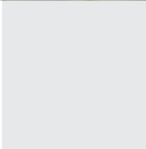
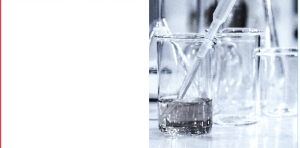
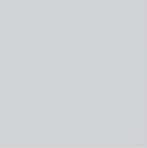


HALF YEARLY
REPORT
DECEMBER 31
2023



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.	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.	Syed Anis Ahmad Shah*		Independent Director

*Syed Anis Ahmed Shah resigned on 13 December 2023

BOARD AUDIT COMMITTEE

1.	Syed Anis Ahmad Shah*	Chairman
2.	Sheikh Muhammed Waseem	Member
3.	Mr. Muhammad Ather Sultan	Member

*resigned on 13 December 2023

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
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

DIRECTORS' REVIEW REPORT

We are pleased to present the un-audited un-consolidated and consolidated condensed interim financial statements for the half year ended December 31, 2023:

FINANCIAL RESULTS

Rupees Millions

DESCRIPTION	July - December			
	Unconsolidated		Consolidated	
	2023	2022	2023	2022
Turnover - Net	3,581	3,779	3,808	3,911
Gross profit	1,454	1,550	1,585	1,618
Operating Profit	258	394	278	382
Profit before tax	205	373	214	357
Profit after tax	195	249	200	227

FINANCIAL PERFORMANCE

The company's net turnover for the period ended 31st December 2023 clocked in at PKR 3,581m registering a 5% decrease compared with same period of last year.

During the said period, our core **prescription business** continued to grow and registered an increase of 13% (Current period: Rs. 3,190 m vs Last year: Rs. 2,819m) based on strong performance of our brands such as **Pegstim** (Pegylated GCSF) in Oncology; **Mac-Epo** (Erythropoietin) in Nephrology; and **Titan** (Ceftriaxone) in Anti-Infectives. The net turnover decline of 5% was mainly attributable to fall in **government tender** sales as compared with tender business sales in the same period last year (Half Year ended December 31, 2023: PKR 63m vs Half Year ended December 31, 2022: PKR 395m). This decline in institutional sales was due to exceptional tender sales in the first quarter of FY 2022-23 and as we de-prioritized tender sales due to lower margins and payment delays.

The company's Gross margins and Profit before tax in this period continued to be 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 the effect of devaluation and inflation.

EARNINGS PER SHARE

Earnings per share as per unconsolidated financial statements for the period July-December 2023 was Rs. 4.26 (2022-23: earning per share of Rs. 5.44).

FUTURE OUTLOOK

During the period pharmaceutical sector operating margins were in stress due to recessionary macro-economic environment, significant inflationary cost pressures, high SBP base mark-up rate and persistent rupee weakness.



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 industry sustainability and access of high quality medicines for the nation.

Despite an extremely challenging environment, we believe 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
February 19, 2024

Muhammad Ather Sultan
Director


منصفانہ قیمتوں کی پالیسی کو اپنانا جو شفاف طریقے سے میکرو اکنامک عوامل جیسے روپے کی قدر میں کمی اور افراط زر (ضروری ادویات کے لئے DRAP سے اجازت کی ضرورت کے بغیر) باقی ادویات کے لئے قیمتوں کو ڈی ریگولیشن کیلئے ایڈجسٹ کرنا 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، لگن اور قربانی 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، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز کی حمایت اور تعاون کا بھی اعتراف کرتے ہیں۔

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


محمد اطہر سلطان
ڈائریکٹر

منجانب بورڈ

آصف مصباح
چیف ایگزیکٹو

کراچی
فروری 19، 2024ء



ڈائریکٹرز جائزہ رپورٹ

ہم 31 دسمبر، 2023ء کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ غیر مدغم شدہ اور مدغم شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج

(روپے ملین میں)

جولائی - دسمبر				مندرجات
مدغم شدہ		غیر مدغم شدہ		
2022	2023	2022	2023	
3,911	3,808	3,779	3,581	فروخت خالص
1,618	1,585	1,550	1,454	مجموعی منافع
382	278	394	258	آپریٹنگ منافع
357	214	373	205	قبل از ٹیکس منافع
227	200	249	195	بعد از ٹیکس منافع

مالیاتی کارکردگی

31 دسمبر 2023ء کو ختم ہونے والی مدت کے دوران کمپنی کی خالص فروخت 3,581 ملین روپے رہی جو گزشتہ سال کے اسی عرصے کے مقابلے میں 5 فیصد کم ہے۔

