897
223,834	223,834	Issued pursuant to merger with Associated Services Limited	2,238	2,238
6,666,667	6,666,667	Issued as fully paid right shares	66,667	66,667
45,811,018	45,811,018		458,111	458,111



		SEPTEMBER 30, 2023	JUNE 30, 2023
	NOTE	..... (RUPEES IN '000) .....	..... (RUPEES IN '000) .....
		UN-AUDITED	AUDITED
<b>12. LONG-TERM FINANCING - secured</b>			
<b>Secured</b>			
Diminishing musharakah on			
- vehicles	12.1	<b>340,685</b>	352,321
Less : Current maturity shown under current liabilities		<b>(74,486)</b>	(73,265)
		<b>266,199</b>	279,056

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

**12.2** Financial charges on long-term financing for the period ended September 30, 2023 is Rs. 18.28 million (September 30, 2022: Rs. 7.61 million).

		SEPTEMBER 30, 2023	JUNE 30, 2023
		..... (RUPEES IN '000) .....	..... (RUPEES IN '000) .....
		UN-AUDITED	AUDITED
<b>13. LONG-TERM PROVISION</b>			
Gas Infrastructure Development Cess (GIDC)		<b>74,390</b>	72,906

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

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

However, as a matter of abundant caution and without prejudice to the suit filed, the Company had made aggregate provision of Rs.85.65 million for GIDC, having a present value Rs. 74.39 million in the unconsolidated financial statements.

	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 ..... (RUPEES IN '000) .....
	UN-AUDITED	AUDITED
<b>14. TRADE AND OTHER PAYABLES</b>		
Trade and other creditors	721,907	780,660
Advances from customers - contract liabilities	316,884	237,481
Accrued liabilities	8,089	13,038
Sindh Workers' Profit Participation Fund	34,324	30,230
Workers' Welfare Fund	45,683	44,817
Central Research Fund	6,502	6,046
Payable to provident fund	11,158	11,430
Refund liability	75,650	75,650
Auditors' remuneration	4,676	3,603
Other government levies	13,207	11,402
Others	23,139	40,555
	<u>1,261,219</u>	<u>1,254,912</u>
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Contingencies</b>		
15.1.1 Claims not acknowledged as debt by the Company	<u>14,246</u>	<u>12,620</u>
15.1.2 There is no material change in the status of contingencies as disclosed in notes 25.1 to the annual audited financial statements for the year ended June 30, 2023 except as mentioned in above notes.		
	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 ..... (RUPEES IN '000) .....
	UN-AUDITED	AUDITED
<b>15.2 Commitments</b>		
Capital commitments	<u>46,735</u>	<u>13,606</u>
Outstanding letters of credit	<u>569,983</u>	<u>581,697</u>
Outstanding letters of guarantee	<u>97,770</u>	<u>117,962</u>
	QUARTER ENDED	
	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	SEPTEMBER 30, 2022 ..... (RUPEES IN '000) .....
	..... (UN-AUDITED) .....	
<b>16. TAXATION</b>		
Current	18,892	74,787
Deferred	(3,202)	(4,877)
	<u>15,690</u>	<u>69,910</u>

**17. TRANSCATIONS WITH RELATED PARTIES**

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

		QUARTER ENDED	
		SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
		..... (RUPEES IN '000) .....	..... (UN-AUDITED) .....
Relationship	Nature of transactions		
Provident Fund	Contribution made	13,823	13,169
Non-Executive Director	Fee for attending meetings	575	800
Key Management Personnel	Salary and other benefits	76,101	63,579

**18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual unconsolidated financial statements and should be read in conjunction with the Company's annual unconsolidated audited financial statements for the year ended June 30, 2023. There have been no change in any risk management policies since the year end.

**19. DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue on October 20, 2023, by the Board of Directors of the Company.

