



WORKING TODAY
FOR A HEALTHIER TOMORROW



QUARTERLY REPORT
SEPTEMBER 30, 2017

Macter International Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Asif Misbah	Chairman and Chief Executive	Executive Director
Mr. Swaleh Misbah Khan		Executive Director
Sheikh Muhammed Waseem		Independent Director
Shaikh Aamir Naveed		Executive Director
Mr. Mohammed Aslam		Non- Executive Director
Mr. Muhammad Asif	CFO/Company Secretary	Executive Director
Syed Salman Ahmed Zaidi		Executive Director
Mr. Muhammad Sajid		Non- Executive Director
Mrs. Naureen Swaleh		Non- Executive Director

BOARD AUDIT COMMITTEE

Sheikh Muhammed Waseem	Chairman
Mr. Asif Misbah	Member
Mr. Muhammad Sajid	Member

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Mohammed Aslam	Chairman
Mr. Muhammad Sajid	Member
Shaikh Aamir Naveed	Member

CHIEF FINANCIAL OFFICER / COMPANY SECRETARY

Mr. Muhammad Asif

INTERNAL AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

EXTERNAL AUDITORS

EY Ford Rhodes
Chartered Accountants

BANKERS

Al Baraka (Pakistan) Limited
Bank Al Habib Limited – Islamic Branch
Bank Alfalah Limited – Islamic Branch
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Pakistan Limited – Islamic Branch
MCB Bank Limited
Meezan Bank Limited

SHARE REGISTRAR

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

REGISTERED OFFICE

F-216, SITE, Karachi – 75700
Telephone: +92 21 32591000
+92 21 32575311-14 (4 Lines)
Fax: +92 21 32564236
Information: info@macter.com

WEBSITE

www.macter.com

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the un-audited condensed interim financial information of Macter International Limited ("the Company") for the period ended September 30, 2017:

OPERATING RESULTS

	JUL - SEP 2017	JUL - SEP 2016
	Rupees in Million	
Turnover - net	941.2	785.1
Gross Profit	428.7	353.3
Operating profit	81.2	70.0
Profit before tax	67.1	54.8
Profit after tax	48.3	43.9

Earnings per share of the Company for the period ended September 30, 2017 was Rs.1.24 as compared to Rs.1.12 for the same period last year.

FINANCIAL PERFORMANCE

During the period under review, net sales increased by Rs.156.1m registering a growth of 19.9% as compared to the same period last year, mainly owing to strong performance of the key brands.

Gross profit to net sales ratio was almost maintained during the period at around 45.5%, as compared to the same period last year.

The Company posted net profit after tax of Rs. 48.3m for the period, increased by Rs. 4.4m, as compared to Rs. 43.9m in the same period last year.

FUTURE OUTLOOK

Despite the challenging environment, the Company continues to remain determined to deliver optimum results by focusing on best product mix, cost cutting measures and improving the current processes.

ACKNOWLEDGEMENT

The Board of Directors would like to take this opportunity to express their profound appreciation of the commitment, dedication, and devotion of the employees and also like to acknowledge the support and cooperation received from our valued shareholders, customers, distributors, suppliers, financial institutions and regulatory authorities.

ON BEHALF OF THE BOARD



CHEIF EXECUTIVE
October 21, 2017

ڈائریکٹرز رپورٹ برائے ممبران

ڈائریکٹرز انتہائی مسرت کے ساتھ میکٹر انٹر نیٹشل لمیٹڈ (کمپنی) کے 30 ستمبر 2017 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کاروباری نتائج

جولائی تا ستمبر 2016 (روپے ملین میں)	جولائی تا ستمبر 2017 (روپے ملین میں)	
785.1	941.2	فروخت خالص
353.3	428.7	خام منافع
70.0	81.2	آپریٹنگ منافع
54.8	67.1	قبل از ٹیکس منافع
43.9	48.3	بعد از ٹیکس منافع

فی حصص منافع

کمپنی کے پچھلے سال کی زیر غور مدت کے فی حصص منافع مبلغ 1.12 روپے کے مقابلے میں اس مدت کے لئے فی حصص منافع مبلغ 1.24 روپے رہا۔

مالیاتی کارکردگی

زیر جائزہ مدت میں خالص فروخت گذشتہ سال اسی مدت کے مقابلے میں 19.9 فیصد کا اضافہ درج کرتے ہوئے 156.1 ملین روپے سے بڑھ گئی ہے۔ جس کی بڑی وجہ بنیادی برائڈز کی مضبوط کارکردگی ہے۔

اس مدت میں خام منافع کا فروخت سے تناسب پچھلے سال کی اسی مدت میں تقریباً 45.5 فیصد برقرار رہا۔

کمپنی کے پچھلے سال کی زیر غور مدت کے خالص منافع مبلغ 43.9 ملین کے مقابلے میں 4.4 ملین بڑھ کر اس مدت کے لئے 48.3 ملین رہا۔