ذکورہ مدت کے دوران، ہمارے بنیادی بذریعہ نسخہ فروخت کاروبار میں مسلسل اضافہ ہوتا رہا۔ ہمارے برانڈز کی اونکولوجی میں Pegstim (Pegylated GCSF)؛ Nephrology میں Mac Epo (Erythropoietin)؛ اور Anti-Infectives میں Titan (Ceftriaxone) مشہور کارکردگی کی بنیاد پر 13 فیصد (موجودہ مدت: 3,190 ملین روپے) بمقابلہ گزشتہ سال کی اسی مدت: 2,819 ملین روپے) کا اضافہ ریکارڈ کیا گیا۔ خالص فروخت میں 5 فیصد کمی کی بنیاد پر 31 دسمبر 2022 کو ختم ٹینڈر کاروباری فروخت کے مقابلے میں سرکاری ٹینڈر کی فروخت میں کمی تھی (31 دسمبر 2023 کو ختم ہونے والا نصف سال: 63 ملین روپے) بمقابلہ 31 دسمبر 2022 کو ختم ہونے والے نصف سال: 395 ملین روپے)۔ انسی ٹیوشل فروخت میں یہ کمی مالی سال 2022-23 کی پہلی سہ ماہی میں غیر معمولی ٹینڈر فروخت کی وجہ سے تھی اور ہم نے کم مارجن اور ادائیگی میں تاخیر کی وجہ سے ٹینڈر فروخت کو ترجیح نہیں دی تھی۔

اس عرصے میں کمپنی مجموعی مارجن اور قبل از ٹیکس منافع روپے کی قدر میں نمایاں کمی اور افراط زر بالخصوص یوٹیلٹی، ایندھن کی لاگت اور کم از کم اجرت میں اضافے کے اثرات کی وجہ سے دباؤ کا شکار رہا۔ بلند KIBOR نے بھی مالیاتی چارجز کے اضافے میں حصہ لیا۔ DRAP کی جانب سے اجازت دی گئی قیمتوں میں اضافہ قدر میں کمی اور افراط زر کے اثرات کو کم کرنے کے لیے کافی نہیں تھا۔

فی حصص منافع

جولائی تا دسمبر 2023ء کی مدت کے لئے غیر مدغم شدہ مالیاتی گوشواروں کے مطابق فی حصص آمدنی 4.26 روپے (2022-23: فی حصص آمدنی 5.44 روپے) تھی۔

مستقبل کا جائزہ

اس عرصے کے دوران فارماسیٹیکل سیکٹر کے آپریٹنگ مارجن کساد بازاری، افراط زر کی لاگت کے دباؤ، اسٹیٹ بینک میں مارک اپ ریٹ میں اضافے اور روپے کی مسلسل گراؤت کی وجہ سے دباؤ کا شکار تھے۔



**UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
HALF YEAR ENDED
DECEMBER 31, 2023**



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Macter International Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Macter International Limited as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements of the Company for the year ended June 30, 2023 and half year ended December 31, 2022 were audited and reviewed by another firm of Chartered Accountants who had expressed an unmodified opinion / conclusion on those statements vide their reports dated September 26, 2023 and February 22, 2023 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Syed Fahim ul Hasan.

**Chartered Accountants
Karachi**

Date: February 26, 2024

UDIN: RR202310133ER6JMXNzm

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	NOTE	DECEMBER 31,	JUNE 30,
		2023	2023
		..... (RUPEES IN '000)	
ASSETS		UN-AUDITED	AUDITED
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,814,728	1,918,071
Right-of-use assets		111,303	134,399
Intangible assets		974	1,531
Long-term investment	6	300,000	300,000
Long-term loans		2,437	1,930
Long-term deposits		59,387	58,165
Deferred taxation - net		-	357
		2,288,829	2,414,453
CURRENT ASSETS			
Stores and spares		20,058	18,812
Stock-in-trade	7	2,133,850	1,776,163
Trade debts	8	399,955	382,862
Loans and advances		190,072	140,183
Trade deposits, prepayments and other receivables		104,087	81,465
Sales tax refundable	9	19,655	38,712
Taxation - net		166,420	16,373
Cash and bank balances	10	86,905	54,382
		3,121,002	2,508,952
TOTAL ASSETS		5,409,831	4,923,405
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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 - unappropriated profit		1,357,110	1,186,722
		3,041,081	2,870,693
NON-CURRENT LIABILITIES			
Deferred liabilities		226,878	221,633
Long-term financing	12	247,577	279,056
Provision for Gas Infrastructure Development Cess		-	1,784
Lease liabilities		90,559	122,712
Deferred taxation - net		13,034	-
		578,048	625,185
CURRENT LIABILITIES			
Trade and other payables	13	1,689,200	1,326,034
Accrued profit		1,573	6,117
Current portion of long-term financing	12	74,486	73,265
Current portion of lease liabilities		23,942	20,654
Unclaimed dividends		1,501	1,457
		1,790,702	1,427,527
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		5,409,831	4,923,405

The annexed notes 1 to 20 form an integral part of these 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 DECEMBER 31, 2023

	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
NOTE	(RUPEES IN '000)			
Revenue from contracts with customers	1,923,252	1,833,619	3,580,613	3,779,250
Cost of sales	(1,101,727)	(1,047,337)	(2,126,834)	(2,229,359)
Gross profit	821,525	786,282	1,453,779	1,549,891
Distribution costs	(529,639)	(517,904)	(992,855)	(967,795)
Administrative expenses	(112,122)	(96,371)	(222,027)	(184,727)
Other expenses	(14,013)	(14,184)	(17,615)	(32,036)
Other income	22,322	18,086	36,966	28,268
	(633,452)	(610,373)	(1,195,531)	(1,156,290)
Operating profit	188,073	175,909	258,248	393,601
Finance cost	(24,713)	(10,552)	(52,891)	(20,121)
Profit before taxation	163,360	165,357	205,357	373,480
Taxation 15	5,459	(54,293)	(10,231)	(124,203)
Profit after taxation	168,819	111,064	195,126	249,277
	..... (RUPEES)			
Basic and diluted earnings per share	3.69	2.42	4.26	5.44