**20. GENERAL**

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

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2023**

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

		SEPTEMBER 30, 2023	JUNE 30, 2023
	NOTE	..... (RUPEES IN '000) .....	
ASSETS		UN-AUDITED	AUDITED
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,008,949	2,070,014
Intangible assets		47,485	48,537
Long-term loans		2,122	1,930
Long-term deposits		61,690	60,402
Deferred tax asset		3,559	357
		2,123,805	2,181,240
<b>CURRENT ASSETS</b>			
Stores and spares		19,578	18,812
Stock-in-trade	6	1,978,113	1,861,822
Trade debts	7	372,170	416,489
Loans and advances		144,657	145,570
Trade deposits, prepayments and other receivables		108,374	81,465
Sales tax - net	8	35,532	38,712
Taxation - net		57,874	21,568
Cash and bank balances	9	94,382	54,974
		2,810,680	2,639,412
<b>TOTAL ASSETS</b>		4,934,485	4,820,652
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 65,000,000 (2022: 65,000,000) ordinary shares of Rs 10/- each		650,000	650,000
Issued, subscribed and paid-up capital	10	458,111	458,111
Capital reserve		1,225,860	1,225,860
Revenue reserve - accumulated profit		991,848	965,136
		2,675,819	2,649,107
Non controlling interest		8,482	8,209
		2,684,301	2,657,316
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		216,627	224,785
Long-term financing	11	306,111	319,890
Long-term provision	12	74,390	72,906
Lease liabilities		98,706	122,712
		695,834	740,293
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,350,759	1,282,866
Accrued profit		6,367	6,951
Short-term borrowings	14	74,166	34,166
Current portion of long-term financing	11	78,170	76,949
Current portion of lease liabilities		43,430	20,654
Unclaimed dividends		1,457	1,457
		1,554,349	1,423,043
<b>CONTINGENCIES AND COMMITMENTS</b>	15		
<b>TOTAL EQUITY AND LIABILITIES</b>		4,934,485	4,820,652

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

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE

  
 DIRECTOR





**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
		..... (RUPEES IN '000) .....	
Turnover		1,749,441	2,003,060
Cost of sales		(1,063,721)	(1,208,408)
<b>Gross profit</b>		<b>685,720</b>	794,652
Distribution costs		(509,726)	(485,296)
Administrative expenses		(112,323)	(89,454)
Other expenses		(3,602)	(17,852)
Other income		17,129	10,194
		(608,522)	(582,408)
<b>Operating profit</b>		<b>77,198</b>	212,244
Financial charges	11.3 & 14.3	(33,372)	(11,508)
<b>Profit before taxation</b>		<b>43,826</b>	200,736
Taxation	17	(16,841)	(72,209)
<b>Net profit for the period</b>		<b>26,985</b>	128,527
		..... (RUPEES) .....	
<b>Basic and diluted earnings per share</b>		<b>0.59</b>	2.91

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

**Attributable to:**

Owner of the Holding Company  
Non- controlling interest

26,712	130,870
273	(2,343)
<b>26,985</b>	<b>128,527</b>

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	QUARTER ENDED	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	..... (RUPEES IN '000) .....	
Net profit for the period	26,985	128,527
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>26,985</b>	<b>128,527</b>

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

**Attributable to:**

Owner of the Holding Company	26,712	130,870
Non- controlling interest	273	(2,343)
	<b>26,985</b>	<b>128,527</b>