مستقبل کا نقطہ نظر

مشکل حالات کے باوجود کمپنی بہتر فروخت کس، لاگت میں کمی کے اقدامات اور موجودہ عوامل کو بہتر بنانے پر توجہ مرکوز کرتے ہوئے بہترین نتائج دینے کے لئے بدستور ہر عزم ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اس موقع پر ملازمین کے عزم، لگن اور خدمت کی گہری قدر دانی کا اظہار کرتا ہے اور اپنے تمام قابل قدر شیئرز، ہولڈرز، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز کی حمایت اور تعاون کا اعتراف کرتا ہے۔

مثناسب پورڈ




چیف ایگزیکٹو

21 اکتوبر 2017

CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

ASSETS	NOTE	UN-AUDITED SEPTEMBER 30, 2017	AUDITED JUNE 30, 2017
		(Rs. in '000) -----	
NON-CURRENT ASSETS			
Property, plant and equipment	4	945,435	845,204
Intangible assets		10,473	10,944
Long-term loans		3,008	2,644
Long-term deposits		51,183	46,944
Deferred tax asset		17,203	21,697
		1,027,302	927,433
CURRENT ASSETS			
Stores and spares		1,723	1,640
Stock-in-trade		907,427	905,111
Trade debts		553,349	535,582
Loans and advances		119,678	99,632
Trade deposits and short-term prepayments		89,995	70,919
Other receivables		805	767
Accrued mark-up		68	88
Taxation-net		99,738	96,679
Cash and bank balances	5	43,233	102,088
		1,816,016	1,812,506
TOTAL ASSETS		2,843,318	2,739,939
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
65,000,000 (June 30, 2017; 65,000,000) ordinary shares of Rs.10/- each		650,000	650,000
Share capital		391,444	391,444
Reserves		800,148	751,800
		1,191,592	1,143,244
NON-CURRENT LIABILITIES			
Long-term financing		159,387	81,353
Deferred liabilities		168,285	166,130
Long-term deposit		500	500
		328,172	247,983
CURRENT LIABILITIES			
Trade and other payables		1,177,223	1,184,618
Accrued mark-up		11,373	13,202
Short-term borrowings		81,313	93,800
Current portion of long-term financing		53,645	57,092
		1,323,554	1,348,712
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		2,843,318	2,739,939

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE
ASIF MISBAH



DIRECTOR
MOHAMMED ASLAM

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	JUL - SEP 2017	JUL - SEP 2016
	(Rs. in '000)	
Turnover	941,197	785,123
Cost of sales	(512,545)	(431,834)
Gross profit	428,652	353,289
Distribution costs	(302,458)	(233,669)
Administration expenses	(46,883)	(49,417)
Other expenses	(5,704)	(4,616)
Other income	7,601	4,414
Operating profit	81,208	70,001
Finance costs	(14,072)	(15,180)
Profit before taxation	67,136	54,821
Taxation	(18,788)	(10,891)
Profit after taxation	48,348	43,930
Earnings per share - basic and diluted (Rs.)	1.24	1.12

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.


 CHIEF EXECUTIVE
 ASIF MISBAH


 DIRECTOR
 MOHAMMED ASLAM

**CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	JUL - SEP 2017	JUL - SEP 2016
	----- (Rs. in '000) -----	
Profit after taxation	48,348	43,930
Other comprehensive income	-	-
Total comprehensive income for the period	48,348	43,930

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



**CHIEF EXECUTIVE
ASIF MISBAH**





**DIRECTOR
MOHAMMED ASLAM**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	JUL - SEP 2017	JUL - SEP 2016
	(Rs. in '000)	
Profit after taxation	48,348	43,930
Other comprehensive income	-	-
Total comprehensive income for the period	48,348	43,930

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE
ASIF MISBAH



DIRECTOR
MOHAMMED ASLAM

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	NOTE	JUL - SEP 2017	JUL - SEP 2016
		----- (Rs. in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	32,173	82,602
Finance costs paid		(15,901)	(14,989)
Income tax paid		(17,352)	(20,212)
Gratuity paid		(3,583)	(4,626)
Long-term loans		(364)	(440)
Long-term deposits		(4,239)	(13,463)
Deferred liabilities		669	(76)
		(40,770)	(53,806)
Net cash (used in) / generated from operating activities		(8,597)	28,796
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(116,743)	(59,678)
Acquisition of intangible asset		(1,085)	-
Investments made during the period		-	28,750
Sale proceeds of property, plant and equipment		5,470	2,091
Net cash (used in) investing activities		(112,358)	(28,837)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained / (repaid) - net		74,587	(19,343)
Short-term borrowings (repaid) - net		(12,487)	(30,141)
Net cash generated from / (used in) financing activities		62,100	(49,484)
(Decrease) in cash and cash equivalents during the period		(58,855)	(49,525)
Cash and cash equivalents at the beginning of the period		102,088	111,182
Cash and cash equivalents at the end of the period	5	43,233	61,657