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



**UN-CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2023**

	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
	..... (RUPEES IN '000)			
Profit after taxation	168,819	111,064	195,126	249,277
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>168,819</u>	<u>111,064</u>	<u>195,126</u>	<u>249,277</u>

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

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

FOR THE PERIOD ENDED DECEMBER 31, 2023

	NOTE	HALF YEAR ENDED	
		DECEMBER 31, 2023	DECEMBER 31, 2022
		..... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		205,357	373,480
Adjustments of non cash and other items:-			
Depreciation on operating fixed assets		100,038	79,036
Depreciation on right-of-use assets		23,096	13,328
Amortization		557	831
Financial charges		40,478	16,333
Mark-up on lease liabilities		504	3,788
Finance Cost on Provision for Gas Infrastructure Development Cess		11,909	2,898
Provision for gratuity		30,773	22,055
Gain on disposal of property, plant and equipment		(28,283)	(9,236)
Dividend income on mutual fund units		-	(7,643)
Provision for slow moving and obsolete stock-in-trade - net		(44,207)	45,081
Allowance for expected credit loss - net		(25,325)	19,211
		<u>109,540</u>	<u>185,682</u>
		314,897	559,162
(Increase) / decrease in current assets			
Stores and spares		(1,246)	(2,743)
Stock-in-trade		(313,480)	(352,597)
Trade debts		8,232	(360,482)
Loans and advances		(49,889)	8,682
Trade deposits, prepayments and other receivables		(22,622)	(104,138)
Sales tax refunded		19,057	132,502
		<u>(359,948)</u>	<u>(678,776)</u>
Increase in current liabilities			
Trade and other payables		349,473	306,252
		<u>304,422</u>	<u>186,638</u>
Financial charges paid		(45,022)	(16,368)
Income tax paid		(146,887)	(60,433)
Gratuity paid		(25,918)	(18,915)
Long-term loans - net		(507)	30
Long-term deposits - net		(1,222)	(7,486)
Deferred liabilities - net		390	372
		<u>(219,166)</u>	<u>(102,800)</u>
Net cash generated from operating activities		<u>85,256</u>	<u>83,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant & equipment		(5,177)	(144,823)
Proceeds from disposal of property, plant and equipment		36,765	16,336
Additions to intangible assets		-	(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 generated from investing activities		<u>31,588</u>	<u>37,945</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(24,694)	(68,717)
Long-term financing - net		(30,258)	(57,684)
Principal portion of lease liabilities paid		(29,369)	(15,973)
Net cash used in financing activities		<u>(84,321)</u>	<u>(142,374)</u>
Net increase / (decrease) in cash and cash equivalent		<u>32,523</u>	<u>(20,591)</u>
Cash and cash equivalents at beginning of the period		<u>54,382</u>	<u>212,728</u>
Cash and cash equivalents at end of the period	10	<u>86,905</u>	<u>192,137</u>

The annexed notes 1 to 20 form an integral part of these 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 DECEMBER 31, 2023**

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	TOTAL
		CAPITAL RESERVES SHARE PREMIUM	RESERVES 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	-	-	249,277	249,277	249,277
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	249,277	249,277	249,277
Final cash dividend @ Rs. 1.50 per share for the year ended June 30, 2022	-	-	(68,717)	(68,717)	(68,717)
Balance as at December 31, 2022	<u>458,111</u>	<u>1,225,860</u>	<u>1,071,945</u>	<u>2,297,805</u>	<u>2,755,916</u>
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	-	-	195,126	195,126	195,126
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	195,126	195,126	195,126
Final cash dividend @ Rs. 0.54 per share for the year ended June 30, 2023	-	-	(24,738)	(24,738)	(24,738)
Balance as at December 31, 2023	<u>458,111</u>	<u>1,225,860</u>	<u>1,357,110</u>	<u>2,582,970</u>	<u>3,041,081</u>

The annexed notes 1 to 20 form an integral part of these 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 DECEMBER 31, 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 registered office of the Company is situated at Company is F-216, S.I.T.E., Karachi.
- 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.
- 1.3** The principal activity of the Company is to manufacture and market pharmaceutical and other consumer products.
- 1.4** 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.

