

*Otsuka-People Creating New Products
For Better Health Worldwide*

HALF YEARLY REPORT

For the period ended
December 31, 2021



Otsuka

Otsuka Pakistan Limited

(A Company of Otsuka Group Japan)

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COMPANY INFORMATION

BOARD OF DIRECTORS :	Mr. Mikio Bando (Chairman) (Alternate: Mr. Muhammad Taufiq Feroz) Mr. Hanif Sattar (Director and Chief Executive Officer) Mr. Koichi Okada Mr. Mehtabuddin Feroz Mr. Suhari Mukti (Alternate: Mr. Sajid Ali Khan) Mr. Abid Hussain (Independent Director) Mrs. Navin Salim Merchant (Independent Director)
COMPANY SECRETARY :	Mr. Muhammad Amin Bashir
AUDIT SUB COMMITTEE OF THE BOARD :	Mr. Abid Hussain (Chairman) Mr. Koichi Okada (Member) Mr. Mehtabuddin Feroz (Member)
HEAD OF INTERNAL AUDIT:	Mr. Jawaid Noor (Secretary)
RISK MANAGEMENT COMMITTEE :	Senior Executive Committee Members
HUMAN RESOURCES, REMUNERATION AND NOMINATION SUB-COMMITTEES OF THE BOARD :	Mrs. Navin Salim Merchant (Chairperson) Mr. Koichi Okada (Member) Mr. Mehtabuddin Feroz (Member) Mr. Hanif Sattar (Member)
AUDITORS (EXTERNAL) :	Yousuf Adil (Chartered Accountants) Member of Deloitte Touche Tohmatsu Limited
AUDITORS (INTERNAL) :	Saud Tariq & Co. (Chartered Accountants)
LEGAL ADVISOR :	Dr. Moneeba Hamid
BANKERS :	Citibank N.A., Bank Alfalah Limited The Bank of Punjab Habib Metropolitan Bank Habib Bank Limited Allied Bank Limited MCB Bank Limited National Bank of Pakistan
REGISTERED OFFICE :	30-B, Sindhi Muslim Co-operative, Housing Society, Karachi-74400 Tel.: 34528651 – 4, Fax: 34549857 E-mail: secretarialcompliance@otsuka.pk Web site: www.otsuka.pk
FACTORY :	Plot No. F/4-9, Hub Industrial Trading Estate, Distt. Lasbella (Balochistan) Tel.: (0853) 303517-8 Fax: (0853) 303519
SHARE REGISTRAR :	CDC Share Registrar Services Limited – (CDCSRSL) CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi 74400. Pakistan. Tel: (92-21) 111-111-500, Fax: (92-21) 34326053 Email: info@cdcsrsl.com

Directors' Report

The directors are pleased to present accounts of the company for the half year ended December 31, 2021.

Board of Directors

The composition of Board of Directors ("the Board") and its sub-committees are as follows:

Board Sub-Committees

NAME OF BOARD SUB-COMMITTEE	NAME OF MEMBER
Audit Committee	Mr. Abid Hussain (Chairman) Mr. Koichi Okada Mr. Mehtabuddin Feroz
Human Resource, Remuneration & Nomination Committee	Mrs. Navin Salim Merchant (Chairperson) Mr. Koichi Okada Mr. Mehtabuddin Feroz Mr. Hanif Sattar
Risk Management Committee	Delegated to Executive Management Committee

The Board has a formal policy and transparent procedures for the remuneration of its Directors in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019. Currently, the two independent directors and a non-working alternate director are getting fixed fees for attending the Board and its committee meetings. The aggregate amount of remuneration paid to each director of the Company during the period is given below:

CATEGORY	NAMES	NATURE OF REMUNERATION	AMOUNT (Rs. In '000)
Executive Director	Mr. Hanif Sattar (CEO)	Salaries and benefits*	8,753
Non-Executive Directors	Mr. Mikio Bando (Chairman)	Not applicable	NIL
	Mr. Mehtabuddin Feroz	Consultancy fees	1,700
	Mr. Koichi Okada	Not applicable	NIL
	Mr. Suhari Mukti**	Not applicable	NIL
Independent Directors***	Mr. Abid Hussain	Meeting fees	NIL
	Mrs. Navin Salim Merchant	Meeting fees	80
<p>* CEO is entitled to full time working salaries and company benefits as recommended by the board of directors which was duly approved by the shareholders of the Company.</p> <p>** Meeting fees of Rs. 20,000 paid to Mr. Taufiq Feroz for attending meeting as an alternate director of Mr. Suhari Mukti.</p> <p>*** One of the retiring independent directors Mr. Noor Muhammad was paid the meeting fees of Rs. 80,000 during the period.</p>			

Business Review

Sales for the half year ended December 31, 2021 have increased by 24% as compared to the same period last year mainly due to the increase in sales of high value products of the Company. The Company has achieved a gross profit margin of 35% as compared to 32% in the previous half year due to the increase in sales of clinical nutrition products and therapeutic drugs having better margins. Besides that, the Company has continued the policy of the strict cost control measures.

Selling and distribution expenses have increased by 23% due to the increase in advertisements and promotional activities during the period. Administrative expenses have increased by 8% which is in line with the general inflation in the country. Other income has reduced by 35% while other expenses have increased by 65% on account of net exchange loss of Rs. 58 million as compared to the exchange gain of Rs. 10.5m during the corresponding period of 2020. The financial cost of the company has significantly reduced by 68% with an effective implementation of the liquidity management policies and timely recoveries from the customers.