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

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

**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
		..... (RUPEES IN '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		43,826	200,736
Adjustments of non-cash and other items:			
Depreciation on operating fixed assets		9,220	37,000
Depreciation on right-of-use assets		48,724	6,442
Amortization		1,052	1,100
Financial charges		26,912	9,855
Markup on Lease liabilities		6,460	1,653
Provision for gratuity		16,827	9,785
Gain on disposal of property, plant and equipment		(16,024)	923
Dividend income on mutual fund units		-	(5,284)
Provision for slow moving and obsolete stock-in-trade		29,305	40,377
Allowance for expected credit loss		-	5,606
		122,476	107,457
		166,302	308,193
<b>(Increase) / decrease in current assets</b>			
Stores and spares		(766)	(1,428)
Stock-in-trade		(145,596)	(157,837)
Trade debts		44,319	(388,808)
Loans and advances		913	18,707
Trade deposits, prepayments and other receivables		(26,909)	(4,611)
Sales tax (paid)/ refund - net		3,180	109,501
		(124,859)	(424,476)
<b>Increase in current liabilities</b>			
Trade and other payables		67,893	393,114
		109,336	276,831
Financial charges paid		(27,496)	(10,061)
Income tax (paid) / refunded - net		(56,349)	(36,051)
Gratuity paid		(25,275)	(7,969)
Long-term loans - net		(192)	124
Long-term deposits - net		(1,288)	(4,437)
Deferred liabilities - net		289	216
		(110,311)	(58,178)
<b>Net cash (used in) / generated from operating activities</b>		(975)	218,653
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(1,644)	(58,381)
Proceeds from disposal of property, plant and equipment		20,790	2,800
Additions of intangible asset		-	(918)
Short-term investment made		-	(44,491)
Proceeds from disposal of short-term investment		-	25,000
Dividend income on mutual fund units		-	5,284
<b>Net cash generated from / (used in) investing activities</b>		19,146	(70,706)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings - net		40,000	12,440
Long-term financing - net		(12,558)	(34,104)
Long-term provision		1,484	1,434
Principal portion of lease liabilities paid		(7,690)	(3,189)
<b>Net cash generated from / (used in) financing activities</b>		21,237	(23,419)
<b>Net (decrease) in cash and cash equivalents</b>		39,408	124,528
<b>Cash and cash equivalents at the beginning of the period</b>		54,974	215,306
<b>Cash and cash equivalents at the end of the period</b>	9	94,382	339,834

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	NON- CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL	REVENUE			
		SHARE PREMIUM ACCOUNT	UNAPPROP- -RIATED 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
Net profit / (loss) for the period	-	-	130,343	130,343	(1,816)	128,527
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	130,343	130,343	(1,816)	128,527
Balance as at September 30, 2022	458,111	1,225,860	835,882	2,061,742	14,734	2,534,587
Balance as at July 01, 2023	458,111	1,225,860	965,136	2,190,996	8,209	2,657,316
Net profit / (loss) for the period	-	-	26,712	26,712	273	26,985
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	26,712	26,712	273	26,985
Balance as at September 30, 2023	458,111	1,225,860	991,848	2,217,708	8,482	2,684,301

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

  
**CHIEF FINANCIAL OFFICER**

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

**1. THE COMPANY AND ITS OPERATIONS**

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

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

**1.2 Following is the Subsidiary Company**

	Effective %age of holding	
	SEPTEMBER 30, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED
Misbah Cosmetic (Private) Limited	79.84%	79.84%

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's consolidated annual audited financial statements for the year ended June 30, 2023.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computations adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended June 30, 2023.

**4. ACCOUNTING ESTIMATES AND JUDGMENTS**

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Company's consolidated annual audited financial statements for the year ended June 30, 2023.

		SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 ..... (RUPEES IN '000) .....
	NOTE	UN-AUDITED	AUDITED
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>1,803,760</b>	1,836,114
Capital work-in-progress	5.2	<b>79,502</b>	99,501
Right-of-use assets		<b>125,687</b>	134,399
		<b>2,008,949</b>	2,070,014

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

	QUARTER ENDED		QUARTER ENDED	
	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	(RUPEES IN '000)			
	(UN-AUDITED)			
Buildings on leasehold land	-	5,229	-	-
Plant and machinery	9,021	37,233	-	-
Tools and equipment	403	70,571	-	-
Gas and other installation	329	26,103	-	685
Furniture and fixture	2,103	2,413	-	-
Office equipment	2,235	4,214	-	-
Computer equipment	418	1,839	18	37
Motor vehicles	7,136	74,746	4,411	5,528
	<b>21,645</b>	<b>222,348</b>	<b>4,429</b>	<b>6,250</b>