2.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

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 except for the adoption of amendments to approved accounting standards, which became effective for the current period as disclosed in note 2.2 to these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

	NOTE	DECEMBER 31, 2023	JUNE 30, 2023
		..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
		UN-AUDITED	AUDITED
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,756,324	1,818,570
Capital work-in-progress	5.2	58,404	99,501
		<u>1,814,728</u>	<u>1,918,071</u>

5.1 Details of additions and disposals to operating fixed assets are as follow:

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Buildings on leasehold land	1,951	5,905	-	-
Plant and machinery	17,858	15,541	-	309
Tools and equipment	542	7,479	-	-
Gas and other installation	2,988	35,198	-	2,898
Furniture and fixtures	1,303	2,813	-	-
Office equipment	2,234	856	-	-
Computer equipment	2,102	2,702	-	270
Motor vehicles	17,296	201,105	8,482	3,623
	<u>46,274</u>	<u>271,599</u>	<u>8,482</u>	<u>7,100</u>



5.2 Capital work-in-progress

	December 31, 2023			
	Building on leasehold land	Plant, machinery and others	Others	Total
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Balance at beginning of the period	38,593	807	60,101	99,501
Capital expenditure incurred / advances made	5,130	3,762	1,174	10,066
Advances refunded	-	-	(26,298)	(26,298)
Transferred to operating fixed assets	(1,952)	(4,274)	(18,639)	(24,865)
Balance at end of the period	<u>41,771</u>	<u>295</u>	<u>16,338</u>	<u>58,404</u>

	NOTE	DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 AUDITED
6. LONG-TERM INVESTMENT			
Investment in subsidiary - at cost			
Misbah Cosmetics (Private) Limited			
30,000,000 (June 30, 2023: 30,000,000)			
ordinary shares representing 79.84%			
(June 30, 2023: 79.84%) voting shares	6.1	<u>300,000</u>	<u>300,000</u>

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

7. STOCK IN TRADE

In hand			
- raw material		836,417	840,094
- packing material		263,134	271,087
- work-in-process		176,795	158,131
- finished goods		756,149	627,565
		<u>2,032,495</u>	<u>1,896,877</u>
Less: Provision for slow moving and obsolete stock-in-trade	7.1	<u>(80,176)</u>	<u>(124,383)</u>
		<u>1,952,319</u>	<u>1,772,494</u>
In transit		<u>181,531</u>	<u>3,669</u>
		<u>2,133,850</u>	<u>1,776,163</u>

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

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

	NOTE	DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 AUDITED
		UN-AUDITED	
Balance at beginning of the period / year		124,383	99,909
Provision recognised during the period / year		6,624	110,545
Write offs during the period / year		(50,831)	(86,071)
		(44,207)	24,474
Balance at end of the period / year		80,176	124,383

8. TRADE DEBTS - unsecured

Considered good		399,955	382,862
Considered doubtful		112,680	138,005
		512,635	520,867
Less: Allowance for expected credit loss	8.1	(112,680)	(138,005)
		399,955	382,862

8.1 Allowance for expected credit loss

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

Balance at beginning of the period / year		138,005	111,346
Provision recognised during the period / year		5,843	26,659
Write offs during the period / year		(31,168)	-
		(25,325)	26,659
Balance at end of the period / year		112,680	138,005

9. 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, however, through Finance (Supplementary) Act, 2021 exemption regime was converted into Zero-rating regime for finished items of pharma products with effect from January 17, 2022, 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 relating to prior purchases including APIs, excipient and packing materials on consumption basis.

Moreover, aforesaid law was further amended through the Finance Act, 2022 and effective from July 01, 2022, a special tax regime for Pharma Sector was introduced whereby manufacture or importer of substances registered as drugs under the Drugs Act, 1976 were made 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, input sales tax adjustable on consumption basis in future amounts to Rs. 16.52 million (June 30, 2023: Rs. 38.71 million).



	NOTE	DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 (RUPEES IN '000)
		UN-AUDITED	AUDITED
10. CASH AND BANK BALANCES			
Cash in hand		11	-
With Banks in Islamic			
- current accounts		82,423	1,466
- saving accounts	10.1	1,113	44,542
- dividend accounts		1,485	1,457
		85,021	47,465
Conventional			
- current account		1,873	6,917
		86,905	54,382

10.1 These carry profit at the rates ranging from 10% to 11% (June 30, 2023: 3.25% to 10.25%) per annum.

11. SHARE CAPITAL

11.1 Authorized share capital

DECEMBER 31, 2023 ---- NUMBER OF SHARES ---- UN-AUDITED	JUNE 30, 2023 AUDITED		DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 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

DECEMBER 31, 2023 ---- NUMBER OF SHARES ---- UN-AUDITED	JUNE 30, 2023 AUDITED		DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 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 Issued pursuant to merger with	304,897	304,897
223,834	223,834	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

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		DECEMBER 31, 2023	JUNE 30, 2023
	NOTE (RUPEES IN '000)	
		UN-AUDITED	AUDITED
12. LONG-TERM FINANCING - secured			
Secured			
Diminishing musharakah on - vehicles	12.1	322,063	352,321
Less: Current maturity shown under current liabilities		(74,486)	(73,265)
		<u>247,577</u>	<u>279,056</u>

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% (June 30, 2023: 3 months KIBOR plus 1.00% to 1.25%) per annum and with maturity till August 2028. These facilities are secured against the respective assets.

12.2 Finance cost on long-term financing for the period ended December 31, 2023 amounts to Rs.35.56 million (December 31, 2022: Rs.15.68 million).