The earning per share of your Company is Rs. 11.46 as compared to the earning per share of the corresponding period last year of Rs. 8.43.

Future outlook

In near future, we foresee liquidity crisis and cost increase due to the supply chain challenges, imposition of sales tax on pharmaceutical inputs, persistent increase in oil prices, bank rate and general inflation in the country. Although, the directors are confident on the future performance of the Company however, the distribution of profits shall be dependent upon the future profitability and cash flows of the Company. Moreover, as per the corporate objective of the Company, new products will be introduced during the year considering the circumstances prevailing at that time.

On behalf of the Board



Hanif Sattar
Chief Executive Officer

Karachi

Dated: February 22, 2022



Mehtabuddin Feroz
Director

مستقبل کا نقطہ نظر

مستقبل قریب میں ہم، سپلائی چین کے چیلنجز، فارماسیوٹیکل اور اس اجزاء پر سیلز ٹیکس کے نفاذ، تیل کی قیمتوں میں مسلسل اضافہ، بینک ریٹ اور ملک میں عموماً افراط زر کی وجہ سے لیکویڈیٹی بحران اور لاگت میں اضافے کی پیش گوئی کر رہے ہیں۔ اگرچہ، ڈائریکٹر کمپنی کی مستقبل کی کارکردگی پر پر اعتماد ہیں تاہم، منافع کی تقسیم کا انحصار کمپنی کے مستقبل کے منافع اور نقد بہاؤ پر ہوگا، مزید برآں، کمپنی کے کارپوریٹ مقصد کے مطابق، اس وقت کے حالات کو مد نظر رکھتے ہوئے سال کے دوران چند اور نئی مصنوعات متعارف کرائی جائیں گی۔

بورڈ کی جانب سے



حذیف ستار

چیف ایگزیکٹو آفیسر



مہتاب الدین فیروز

ڈائریکٹر

کراچی

بتاریخ: 22 فروری 2022

بورڈ کے پاس کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لئے ایک باضابطہ پالیسی اور شفاف طریقہ کار ہے۔ فی الحال دو آزاد ڈائریکٹرز اور ایک متبادل ڈائریکٹر ہیں۔ بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کے لئے مقررہ فیس مقرر ہے۔ اس مدت کے دوران کمپنی کے ہر ڈائریکٹر کو ادا کئے گئے معاوضے کے مجموعی رقم ذیل میں دی گئی ہے:

- سی ای او کل وقتی کام کرنے والی تنخواہوں اور کمپنی کے فوائد کے حقدار ہے جیسا کہ بورڈ آف ڈائریکٹرز کی طرف سے تجویز کیا گیا تھا جس کی کمپنی کے شیئر ہولڈرز نے باقاعدہ منظوری دی تھی۔ اس مدت کے دوران انہوں نے کل 8,753,000 روپے وصول کئے۔

- کمپنی کے ساتھ کنسلٹنسی کے معاہدے کے مطابق مسٹر مہتاب الدین فیروز کو 1,700,000 روپے ادا کئے گئے۔

- مسٹر سہاری مکتی کے متبادل ڈائریکٹر کے طور پر میٹنگ میں شرکت کے لئے مسٹر توفیق فیروز کو 20,000 روپے ادا کئے گئے۔

- ریٹائر ہونے والے آزاد ڈائریکٹر جناب نور محمد کو اس مدت کے دوران میٹنگ فیس 80,000 روپے ادا کی گئی۔

کاروباری جائزہ

31 دسمبر 2021 کو ختم ہونے والے ششماہی میں گزشتہ سال کی اسی مدت کے مقابلے میں فروخت میں 24 فی صد اضافہ ہوا ہے جس کی بنیادی وجہ کمپنی کے اعلیٰ معیار کی مصنوعات کی فروخت میں اضافہ ہے۔ کمپنی نے کلینیکل نیوٹریشن پروڈکٹس اور بہتر مارجن کے ساتھ علاج معالجے کی ادویات کی فروخت میں اضافے کی وجہ سے گزشتہ ششماہی میں 32% کے مقابلے میں 35% کا مجموعی منافع حاصل کیا ہے۔ اس کے علاوہ کمپنی نے مصنوعات کی لاگت کو کنٹرول کرنے کے سخت اقدامات کی پالیسی کو جاری رکھا ہوا ہے۔

اس عرصے کے دوران اشتہارات اور تشہیری سرگرمیوں میں اضافے کی وجہ سے فروخت اور تقسیم کے اخراجات میں 23% اضافہ ہوا ہے۔ انتظامی اخراجات میں 8% اضافہ ہوا ہے جو ملک میں عام مہنگائی کے مطابق ہے۔ دیگر آمدنی میں 35% کمی ہوئی ہے جبکہ دیگر اخراجات میں 65% اضافہ ہوا ہے۔ اس بار خالص ایکسچینج نقصان 58 ملین روپے میں ریکارڈ کیا گیا ہے۔ جبکہ یہی پچھلے سال مثبت روپے میں 10 ملین تھا۔ لیکویڈیٹی مینیجمنٹ پالیسیوں کے موثر نفاذ اور صارفین سے بروقت وصولیوں سے کمپنی کے مالی لاگت میں نمایاں طور پر 68% کمی واقع ہوئی ہے۔

آپ کی کمپنی کی فی شیئر آمدنی اس سال 11.64 روپے ہے جبکہ یہی پچھلے سال میں 8.43 روپے تھی۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے لئے کمپنی کے اکاؤنٹس پیش کرنے پر خوش ہیں۔