5.2 Capital work-in-progress

	SEPTEMBER 30, 2023		
	BUILDING ON LEASEHOLD LAND	PLANT, MACHINERY & OTHERS	TOTAL
	(RUPEES IN '000)		
	(UN-AUDITED)		
Balance at beginning of the period	38,593	60,908	99,501
Capital expenditure incurred / advances made	3,483	(11,698)	(8,215)
Transferred to operating fixed assets	-	(11,784)	(11,784)
Balance at end of the period	<b>42,076</b>	<b>37,426</b>	<b>79,502</b>

6. STOCK-IN-TRADE

	NOTE	SEPTEMBER 30, 2023	JUNE 30, 2023
		(RUPEES IN '000)	(RUPEES IN '000)
		UN-AUDITED	AUDITED
In hand			
- raw material		893,355	840,094
- packing material		251,317	271,087
- work-in-process		199,437	158,131
- finished goods		711,725	688,258
		<b>2,055,834</b>	<b>1,957,570</b>
Less: Provision for slow moving and obsolete stock-in-trade	6.1	(152,993)	(134,462)
		<b>1,902,841</b>	<b>1,823,108</b>
In transit		75,272	38,714
		<b>1,978,113</b>	<b>1,861,822</b>



		SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 .....
	NOTE	UN-AUDITED	AUDITED
<b>6.1 Provision for slow moving and obsolete stock-in-trade</b>			
The movement of provision for slow moving and obsolete stock-in-trade during the period / year is as follows:			
Balance at the beginning of the period / year		136,258	111,784
Provision recognised during the period / year		29,305	108,749
Write offs during the period / year		(12,570)	(86,071)
		16,735	22,678
Balance at the end of the period / year		152,993	134,462
<b>7. TRADE DEBTS - unsecured</b>			
Considered good		372,170	416,489
Considered doubtful		147,296	147,296
		519,466	563,785
Allowance for expected credit loss	7.1	(147,296)	(147,296)
Trade debts - net		372,170	416,489
<b>7.1 Allowance for expected credit loss</b>			
The movement in expected credit loss during the period / year is as follows:			
Balance at beginning of the period / year		147,296	120,637
Provision recognised during the period / year		-	26,659
Write offs during the period / year		-	-
		-	26,659
Balance at end of the period / year		147,296	147,296
<b>8. SALES TAX - net</b>			
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. In this respect net Rs.35.53 (2023: 38.71) million is sales tax input paid on purchases/import of materials up to June 30, 2023 which is refundable on consumption basis.			



Moreover, aforesaid law has further been amended through the Finance Act, 2022 with effective 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.

9. CASH AND BANK BALANCES	NOTE	SEPTEMBER 30, 2023	JUNE 30, 2023
		..... (RUPEES IN '000) .....	..... (RUPEES IN '000) .....
		UN-AUDITED	AUDITED
Cash in hand		1	-
Cash in bank			
Conventional bank:			
- current accounts		11,533	7,509
Islamic banks:			
- current accounts		60,406	1,466
- saving accounts	9.1	20,985	44,542
- dividend accounts		1,457	1,457
		94,381	54,974
		94,382	54,974

9.1 These carry profit at the rates ranging from 10.00% to 11.00% (2023: 3.25% to 10.25%) per annum.

## 10. SHARE CAPITAL

### 10.1 Authorized share capital

SEPTEMBER 30, 2023	JUNE 30, 2023		SEPTEMBER 30, 2023	JUNE 30, 2023
----- NUMBER OF SHARES -----	----- NUMBER OF SHARES -----		..... (RUPEES IN '000) .....	..... (RUPEES IN '000) .....
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
65,000,000	65,000,000	Ordinary shares of Rs.10 each	650,000	650,000