		DECEMBER 31, 2023	JUNE 30, 2023
	NOTE	..... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
13. TRADE AND OTHER PAYABLES			
Trade and other creditors		822,737	575,339
Advances from customers - contract liabilities		407,847	237,481
Current portion of Provision for Gas Infrastructure Development Cess	13.1	84,815	71,122
Accrued liabilities		200,266	218,359
Sindh Workers' Profits Participation Fund		11,149	30,230
Workers' Welfare Fund		28,618	44,817
Central Research Fund		2,230	6,046
Payable to provident fund		11,864	11,430
Refund liability		71,955	75,650
Auditors' remuneration		2,147	3,603
Other government levies		13,389	11,402
Others		32,183	40,555
		<u>1,689,200</u>	<u>1,326,034</u>



13.1 Provision for Gas Infrastructure Development Cess

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, Sui Southern Gas Company Ltd. (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 by the Company as liability and the company 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 this appeal, the Court granted stay order on September 29, 2020 against the demand raised by SSGC and restrained SSGC from taking any coercive action against the Company.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 There is no change in the status of contingency as disclosed in note 25.1.1 to the financial statements for the year ended June 30, 2023 except the exposure under litigation has increased to Rs 16.27 million (June 30, 2022: Rs. 12.62 million) during the period.

14.1.2 There is no material change in the status of contingency as disclosed in note 25.1.2 to the financial statements for the year ended June 30, 2023.

	DECEMBER 31, 2023	JUNE 30, 2023
	..... (RUPEES IN '000)	
	UN-AUDITED	AUDITED
14.2 Commitments		
Capital commitments	<u>73,132</u>	<u>13,606</u>
Outstanding letters of credit	<u>287,192</u>	<u>581,697</u>
Outstanding letters of guarantee	<u>98,250</u>	<u>117,962</u>

Half Yearly Report December 31, 2023



	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
	..... (RUPEES IN '000)			
	..... (UN-AUDITED)			
15. TAXATION				
Current	28,911	52,201	47,803	126,988
Prior	(50,963)	-	(50,963)	-
Deferred	16,593	2,092	13,391	(2,785)
	<u>(5,459)</u>	<u>54,293</u>	<u>10,231</u>	<u>124,203</u>

16. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	HALF YEAR ENDED	
		DECEMBER 31, 2023	DECEMBER 31, 2022
		..... (RUPEES IN '000)	
		..... (UN-AUDITED)	
Provident Fund	Contribution made	30,205	26,654
Non-Executive Director	Fee for attending meetings	1,550	1,488
	Dividend	154	427
Key Management Personnel	Salary and other benefits	180,972	121,695
	Dividend	16,344	45,400
Misbah Cosmetics (Private) Limited	Purchases	1,082	-
	Payments	1,005	-
	Payable	77	-

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

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



Fair value of financial instruments

International financial reporting standard 7, 'Financial instruments: Disclosure' requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

There are no investments measured at fair value as at December 31, 2023.

18. GENERAL

18.1 General

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

19. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 19, 2024, by the Board of Directors of the Company.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
HALF YEAR ENDED
DECEMBER 31, 2023**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		DECEMBER 31, 2023	JUNE 30, 2023
	NOTE	..... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,834,495	1,935,615
Right-of-use assets		111,303	134,399
Intangible assets		46,464	48,537
Long-term loans		2,437	1,930
Long-term deposits		61,318	60,402
Deferred tax asset -net		-	357
		2,056,017	2,181,240
CURRENT ASSETS			
Stores and spares		20,058	18,812
Stock-in-trade	6	2,280,651	1,861,822
Trade debts	7	506,075	416,489
Loans and advances		202,899	145,570
Trade deposits, prepayments and other receivables		106,400	81,465
Sales tax refundable	8	19,655	38,712
Taxation - net		166,420	21,568
Cash and bank balances	9	89,674	54,974
		3,391,832	2,639,412
TOTAL ASSETS		5,447,849	4,820,652
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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	10	458,111	458,111
Capital reserve		1,225,860	1,225,860
Revenue reserve - accumulated profit		1,139,500	965,136
		2,823,471	2,649,107
Non controlling interest		9,555	8,209
		2,833,026	2,657,316
NON-CURRENT LIABILITIES			
Deferred liabilities		231,648	224,785
Long-term financing	11	286,568	319,890
Provision for Gas Infrastructure Development Cess		-	1,784
Lease liabilities		90,559	122,712
Deferred tax liability -net		13,034	-
		621,809	669,171
CURRENT LIABILITIES			
Trade and other payables	12	1,799,318	1,353,988
Accrued profit		5,144	6,951
Short-term borrowings	13	84,939	34,166
Current portion of long-term financing	11	78,170	76,949
Current portion of lease liabilities		23,942	20,654
Unclaimed dividends		1,501	1,457
		1,993,014	1,494,165
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		5,447,849	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 DECEMBER 31, 2023

	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
NOTE	(RUPEES IN '000)			
Revenue from contracts with customers	2,058,341	1,907,607	3,807,782	3,910,667
Cost of sales	(1,159,373)	(1,084,106)	(2,223,094)	(2,292,514)
Gross profit	898,968	823,501	1,584,688	1,618,153
Distribution costs	(593,116)	(560,706)	(1,102,842)	(1,046,002)
Administrative expenses	(113,714)	(97,297)	(226,037)	(186,751)
Other expenses	(14,013)	(14,184)	(17,615)	(32,036)
Other income	22,322	18,086	39,451	28,280
	(698,521)	(654,101)	(1,307,043)	(1,236,509)
Operating profit	200,447	169,400	277,645	381,644
Finance cost	(30,752)	(13,349)	(64,124)	(24,857)
Profit before taxation	169,695	156,051	213,521	356,787
Taxation 16	3,768	(57,285)	(13,073)	(129,494)
Profit after tax	173,463	98,766	200,448	227,293
	..... (RUPEES)			
Basic and diluted earnings per share	3.79	2.24	4.38	5.14