بورڈ آف ڈائریکٹرز ("بورڈ") اور اس کی کمیٹیوں کی تشکیل حسب ذیل ہے:

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز ("بورڈ") کی تشکیل حسب ذیل ہے:

جنس	نام	درجہ بندی
مرد	جناب حنیف ستار (سی ای او)	ایگزیکٹو ڈائریکٹر
مرد	جناب میکو بانڈو (چیرمین) جناب مہتاب الدین فیروز جناب کوچی اوکاڈا جناب سوہاری مکتی	نان ایگزیکٹو ڈائریکٹر
مرد خاتون	جناب عابد حسین مسز نوین سلیم مرچنٹ	آزاد ڈائریکٹر

بورڈ کمیٹی:

ممبر کا نام	بورڈ کی ذیلی کمیٹی کا نام
جناب عابد حسین (چیرمین) جناب کوچی اوکاڈا جناب مہتاب الدین فیروز	آڈٹ کمیٹی
مسز نوین سلیم مرچنٹ (چیرپرسن) جناب کوچی اوکاڈا جناب مہتاب الدین فیروز جناب حنیف ستار	ہیومن ریسورس اور معاوضہ کمیٹی

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF OTSUKA PAKISTAN LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Otsuka Pakistan Limited (the Company) as at December 31, 2021 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, and the condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year 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 reported in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been subject to limited scope review, as we are only required to review the cumulative figures for the half year ended December 31, 2021.

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.

The engagement partner on the review resulting in this independent auditor's review report is Nadeem Yousuf Adil.

**Chartered Accountants****Place:** Karachi**Date:** February 25, 2022

RR202110091i5ThXq1Ag

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	271,753	297,002
Intangible assets		1,089	1,496
Long-term loans		7,998	7,583
Long-term deposits		1,387	1,337
Deferred tax asset - net	5	71,976	107,785
		354,203	415,203
Current assets			
Stores and spares		43,584	45,943
Stock-in-trade	6	833,247	582,233
Trade debts		340,526	291,385
Loans and advances	7	21,432	38,911
Trade deposits, short-term prepayments and other receivables	8	25,052	23,180
Taxation - net		48,055	44,072
Bank balances		15,193	44,504
		1,327,089	1,070,228
Total assets		1,681,292	1,485,431
EQUITY AND LIABILITIES			
EQUITY			
Share capital			
Authorized			
20,000,000 ordinary shares of Rs. 10 each		200,000	200,000
Issued, subscribed and paid-up			
12,100,000 ordinary shares of Rs. 10 each		121,000	121,000
Revenue reserves		500,523	379,977
Total shareholder's equity		621,523	500,977
LIABILITIES			
Non-current liabilities			
Long-term finance	9	-	31,903
Deferred government grant	10	-	307
		-	32,210
Current liabilities			
Trade and other payables	11	587,075	573,517
Short-term loan from a related party	12	389,075	356,550
Current portion of long-term finance	9	41,104	16,542
Current portion of deferred government grant	10	1,017	1,794
Unclaimed dividend		1,591	3,186
Short-term running finance	13	39,461	-
Mark-up accrued		446	655
		1,059,769	952,244
Total equity and liabilities		1,681,292	1,485,431
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


Hanif Sattar
Chief Executive Officer


Mehtabuddin Feroz
Director


Sajid Ali Khan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

		Half year ended December 31,		Quarter ended December 31,	
	Note	2021	2020	2021	2020
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net sales	15	1,433,792	1,157,961	707,854	546,805
Cost of sales		(934,455)	(789,779)	(461,867)	(363,671)
Gross profit		499,337	368,182	245,987	183,134
Selling and distribution expenses		(166,085)	(135,317)	(88,359)	(66,502)
Administrative and general expenses		(59,137)	(54,910)	(31,505)	(29,041)
		274,115	177,955	126,123	87,591
Other income	16	18,577	28,671	8,364	22,155
		292,692	206,626	134,487	109,746
Other expenses	17	(78,888)	(47,761)	(32,643)	(32,338)
Operating profit		213,804	158,865	101,844	77,408
Finance cost		(4,249)	(13,305)	(2,621)	(5,945)
Profit for the period before taxation		209,555	145,560	99,223	71,463
Taxation - net	18	(70,859)	(43,601)	(34,787)	(12,572)
Profit for the period after taxation		138,696	101,959	64,436	58,891
----- (Rupees) -----					
Earnings per share - basic and diluted		11.46	8.43	5.33	4.87

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Hanif Sattar
Chief Executive Officer



Mehtabuddin Feroz
Director



Sajid Ali Khan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	---- (Rupees in '000) ----		---- (Rupees in '000) ----	
Profit for the period after taxation	138,696	101,959	64,436	58,891
Other comprehensive income:				
Items that will not be reclassified to statement of profit or loss				
Remeasurement of defined benefit plan	-	-	-	-
Deferred tax on remeasurement of defined benefit plan	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	138,696	101,959	64,436	58,891

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Hanif Sattar
Chief Executive Officer