### 10.2 Issued, subscribed and paid-up share capital

SEPTEMBER 30, 2023	JUNE 30, 2023		SEPTEMBER 30, 2023	JUNE 30, 2023
----- NUMBER OF SHARES -----	----- NUMBER OF SHARES -----		..... (RUPEES IN '000) .....	..... (RUPEES IN '000) .....
UN-AUDITED	AUDITED		UN-AUDITED	AUDITED
15,097,535	15,097,535	Issued for cash	150,976	150,976
30,489,649	30,489,649	Issued as fully paid bonus shares	304,897	304,897
		Issued pursuant to merger with		
223,834	223,834	Associated Services Limited	2,238	2,238
45,811,018	45,811,018		458,111	458,111

	NOTE	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 AUDITED
<b>11. LONG-TERM FINANCING</b>		<b>UN-AUDITED</b>	
Loan from related party	11.1	43,596	44,518
<b>Secured</b>			
Diminishing musharakah on - vehicles	11.2	340,685	352,321
Less : Current maturity shown under current liabilities		(78,170)	(76,949)
		<b>306,111</b>	<b>319,890</b>

**11.1** This represents loan obtained from a director of the Holding Company to meet working capital requirements, under mark-up arrangements. It carries profit at 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2023 which is fixed for the period as 22.23% per annum. (2023: 90 days average of 12 Months KIBOR for 3rd calendar Quarter-2022 which is fixed for the period as 14.48% per annum). The profit and principal are payable on monthly basis.

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

**11.3** Financial charges on long term financing for the period ended September 30, 2023 is Rs.20.81 million (September 30, 2022: Rs.9.46 million).

	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 AUDITED
<b>12. LONG-TERM PROVISION</b>	<b>UN-AUDITED</b>	
Gas Infrastructure Development Cess (GIDC)	74,390	72,906

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

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

However, as a matter of abundant caution and without prejudice to the suit filed, the Holding Company had made aggregate provision of Rs. 85.65 million for GIDC, having a present value of Rs. 74.39 million in these consolidated financial statements.

		SEPTEMBER 30, 2023	JUNE 30, 2023
	NOTE	..... (RUPEES IN '000) .....	
		UN-AUDITED	AUDITED
<b>13. TRADE AND OTHER PAYABLES</b>			
Trade and other creditors		<b>780,633</b>	788,295
Advances from customers - contract liabilities		<b>317,510</b>	238,337
Accrued liabilities		<b>31,250</b>	26,489
Sindh Workers' Profit Participation Fund		<b>34,324</b>	30,230
Workers' Welfare Fund		<b>45,683</b>	44,817
Central Research Fund		<b>6,502</b>	6,046
Payable to provident fund		<b>11,158</b>	11,430
Refund liability		<b>75,650</b>	75,650
Auditors' remuneration		<b>4,676</b>	3,603
Other government levies		<b>20,234</b>	17,414
Others		<b>23,139</b>	40,555
		<b>1,350,759</b>	1,282,866

**14. SHORT-TERM BORROWINGS - secured**

Murabaha	14.1	<b>24,166</b>	24,166
Other	14.2	<b>50,000</b>	10,000
		<b>74,166</b>	34,166

**14.1** This represent outstanding murabaha facilities obtained by the Subsidiary Company with MCB Islamic Bank for the purpose of purchase of inventory. This carries profit at the rate 3 Months KIBOR plus 2.25% (2023: 3 Month KIBOR plus 2.25%) per annum and having maturity till November 2023 (2023: November 2023). These are secured against hypothecation of stock in trade and trade debts of the Subsidiary Company.

**14.2** This represent outstanding murabaha transaction entered by the Subsidiary Company for the purpose of purchase of inventory. This carries profit at the rate 16% (2023: 16%) per annum and having maturity till March 2024 (2023: December 2023). These are secured against hypothecation of stock in trade and trade debts of the Subsidiary Company. This includes transaction by one of the director of the Subsidiary amounting to 10 Million.