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	173,190	101,109	199,102	231,452
Non- controlling interest	273	(2,343)	1,346	(4,159)
	173,463	98,766	200,448	227,293


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR



CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2023

	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
..... (RUPEES IN '000)				
Net profit for the period	173,463	98,766	200,448	227,293
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	173,463	98,766	200,448	227,293

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	173,190	101,109	199,102	231,452
Non- controlling interest	273	(2,343)	1,346	(4,159)
	173,463	98,766	200,448	227,293

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2023

	HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022
	..... (RUPEES IN '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	213,521	356,787
Adjustments for non-cash and other items:		
Depreciation on operating fixed assets	101,121	79,939
Depreciation on right-of-use assets	23,096	13,328
Amortization	2,072	2,224
Financial charges	51,711	21,069
Markup on Lease liabilities	504	3,788
Provision for Gas Infrastructure Development Cess	11,909	2,898
Provision for gratuity	32,391	22,055
Gain on disposal of property, plant and equipment	(30,768)	(9,248)
Dividend income on mutual fund units	-	(7,643)
Provision for slow moving and obsolete stock-in-trade	(44,207)	44,427
Allowance for expected credit loss	(25,325)	19,211
	122,504	192,048
	336,025	548,835
(Increase) / decrease in current assets		
Stores and spares	(1,246)	(2,743)
Stock-in-trade	(374,622)	(369,598)
Trade debts	(64,261)	(361,431)
Loans and advances	(57,329)	15,959
Trade deposits, prepayments and other receivables	(24,935)	(104,651)
Sales tax (paid)/ refund - net	19,057	132,502
	(503,336)	(689,962)
Increase in current liabilities		
Trade and other payables	431,682	316,384
	264,371	175,257
Financial charges paid	(53,518)	(21,261)
Income tax (paid) / refunded - net	(144,534)	(61,788)
Gratuity paid	(25,918)	(18,915)
Long-term loans - net	(507)	30
Long-term deposits - net	(916)	(7,813)
Deferred liabilities - net	390	372
	(225,003)	(109,375)
Net cash generated from operating activities	39,368	65,882
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant & equipment	(8,838)	(146,850)
Proceeds from disposal of property, plant and equipment	39,605	16,366
Additions to intangible asset	-	(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 generated from investing activities	30,767	35,948
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(24,738)	(68,717)
Short-term borrowings - net	50,773	21,675
Long-term financing - net	(32,101)	(59,526)
Principal portion of lease liabilities paid	(29,369)	(15,973)
Net cash generated (used in) financing activities	(35,435)	(122,541)
Net Increase / (decrease) in cash and cash equivalents	34,700	(20,711)
Cash and cash equivalents at the beginning of the period	54,974	215,306
Cash and cash equivalents at the end of the period	89,674	194,595

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 DECEMBER 31, 2023

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES		TOTAL RESERVES	NON-CONTROLLING INTEREST	TOTAL EQUITY
		SHARE PREMIUM ACCOUNT	UNAPPROPRIATED 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	-	-	231,452	231,452	(4,159)	227,293
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	231,452	231,452	(4,159)	227,293
Final cash dividend @ Rs. 1.50 per share for the year ended June 30, 2022	-	-	(68,717)	(68,717)	-	(68,717)
Balance as at December 31, 2022	<u>458,111</u>	<u>1,225,860</u>	<u>868,274</u>	<u>2,094,134</u>	<u>12,391</u>	<u>2,564,636</u>
Balance as at July 01, 2023	458,111	1,225,860	965,136	2,190,996	8,209	2,657,316
Net profit for the period	-	-	199,102	199,102	1,346	200,448
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	199,102	199,102	1,346	200,448
Final cash dividend @ Rs. 0.54 per share for the year ended June 30, 2023	-	-	(24,738)	(24,738)	-	(24,738)
Balance as at December 31, 2023	<u>458,111</u>	<u>1,225,860</u>	<u>1,139,500</u>	<u>2,365,360</u>	<u>9,555</u>	<u>2,833,026</u>

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 DECEMBER 31, 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 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.

1.1.2 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	
	DECEMBER 31, 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.