Mehtabuddin Feroz
Director



Sajid Ali Khan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

Note	Half year ended December 31	
	2021 ----- (Rupees in '000) -----	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	209,555	145,560
Adjustment for non-cash charges and other items:		
Depreciation	49,837	48,007
Amortisation	407	406
Impairment on plant and machinery	-	6,738
Gain on disposal of operating fixed asset - net	(3,166)	(2,615)
Provision against slow moving and obsolete stock-in-trade	243	3,041
Provision against orthopedic knee implants / UBIT kits	2,008	22,276
Workers' welfare fund	1,920	1,740
Workers' profits participant fund	10,806	7,906
Central research fund	1,511	1,456
Exchange loss - net	34,137	(3,926)
Reversal of provision against stents held with hospitals - net	(1,577)	(4,283)
Loss allowance	2,061	239
Finance cost	4,249	13,305
Liabilities written back	(10)	(502)
Provision for compensated absences	2,446	3,000
Provision for staff retirement benefit fund	5,083	4,719
Operating cash flows before working capital changes	319,510	247,067
(Increase) / decrease in current assets		
Stores and spares	2,359	2,206
Stock-in-trade	(251,688)	(74,308)
Trade debts - unsecured	(51,202)	125,173
Loans and advances	17,479	12,372
Trade deposits, short-term prepayments and other receivables	(1,872)	7,626
Increase / (decrease) in current liabilities		
Trade and other payables	(2,651)	(88,609)
Cash generated from operations	31,935	231,527
Interest paid	(4,458)	(23,426)
Taxes paid	(39,033)	(26,785)
Increase in long-term deposits	(50)	-
Decrease / (Increase) in long-term loans	(415)	1,186
Compensated absences paid	(580)	(162)
Paid to staff retirement benefit fund	(6,579)	-
Received from staff retirement benefit fund	-	3,245
Net cash (used in) / generated from operating activities	(19,180)	185,585
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(25,077)	(20,229)
Additions to intangible asset	-	(489)
Proceeds from disposal of property, plant and equipment	3,654	3,187
Net cash used in investing activities	(21,423)	(17,531)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(19,745)	-
Repayments for long-term finance	(8,424)	-
Proceeds from long-term finance	-	67,395
Net cash (used in) / generated from financing activities	(28,169)	67,395
Net increase in cash and cash equivalents	(68,772)	235,449
Cash and cash equivalents at the beginning of the period	44,504	(407,029)
Cash and cash equivalents at the end of the period	(24,268)	(171,580)

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


Hanif Sattar
Chief Executive Officer


Mehtabuddin Feroz
Director


Sajid Ali Khan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	(Accumulated losses) / unappropriated profit	Sub-total	
<hr style="border-top: 1px dashed black;"/> (Rupees in '000) <hr style="border-top: 1px dashed black;"/>					
Balance as at June 30, 2020 (audited)	121,000	341,980	(346,193)	(4,213)	116,787
Profit for the period after taxation	-	-	101,959	101,959	101,959
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2020	-	-	101,959	101,959	101,959
Balance as at December 31, 2020	121,000	341,980	(244,234)	97,746	218,746
Balance as at June 30, 2021 (audited)	121,000	341,980	37,997	379,977	500,977
Profit for the period after taxation	-	-	138,696	138,696	138,696
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2021	-	-	138,696	138,696	138,696
Final dividend for the year ended June 30, 2021@ Rs.1.50 per share	-	-	(18,150)	(18,150)	(18,150)
Balance as at December 31, 2021	121,000	341,980	158,543	500,523	621,523

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Hanif Sattar
Chief Executive Officer



Mehtabuddin Feroz
Director



Sajid Ali Khan
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Otsuka Pakistan Limited (the Company) was incorporated in Pakistan in the month of February 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 30-B, S.M.C.H. Society, Karachi in the province of Sindh, Pakistan. The Company is engaged in the manufacturing, marketing and distribution of intravenous infusions and trading in pharmaceutical products, nutritional foods and medical equipment. The Company is an indirect subsidiary of Otsuka Pharmaceutical Company Limited, Japan.

Karachi	Purpose	Hub	Purpose
30-B, S.M.C.H. Society, Karachi	Head office	F/4-9, H.I.T.E., Hub, Balochistan, Hub Industrial And Trading Estates, Hub, Las Bela, Balochistan	Factory

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS - 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS-34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS-34. These condensed interim financial statements do not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last financial statements of the Company.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the section 237 of Companies Act, 2017.

The comparatives in the condensed interim statement of financial position as at December 31, 2021 have been extracted from the audited financial statements of the Company for the year ended June 30, 2021, whereas, the comparatives in the 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 have been extracted from the unaudited condensed interim financial statements of the Company for the half year ended December 31, 2020.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except that obligations in respect of certain staff retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees which is the functional and presentation currency of the Company.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS

3.1 Significant accounting policies

3.1.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2021.

3.1.2 Adoption of certain standards, interpretations and amendments

There are certain standards, interpretations on accounting and reporting standards as applicable in Pakistan and amendments to certain existing standards which have been published and are mandatory for the accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant impact on the accounting policies of the Company and therefore not disclosed in these condensed interim financial statements.

3.2 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2021.

3.3 Fair value of financial assets and liabilities

The carrying value of financial assets and financial liabilities reported in these condensed interim financial statements approximates their fair values.

3.4 Estimates and judgements

Estimates and judgments made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2021.