**14.3** Financial charges on short term borrowings for the period ended September 30, 2023 is Rs.4.01 million (September 30, 2022: Rs.0.04 million).



	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 ..... (RUPEES IN '000) .....
	UN-AUDITED	AUDITED
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Contingencies</b>		
<b>15.1.1</b> Claims not acknowledged as debt by the Holding Company	<b>14,246</b>	12,622
<b>15.1.2</b> There is no material change in the status of contingencies as disclosed in note 24.1 to the annual consolidated audited financial statements for the year ended June 30, 2023 except as mentioned above.		

	SEPTEMBER 30, 2023 ..... (RUPEES IN '000) .....	JUNE 30, 2023 ..... (RUPEES IN '000) .....
	UN-AUDITED	AUDITED
<b>15.2 Commitments</b>		
Capital commitments	<b>46,735</b>	581,697
Outstanding letters of credit	<b>569,983</b>	117,962
Outstanding letters of guarantee	<b>97,770</b>	13,606

Commitments for Ijarah rentals in respect of motor vehicles are as follows:

Year		
2024	<b>734</b>	735
2025	<b>644</b>	-
2026	<b>740</b>	-
2027	<b>851</b>	-
2028	<b>473</b>	-
	<b>3,442</b>	735

16. OPERATING SEGMENTS

	HOLDING COMPANY QUARTER ENDED		SUBSIDIARY COMPANY QUARTER ENDED		GROUP QUARTER ENDED	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	(RUPEES IN '000)					
Turnover	1,657,361	1,945,631	92,080	57,429	1,749,441	2,003,060
Cost of sales	(1,025,107)	(1,182,022)	(38,614)	(26,386)	(1,063,721)	(1,208,408)
Gross profit	632,254	763,609	53,466	31,043	685,720	794,652
Other income	14,644	10,182	2,485	12	17,129	10,194
Distribution costs	(463,216)	(449,891)	(46,509)	(35,405)	(509,726)	(485,296)
Administrative expenses	(109,905)	(88,356)	(1,741)	(421)	(112,323)	(89,454)
Other expenses	(3,602)	(17,852)	-	-	(3,602)	(17,852)
Financial charges	(28,178)	(9,569)	(5,194)	(1,939)	(33,372)	(11,508)
Profit / (loss) before tax	41,997	208,123	2,507	(6,710)	43,826	200,736
	(RUPEES IN '000)					
	SEPTEMBER 30, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED	SEPTEMBER 30, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED	SEPTEMBER 30, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED
Segment assets	4,632,312	4,623,405	256,945	151,342	4,889,257	4,774,747
Unallocated assets	-	-	-	-	45,228	45,905
Segment liabilities	2,035,312	2,052,712	214,871	110,624	2,250,184	2,163,336

17. TAXATION

	QUARTER ENDED	
	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	(RUPEES IN '000)	
	(UN-AUDITED)	
Current	20,043	6,321
Deferred	(3,202)	56,845
	16,841	63,166

**18. TRANSCATIONS WITH RELATED PARTIES**

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

Relationship	Nature of transaction	QUARTER ENDED	
		SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
		..... (RUPEES IN '000) .....	
		..... (UN-AUDITED) .....	
Provident Fund	Contribution paid	13,823	13,169
Non-executive directors	Fee for attending meetings	575	800
Key management personnel	Salary and other benefits	79,586	66,579
	Repayment of loan	921	921
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	1,371	865
<b>Balances outstanding</b>			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	2,363	1,016

**19. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated audited financial statements for the year ended June 30, 2023. There have been no change in any risk management policies since the year end.

**20. DATE OF AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were authorised for issue on October 20, 2023 by the Board of Directors of the Company.

**21. GENERAL**

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

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



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