2.2 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

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 except for the adoption of amendments to approved accounting standards, which became effective for the current period as disclosed in note 2.2 to these consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	NOTE	DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 AUDITED
		UN-AUDITED	
Operating fixed assets	5.1	1,776,091	1,836,114
Capital work-in-progress	5.2	58,404	99,501
		<u>1,834,495</u>	<u>1,935,615</u>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Buildings on leasehold land	1,951	5,229	-	-
Plant and machinery	17,993	37,233	-	-
Tools and equipment	542	70,571	-	-
Gas and other installation	2,988	26,103	-	685
Furniture and fixture	3,544	2,413	-	-
Office equipment	2,249	4,214	-	-
Computer equipment	2,407	1,839	18	37
Motor vehicles	18,263	74,746	8,482	5,528
	49,937	222,348	8,500	6,250

5.2 Capital work-in-progress

	December 31, 2023			
	Building on leasehold land	Plant, machinery and others	Others	Total
	..... (UN-AUDITED)			
	..... (RUPEES IN '000)			
Balance at beginning of the period	38,593	807	60,101	99,501
Capital expenditure incurred / advances made	5,130	3,762	1,174	10,066
Advances refunded	-	-	(26,298)	(26,298)
Transferred to operating fixed assets	(1,952)	(4,274)	(18,639)	(24,865)
Balance at end of the period	41,771	295	16,337	58,404



	NOTE	DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 (RUPEES IN '000)
		UN-AUDITED	AUDITED
6. STOCK-IN-TRADE			
In hand			
- raw material		836,417	840,094
- packing material		263,134	271,087
- work-in-process		176,795	158,131
- finished goods		873,532	688,258
		<u>2,149,878</u>	<u>1,957,570</u>
Less: Provision for slow moving and obsolete stock-in-trade	6.1	(92,051)	(134,462)
		<u>2,057,827</u>	<u>1,823,108</u>
In transit		222,824	38,714
		<u>2,280,651</u>	<u>1,861,822</u>

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

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

Balance at the beginning of the period / year	136,258	111,784
Provision recognised during the period / year	6,624	108,749
Write offs during the period / year	(50,831)	(86,071)
	<u>(44,207)</u>	<u>22,678</u>
Balance at the end of the period / year	<u>92,051</u>	<u>134,462</u>

7. TRADE DEBTS - unsecured

Considered good	506,075	416,489
Considered doubtful	121,971	147,296
	<u>628,046</u>	<u>563,785</u>
Allowance for expected credit loss	(121,971)	(147,296)
Trade debts - net	<u>506,075</u>	<u>416,489</u>

7.1 Allowance for expected credit loss

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

Balance at beginning of the period / year	147,296	120,637
Provision recognised during the period / year	5,843	26,659
Write offs during the period / year	(31,168)	-
	<u>(25,325)</u>	<u>26,659</u>
Balance at end of the period / year	<u>121,971</u>	<u>147,296</u>

8. 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, however, through Finance (Supplementary) Act, 2021 exemption regime was converted into Zero-rating regime for finished items of pharma products with effect from January 17, 2022, 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 relating to prior purchases including APIs, excipient and packing materials on consumption basis.

Moreover, aforesaid law was further amended through the Finance Act, 2022 and effective from July 01, 2022, a special tax regime for Pharma Sector was introduced whereby manufacture or importer of substances registered as drugs under the Drugs Act, 1976 were made 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, input sales tax adjustable on consumption basis in future amounts to Rs. 16.52 million (June 30, 2023: Rs. 38.71 million).

	DECEMBER 31, 2023 (RUPEES IN '000)	JUNE 30, 2023 (RUPEES IN '000)
	UN-AUDITED	AUDITED
9. CASH AND BANK BALANCES		
Cash in hand	11	-
With banks in:		
Islamic		
- current accounts	82,423	1,466
- saving accounts	1,113	44,542
- dividend accounts	1,485	1,457
	85,021	47,465
Conventional		
- current accounts	4,642	7,509
	<u>89,674</u>	<u>54,974</u>

9.1 These carry profit at the rates ranging from 10% to 11% (June 30, 2023: 3.25% to 10.25%) per annum.

10. SHARE CAPITAL

10.1 Authorized share capital

DECEMBER 31, 2023	JUNE 30, 2023		DECEMBER 31, 2023	JUNE 30, 2023
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

DECEMBER 31, 2023	JUNE 30, 2023		DECEMBER 31, 2023	JUNE 30, 2023
----- NUMBER OF SHARES -----			..... (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	304,897	304,897
		Shares Issued pursuant to merger with		
223,834	223,834	Associated Services Limited	2,238	2,238
<u>45,811,018</u>	<u>45,811,018</u>		<u>458,111</u>	<u>458,111</u>

	NOTE	DECEMBER 31, 2023	JUNE 30, 2023
		..... (RUPEES IN '000)	
		UN-AUDITED	AUDITED
11. LONG-TERM FINANCING			
Loan from related party	11.1	42,675	44,518
Secured			
Diminishing musharakah on vehicles	11.2	322,063	352,321
Less : Current maturity shown under current liabilities		(78,170)	(76,949)
		<u>286,568</u>	<u>319,890</u>

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. These facilities are secured against the respective assets.

11.3 Financial charges on long term financing for the period ended December 31, 2023 is Rs.40.87 million (December 31, 2022: Rs.19.67 million).