		(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
	Note		
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	267,534	275,096
Capital work-in-progress	4.2	4,219	21,906
		271,753	297,002

4.1 The following additions to and disposals from operating fixed assets have been made during the period:

	(Unaudited) Half year ended December 31, 2021			(Unaudited) Half year ended December 31, 2020		
	Addition / transfer - at cost	Impairment	Disposal - at net book value	Addition / transfer - at cost	Impairment	Disposal - at net book value
	----- (Rupees '000) -----			----- (Rupees '000) -----		
Operating fixed assets						
Plant and machinery (note 4.2)	38,219	-	-	18,799	6,738	-
Furniture, fixtures and equipment	3,322	-	-	1,128	-	-
Vehicles	1,675	-	488	8,439	-	572
Total	43,216	-	488	28,366	6,738	572

			(Unaudited) December 31, 2021	(Audited) June 30, 2021	
	Note		----- (Rupees in '000) -----		
4.2	Capital work-in-progress				
		Stores and spares held for capital expenditure	4,219	3,844	
		Others	-	18,062	
			4,219	21,906	
5.	DEFERRED TAX ASSET - NET				
		Deferred tax asset - net	5.1	71,976	107,785
5.1	This includes deferred tax recorded on unabsorbed tax depreciation amounting to Rs. 10.833 million (June 30, 2021: Rs. 60.851 million).				
	Management carries out periodic assessment to assess the benefit of unused tax losses and Alternative Corporate Tax (ACT) as the Company can carry forward and set off tax losses against the taxable profits earned in future years. The deferred tax asset recognised against unused tax losses and alternative corporate tax represents the management's best estimate of probable benefit expected to be realised in future years in the form of reduced tax liability. The amount of this benefit has been determined based on a business plan of the Company for the next five years. The business plan involves certain key assumptions underlying the estimation of future taxable profits estimated in the plan. The determination of future taxable profit is most sensitive to certain key assumptions such as product pricing, future price increase of the Company's products, sales forecast, cost of material, supply arrangements, product mix, oil prices, exchange rates etc. expected to be achieved during the next five years. Any significant change in the aforementioned key assumptions may have an effect on the realisability of the deferred tax asset. Management believes that it is probable that the Company will be able to achieve the profits projected in the business plan and consequently the deferred tax asset may be fully realised in future years.				
5.2	Based on pattern of utilisation from future expected taxable profit, the Company has not recognised deferred tax on minimum tax credit amounting to Rs. 88.246 million (June 30, 2021: Rs. 78.325 million).				
6.		STOCK-IN-TRADE	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
				----- (Rupees in '000) -----	
		Raw and packing materials			
		- in hand		320,298	183,470
		- in transit		151,480	109,049
				471,778	292,519
		Work-in-process		4,762	9,491
		Finished goods			
		- in hand	6.1	398,315	318,794
		- in transit		-	2,363
				398,315	321,157
				874,855	623,167
		Less:			
		Provision against slow moving and obsolete stock-in-trade		(9,971)	(9,728)
		Provision against stents held with hospitals		(9,290)	(10,867)
		Provision against orthopedic knee implants / UBIT kits		(22,347)	(20,339)
				(41,608)	(40,934)
				833,247	582,233
6.1	These include items costing Rs. 6.662 million (June 30, 2021: Rs. 26.088 million) that have been valued at their net realisable value amounting to Rs. 2.186 million (June 30, 2021: Rs. 4.186 million).				

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
7. LOANS AND ADVANCES			
Loan to employees - current portion		7,270	7,283
Advances to:			
- employees		1,324	1,302
- suppliers	7.1	12,838	30,326
		14,162	31,628
		21,432	38,911
7.1	This includes 100% cash margin of Rs. 2.548 million (June 30, 2021: Rs. 16.907 million) equivalent to import value against import of goods specified by SBP via BPRD circular no. 02 of 2017 and BPRD circular no. 05 of 2018 and non-interest bearing monies provided in the normal course of business.		
		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
8. TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES			
Trade deposits		17,920	17,622
Short-term prepayments		6,895	5,126
Sales tax adjustable		3	-
Other receivables		234	432
		25,052	23,180
9. LONG-TERM FINANCE			
From banking companies (Secured) - At amortised cost			
Refinance scheme for payment of wages and salaries	9.1	48,445	67,395
Less: present value adjustment on refinance scheme at below market rate of interest		(700)	(4,320)
Add: finance cost		1,783	3,665
Less: principal repaid		(8,424)	(18,295)
		41,104	48,445
Less: current portion shown in current liabilities refinance scheme		(41,104)	(16,542)
		-	31,903
9.1	It represents long-term financing obtained from a conventional bank under the Refinance Scheme for Payment of Wages and Salaries by State Bank of Pakistan. It carries mark-up at the rate of 3% per annum. However, the effective interest rate is calculated at 3 months KIBOR + 1% and the loan has been recognised at the present value. The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at the effective rate of interest. The differential markup has been recognised as government grant (as mentioned in note 10) which will be recognised and presented as reduction of related interest expense. The financing is secured against first pari-passu hypothecation charge over land and building.		
		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
10. DEFERRED GOVERNMENT GRANT			
As at July, 01		2,101	-
Received during the period	10.1	-	4,320
Released to the statement of profit or loss		(1,084)	(2,219)
As at December, 31		1,017	2,101
Current portion of government grant		1,017	1,794
Long-term portion of government grant		-	307

- 10.1** As disclosed in note 9.1, the purpose of the government grant is to facilitate the Company in making timely payments of salaries and wages to their employees during the COVID-19 pandemic.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
11. TRADE AND OTHER PAYABLES			
Creditors		64,051	64,407
Bills payable	11.1	188,346	146,758
Accrued liabilities	11.2	221,854	201,683
Payable to employees provident fund		3,373	3,250
Payable to staff retirement benefit fund		2,600	4,096
Provision for employees short-term compensated absences		26,587	24,721
Sales tax payable	11.3	24,032	33,963
Retention money		930	930
Security deposits		1,789	1,889
Workers' Welfare Fund		9,489	7,569
Workers' Profits Participation Fund		15,107	25,300
Central Research Fund		1,511	3,819
Contract liabilities		-	29,277
Other liabilities	11.4	27,406	25,855
		587,075	573,517

- 11.1** These include amounts payable to the related parties as at the end of the period aggregating to Rs. 50.708 million (June 30, 2021: Rs. 68.199 million).
- 11.2** This includes Rs. 45.454 million charged by Sui Southern Gas Company Limited with respect to the Gas Infrastructure and Development Cess (GIDC) having present value of Rs. 38.371 (June 30, 2021: Rs 36.853) million. The Company has recorded a full provision in the financial statements. The Company filed a review petition on the verdict of Supreme Court of Pakistan over GIDC announced on August 13, 2020, on which no relief was granted. However, the Company is party to the joint legal suit in the Sindh High Court (SHC) on the grounds that the end price for the pharmaceutical products of the Company are regulated, therefore the burden of GIDC cannot pass through to the user of the product. In this regard, SHC has awarded stay order in favor of the petitioners on June 21, 2021, however, management as a matter of abundant caution is carrying this provision in these financial statements.
- 11.3** This includes provision for sales tax in respect of imported materials of polyethylene (for IV solutions). The Company filed a suit in the Sindh High Court (SHC) on May 17, 2016 against the imposition of sales tax under the Sales Tax Act, 1990 with respect to raw and packing material being imported and purchased locally by the Company for manufacturing pharmaceutical products. The SHC had passed an interim order in favour of the Company maintaining that items fetching customs duty lesser than ten percent ad valorem, may not be subject to the levy of sales tax. Later on, the case was referred by Customs to the Supreme Court of Pakistan (SCP) and final judgement was announced by SCP on June 27, 2018 in favor of the industries. The Company has availed sales tax exemption under the said stay order by providing bank guarantees amounting to Rs. 23.368 (June 30, 2021: Rs. 33.298) million on imported packaging material. The management, however, as a matter of abundant caution, has recorded full provision of Rs. 23.368 million (June 30, 2021: Rs. 33.298 million) in these condensed interim financial statements till the original bank guarantees are received. The Company has applied for the cancellation of guarantees to the Customs Collectorate which are awaited till date.
- 11.4** This includes regulatory duty payable in respect of imported pharmaceutical products as are required for manufacturing purposes. On October 16, 2017, the Federal Board of Revenue imposed regulatory duty on import of specified pharmaceutical products vide SRO 1035 (I)/2017. In this regard, the Company has filed constitutional petitions in the Sindh High Court (SHC) on April 13, 2018, April 26, 2018, May 9, 2018 and June 27, 2018 against the levy of aforementioned duty. An interim relief has been granted by the SHC. As per the interim relief, the Company is required to pay half of the regulatory duty. For the remaining half, the Company was required to give security by way of bank guarantee / pay order, either to the satisfaction of the Collectorate concerned or the Nazir of the Court. The Company has paid half of the regulatory duty and has submitted bank guarantees for the remaining half to the Collectorate concerned. Management, as a matter of abundant caution, has recorded full provision for the amount of regulatory duty given as bank guarantee amounting to Rs. 10.90 million (June 30, 2021: Rs. 10.90 million) in these condensed interim financial statements. From January 2020 onwards, the Company is paying the regulatory duty on these imported products and also recording the charge in the statement of profit or loss.

			(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note		----- (Rupees in '000) -----	

12. SHORT-TERM LOAN FROM A RELATED PARTY - UNSECURED

In foreign currency

Loan from Otsuka Pharmaceutical Factory, Inc.

12.1	<u>389,075</u>	<u>356,550</u>
------	-----------------------	-----------------------

- 12.1** This represents foreign currency denominated loan obtained in three tranches of JPY 125 million each, drawn down on February 26, 2015, April 27, 2015 and July 27, 2015, repayable on or before February 25, 2016, April 26, 2016 and July 26, 2016 respectively. These were roll forwarded annually multiple times and are now repayable on or before February 25, 2022 and April 26, 2022 respectively.

Mark-up is being charged on the outstanding amount at LIBOR + 0.40% (June 30, 2021: LIBOR + 0.40%) per annum and is payable semi-annually in arrears.

			(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note		----- (Rupees in '000) -----	

13. SHORT-TERM RUNNING FINANCE - SECURED

From banking companies

Short-term running finance utilised under mark-up arrangements

13.1	<u>39,461</u>	<u>-</u>
------	----------------------	-----------------

13.1 Particulars of short-term running finance - secured

Bank	Limit in Rs '000 December 31, 2021	Limit in Rs '000 June 30, 2021	Mark-up rate	Security	Frequency of mark-up payment	Facility expiry date	(Unaudited) December 31, 2021	(Audited) June 30, 2021
------	---	---	-----------------	----------	---------------------------------	-------------------------	-------------------------------------	-------------------------------