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	NOTE	DECEMBER 31, 2023	JUNE 30, 2023
	 (RUPEES IN '000) (RUPEES IN '000)
		UN-AUDITED	AUDITED
12. TRADE AND OTHER PAYABLES			
Trade and other creditors		906,417	582,974
Advances from customers - contract liabilities		407,847	238,337
Current portion of Provision for Gas Infrastructure Development Cess	12.1	84,815	71,122
Accrued liabilities		224,722	231,810
Sindh Workers' Profit Participation Fund		11,149	30,230
Workers' Welfare Fund		28,618	44,817
Central Research Fund		2,230	6,046
Payable to provident fund		11,864	11,430
Refund liability		71,955	75,650
Auditors' remuneration		2,147	3,603
Other government levies		15,371	17,414
Others		32,183	40,555
		1,799,318	1,353,988

12.1 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, Sui Souther Gas Company Ltd. (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 by the Holding Company as liability and the Holding company 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 this appeal, the Court granted stay order on September 29, 2020 against the demand raised by the SSGC and restrained SSGC from taking any coercive action against the Holding Company.

	NOTE	DECEMBER 31, 2023	JUNE 30, 2023
		..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
		UN-AUDITED	AUDITED
13. SHORT-TERM BORROWINGS - secured			
Murabaha	13.1	24,939	24,166
Other	13.2	60,000	10,000
		84,939	34,166



13.1 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 June 2024. These are secured against hypothecation of stock in trade and trade debts of the Subsidiary Company.

13.2 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 May 2024. These are secured against hypothecation of stock in trade and trade debts of the Subsidiary Company. This includes transactions by one of the director of the Subsidiary and CEO of the Subsidiary Company amounting to 10 Million each respectively.

13.3 Financial charges on short term borrowings for the period ended December 31, 2023 is Rs.7.29 million (December 31, 2022: Rs.1.87 million).

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 There is no change in the status of contingency as disclosed in note 24.1.1 to the financial statements for the year ended June 30, 2023 except the exposure under litigation has increased to Rs 16.27 million (June 30, 2022: Rs. 12.62 million) during the period.

14.1.2 There is no material change in the status of contingencies as disclosed in note 24.1.2 to the annual consolidated audited financial statements for the year ended June 30, 2023.

	DECEMBER 31, 2023	JUNE 30, 2023
	..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
	UN-AUDITED	AUDITED
14.2 Commitments		
Capital commitments	73,132	581,697
Outstanding letters of credit	287,192	117,962
Outstanding letters of guarantee	98,250	13,606

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

	DECEMBER 31, 2022	JUNE 30, 2022
	..... (RUPEES IN '000) .....	..... (RUPEES IN '000)
	UN-AUDITED	AUDITED
Year		
2024	439	735
2025	924	-
2026	919	-
2027	915	-
2028	439	-
	3,636	735

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15. OPERATING SEGMENTS

	HOLDING COMPANY HALF YEAR ENDED		SUBSIDIARY COMPANY HALF YEAR ENDED		GROUP HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
..... (RUPEES IN '000)						
Turnover	3,580,613	3,779,250	227,169	131,417	3,807,782	3,910,667
Cost of sales	(2,126,834)	(2,229,359)	(96,260)	(63,155)	(2,223,094)	(2,292,514)
Gross profit	1,453,779	1,549,891	130,909	68,262	1,584,688	1,618,153
Other income	36,966	28,268	2,485	-	39,451	28,280
Distribution costs	(992,855)	(967,795)	(109,986)	(78,207)	(1,102,842)	(1,046,002)
Administrative expenses	(222,027)	(184,727)	(2,657)	(671)	(226,037)	(186,751)
Other expenses	(17,615)	(32,036)	-	-	(17,615)	(32,036)
Financial charges	(52,891)	(20,121)	(11,233)	(4,736)	(64,124)	(24,857)
Profit / (loss) before tax	205,357	373,480	9,518	(15,352)	213,521	356,787
..... (RUPEES IN '000)						
	DECEMBER 31, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED	DECEMBER 31, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED	DECEMBER 31, 2023 UN-AUDITED	JUNE 30, 2023 AUDITED
Segment assets	5,109,831	4,623,405	293,467	151,342	5,403,297	4,774,747
Unallocated assets	-	-	-	-	44,552	45,905
Segment liabilities	2,368,750	2,052,712	246,073	110,624	2,614,823	2,163,336

	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
..... (RUPEES IN '000)				
..... (UN-AUDITED)				

16. TAXATION

Current	30,602	6,321	50,645	83,057
Prior	(50,963)	-	(50,963)	2,801
Deferred	16,593	56,845	13,391	46,643
	(3,768)	63,166	13,073	132,501

17. TRANSCATIONS WITH RELATED PARTIES

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

		HALF YEAR ENDED	
		DECEMBER 31, 2023	DECEMBER 31, 2022
		..... (RUPEES IN '000)	
		..... (UN-AUDITED)	
Relationship	Nature of transaction		
Provident Fund	Contribution paid	30,205	26,654
Non-executive directors	Fee for attending meetings	1,550	1,488
	Dividend	154	427
Key management personnel	Salary and other benefits	188,038	127,695
	Repayment of loan	921	1,842
	Dividend	16,344	45,400
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	3,089	2,034
Balances outstanding			
Depilex (Private) Limited (Common directorship)	Amount due to the Subsidiary Company	2,344	1,343

18. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

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

18.1 Fair value of financial instruments

International financial reporting standard 7, 'Financial instruments: Disclosure' requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level3).

There are no investments measured at fair value as at December 31, 2023.



19. GENERAL

19.1 General

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

20. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

21. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 19, 2024 by the Board of Directors of the Company.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



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