---- (Rupees in '000) ----

Citi Bank	765,000	765,000	1 month KIBOR + 0.50% p.a.	(a) SECP Registered Joint Pari-passu Charge on Fixed Assets of Plant & Machinery for Rs. 432 million b) SECP Registered Joint Pari-passu Charge on Current Assets for Rs. 778 million	Quarterly	February 28, 2022	39,461	-
Habib Metro Bank	75,000	75,000	3 months KIBOR + 1% p.a.	- Ranking charge of Rs. 180 million with 25% margin to be registered with SECP over stocks and receivables. '- Ranking charge of Rs. 120 million with 25% margin to be registered with SECP over company's fixed assets i.e. Land, Building and Plant & Machinery.	Quarterly	December 31, 2021	-	-
	<u>840,000</u>	<u>840,000</u>					<u>39,461</u>	<u>-</u>

13.2 Details of import letters of credit (sight / usance / acceptance) and letters of guarantee

13.2.1 The facilities relating to import letter of credit (sight / usance / acceptance) available from banks as at December 31, 2021 amounted in aggregate to Rs. 340 million (June 30, 2021: Rs. 340 million) in respect of which the Company has exercised its option to utilise a part of the total facility limit of Rs. 75.432 million (June 30, 2021: Rs. 81.262 million) for issuance of letters of guarantee. The remaining unutilised amount as at December 31, 2021 was Rs. 264.568 million (June 30, 2021: Rs. 258.738 million).

13.2.2 In addition, a facility for guarantee available from banks as at December 31, 2021 amounted to Rs. 75 million (June 30, 2021: Rs. 75 million) in addition to Rs. 19.549 million (June 30, 2021: Rs. 36.205 million) being utilized from the facilities relating to import letter of credit. The remaining unutilised amount as at December 31, 2021 was Rs. 55.451 million (June 30, 2021: Rs. 38.795 million).

(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees in '000) -----	

14. CONTINGENCIES AND COMMITMENTS

14.1 Commitments in respect of:

Letters of credit	<u>66,060</u>	<u>81,262</u>
Letters of guarantee	<u>58,282</u>	<u>61,205</u>

14.2 There has been no significant change in contingencies as disclosed in notes 22.2, 22.3, 22.4 and 22.5 to the annual audited financial statements of the Company for the year ended June 30, 2021.

14.3 There were no other contingencies and commitments outstanding as on December 31, 2021.

(Unaudited) For the half year ended December 31, 2021	(Unaudited) For the half year ended December 31, 2020
----- (Rupees in '000) -----	

15. NET SALES

Sales (net of returns of Rs. 2.755 million; December 31, 2020: Rs. 0.024 million)	1,584,212	1,296,573
Less: sales tax	(1,008)	(11,586)
	<u>1,583,204</u>	<u>1,284,987</u>
Less: discounts	(149,412)	(127,026)
	<u>1,433,792</u>	<u>1,157,961</u>

15.1 The sales is segregated on the basis of product type and geographical location as disclosed in note 20.

	(Unaudited) For the half year ended December 31, 2021 ----- (Rupees in '000) -----	(Unaudited) For the half year ended December 31, 2020
16. OTHER INCOME		
Late payment surcharges from Hospital Supply Corporation - a related party	1,450	2,579
Gain on disposal of operating fixed assets - net	3,166	2,615
Scrap sales	9,231	7,433
Reversal of provision against stents held with hospitals - net	1,577	4,283
Exchange gain - net	-	10,579
Liabilities written back	10	502
Income from term deposit receipt	714	-
Others	2,429	680
	18,577	28,671
17. OTHER EXPENSES		
Auditor's remuneration	1,200	1,200
Donations	550	1,010
Worker's profit participation fund	10,806	7,906
Worker's welfare fund	1,920	1,740
Central research fund	1,511	1,456
Loss allowance	2,061	239
Provision against slow moving and obsolete stock-in-trade	243	3,041
Provision against orthopedic knee implants / UBIT kits	2,008	22,276
Exchange loss - net	58,070	-
Bank charges and commission	90	632
Impairment on plant and machinery	-	6,738
Others	429	1,523
	78,888	47,761
18. TAXATION - NET		
Current		
- for the period	18.1 35,050	3,519
- for prior years	-	-
	35,050	3,519
Deferred	35,809	40,082
	70,859	43,601

18.1 The income tax assessments of the Company have been finalised by the Income Tax Department / deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 upto tax year 2021. Contingencies in respect of taxation are same as detailed in annual financial statements of the Company for the year ended June 30, 2021.

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include Otsuka Pharmaceutical Company Limited the holding company, associated companies / undertakings (namely Otsuka Pharmaceutical Factory Incorporation, Japan, Thai Otsuka Pharmaceutical Company Limited, Thailand, P.T. Otsuka Indonesia, Otsuka Pharmaceutical Company, Shanghai Micro port Medical (Group) Company Limited, etc.), staff retirement funds and the key management personnel, entities under common directorship namely Hospital Supply Corporation, Danish Enterprises, Qubittech. Details of the transactions with the related parties and the balances with them as at period end other than those which have been disclosed elsewhere are as follows:

Name of related party	Relationship with the Company	Nature of transaction	(Unaudited) For the half year ended December 31, 2021 ----- (Rupees in '000) -----	(Unaudited) For the half year ended December 31, 2020
Otsuka Pharmaceutical Factory Inc.	Ultimate Parent	Purchases	1,152	-
		Markup expense on short-term loan	1,285	2,087
Otsuka Pharmaceutical Co, Ltd.	Parent Company	Purchases	56,213	43,765
		Reimbursement of PV Cost	7,732	-
Hospital Supply Corporation	Common Directorship	Sale of finished goods	698,281	640,048
		Late payment surcharge on	1,450	2,579
		Other sales discounts/claims	102,250	91,402
		Sales returns	-	24
Microport Medical (Shanghai) Co., Ltd.	Associated undertaking	Purchases	38,714	14,443
Thai Otsuka Pharmaceutical Co. Ltd.	Associated undertaking	Purchases	34,935	15,430
PT. Otsuka Indonesia	Associated Undertaking	Purchases	7,111	5,281
Shanghai Microport EPMED Tech Co. Limited	Associated Undertaking	Purchases	11,281	2,839
Danish Enterprises	Others	Purchases	2,792	2,110
Qubitech	Others	Purchases	106	-
Otsuka staff provident fund	Provident fund	Contribution during the period to the fund	7,125	6,310
Otsuka staff gratuity fund	Gratuity fund	Contribution during the period to the fund	6,579	2,367
Key Management Personnel	Key Management Personnel	Remuneration paid	32,786	30,160
Mehtabuddin Feroze	Director	Consultancy charges	1,700	1,550

Name of related party	Relationship with the Company	Nature of balance	(Unaudited) December 31, 2021	(Audited) June 30, 2021
			----- (Rupees in '000) -----	
Otsuka Pharmaceutical Factory Inc.	Ultimate Parent	Short term loan	389,075	356,550
Otsuka Pharmaceutical Co, Ltd.	Parent company	Payable against purchases	26,508	29,635
		Advance against reimbursement of pharmacovigilance cost	2,171	1,140
Hospital Supply Corporation	Common Directorship	Receivable against sale of goods	191,814	203,788
Thai Otsuka Pharmaceutical Co. Ltd.	Associated undertaking	Payable against purchases	-	12,289
Shanghai Microport Medical (Group) Co., Ltd.	Associated undertaking	Payable against purchases	15,693	19,302
Shanghai Microport EPMed Tech Co., Limited	Associated undertaking	Payable against purchases	8,507	6,973
Shareholders	Shareholders	Payable to shareholders	363	363
Key Management Personnel	Key Management Personnel	Advance from key management personnel	1,406	512
Otsuka staff gratuity fund	Gratuity fund	Payable to gratuity fund	2,600	4,096
Otsuka staff provident fund	Provident fund	Payable to provident fund	3,373	3,250

The Company enters into transactions with related parties for the sale of its products, purchase of raw materials, finished goods and spare parts for rendering of certain services. In addition, the Company has also entered into financing arrangement with the group company. Sales to related parties represent sales made to Hospital Supply Corporation which is the sole distributor of the Company's products in the southern region. The Company allows discount to the distributor on trade price based on the agreed terms. Purchases from related parties primarily represent purchase of raw materials and finished goods from Otsuka group companies.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including the Chief Executive Officer and working directors to be its key management personnel.

20. SEGMENT INFORMATION

20.1 These condensed interim financial statements have been prepared on the basis of a single reportable segment.

20.2 Sales from Intravenous Solutions (I.V Solutions) represent 85.22% while sales from others represent 14.78% (December 31, 2020: 84.59% and 15.41%) respectively of the total sales of the Company

	(Unaudited) Half year ended December 31, 2021 ----- (In percent) -----	(Unaudited) Half year ended December 31, 2020
20.3 The geographic segmentation of sales is as follows:		
Pakistan	99.49	96.30
Afghanistan	0.51	3.70
	<u>100</u>	<u>100</u>

20.4 Sales to Hospital Supply Corporation (a related party of the Company) which is the sole distributor in the southern region was around 41.57% during the period ended December 31, 2021 (December 31, 2020: 47.07%).

20.5 All non-current assets of the Company as at December 31, 2021 are located in Pakistan.

21. PLANT CAPACITY AND PRODUCTION

		(Unaudited)		(Unaudited)	
		Half year ended December 31, 2021		Half year ended December 31, 2020	
		Capacity	Actual production	Capacity	Actual production
Note		(million bottles)			
I.V. solutions		15.7	12.0	15.7	11.7
Plastic ampoules	21.1	11.0	4.9	11.0	8.7
	21.2	26.7	16.9	26.7	20.4

21.1 Capacity for plastic Ampoule was not utilized due to planned activities.

21.2 The Company's under-utilized capacity of 9.8 million bottles (December 31, 2020: 6.3 million bottles) was due to over supply situation in the market.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the condensed interim statement of cash flows comprise the following items included in the condensed interim statement of financial position:

	Note	(Unaudited) December 31, 2021 ----- (Rupees in '000) -----	(Unaudited) December 31, 2020
Bank balances		15,193	5,686
Short-term running finance - secured	13	<u>(39,461)</u>	<u>(177,266)</u>
		<u>(24,268)</u>	<u>(171,580)</u>

23. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of comparison and better presentation. There were no major reclassifications in these condensed interim financial statements.

24. IMPACT OF COVID-19 PANDEMIC ON COMPANY'S OPERATIONS

The World Health Organization has declared COVID-19 (the virus) a global pandemic. With the growing number of cases in Pakistan, the Government of Pakistan has provided directions to take measures to respond to the virus. While the virus has impacted the global economy, the Company's operations and financial results have not been materially impacted. In future also, the Company does not foresee any adverse impact on its operations and financial results.

25. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **February 22, 2022** by the Board of Directors of the Company.

26. GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest thousand rupees unless otherwise stated.



Hanif Sattar
Chief Executive Officer



Mehtabuddin Feroz
Director










Sajid Ali Khan
Chief Financial Officer










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