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE
ASIF MISBAHDIRECTOR
MOHAMMED ASLAM

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES			TOTAL
		CAPITAL RESERVES	UNAPPROP- -RIATED PROFIT	TOTAL RESERVES	
	----- (Rs. in '000) -----				
Balance at July 01, 2016	391,444	217,808	374,751	592,559	984,003
Total comprehensive income for the period ended September 30, 2016	-	-	43,930	43,930	43,930
Balance as at September 30, 2016	391,444	217,808	418,681	636,489	1,027,933
Balance at July 01, 2017	391,444	217,808	533,992	751,800	1,143,244
Total comprehensive income for the period ended September 30, 2017	-	-	48,348	48,348	48,348
Balance as at September 30, 2017	391,444	217,808	582,340	800,148	1,191,592

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE
ASIF MISBAH



DIRECTOR
MOHAMMED ASLAM

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017****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 1, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at F-216, S.I.T.E. Karachi.
- 1.2 The principal activity of the Company is to manufacture and market pharmaceutical products.

2. STATEMENT OF COMPLIANCE

- 2.1 The Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the Companies Ordinance 1984. The Act through its promulgation has introduced many changes in presentation and disclosure in the financial statements. However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated October 04, 2017 read with Circular No. 17 of 2017 dated July 20, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017.
- 2.2 Accordingly, this condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34-"Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.
- 2.3 This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2017.
- 2.4 This condensed interim financial information is un-audited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulation of the Pakistan Stock Exchange.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted by the Company in preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Company for the year ended June 30, 2017.

3.2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make estimates, judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual financial statements of the Company for the year ended June 30, 2017.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

		UN-AUDITED SEPTEMBER 30, 2017	AUDITED JUNE 30, 2017
	NOTE	----- (Rs. in '000) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	777,268	764,349
Capital work in progress		168,167	80,855
		<u>945,435</u>	<u>845,204</u>
JUL - SEP 2017			
-- (Rs. in '000) --			

- 4.1** Detail of additions, including transfers from capital work in progress, and (disposals) at cost in operating fixed assets during the period were as under:

Factory buildings on leasehold land	15,006
Plant and machinery	3,774
Lab equipment	6,420
Gas and other installation	1,604
Furniture and fixtures	901
Office equipment	494
Computer equipment	1,217
	(64)
Motor vehicles	15
	<u>(1,235)</u>
	<u>29,431</u>
	<u>(1,299)</u>

		UN-AUDITED SEPTEMBER 30, 2017	AUDITED JUNE 30, 2017
		----- (Rs. in '000) -----	
5. CASH AND BANK BALANCES			
Cash in hand		45	22
With banks in:			
- current accounts		27,800	86,584
- saving accounts	5.1	15,388	15,482
		<u>43,188</u>	<u>102,066</u>
		<u>43,233</u>	<u>102,088</u>

- 5.1** These carry profit rates ranging from 2.40 % to 4.15% p.a (June 30, 2017: 2.40% to 4.33% p.a)

6. CONTINGENCIES AND COMMITMENTS

6.1 CONTINGENCIES

6.1.1 Claims not acknowledged as debt by the Company

UN-AUDITED SEPTEMBER 30, 2017	AUDITED JUNE 30, 2017
----- (Rs. in '000) -----	

	<u>5,291</u>	<u>8,343</u>
6.1.2 During the year ended June 30, 2015, the Additional Commissioner Inland Revenue (ACIR) framed an order under section 122(5A) of Income Tax Ordinance, 2001 amounting to Rs. 6.399 million for tax year 2013 on account of disallowance of certain expenses. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR (A)] who reverted the case back to the ACIR for re-adjudication. Being aggrieved, the tax authorities filed an appeal before the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, based on tax advice, is confident for a favorable outcome, accordingly, no provision is made in this condensed interim financial information in this respect.		

6.2 COMMITMENTS

UN-AUDITED SEPTEMBER 30, 2017	AUDITED JUNE 30, 2017
----- (Rs. in '000) -----	

Outstanding letters of credit	<u>140,534</u>	<u>87,152</u>
Outstanding letters of guarantee	<u>85,415</u>	<u>82,335</u>
Commitments for capital expenditures	<u>89,955</u>	<u>101,390</u>
Commitments for Ijarah rentals in respect of plant machinery, motor vehicles and equipments		
Year		
FY 2018	74,513	76,981
FY 2019	93,976	75,575
FY 2020	78,642	60,242
FY 2021	68,983	50,582
FY 2022	39,947	24,609
	<u>356,061</u>	<u>287,989</u>

7. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise associates, directors and key management personnel. Transactions with related parties during the period, are as follows:

Relationship	Nature of transactions	NOTE	JUL - SEP 2017	JUL - SEP 2016
----- (Rs. in '000) -----				
Key Management Personnel	Salary and other employment benefits		34,424	24,256
	Post employment benefits		1,671	1,413
Director	Technical advisory services		1,280	1,200
	Meeting Fees		20	10
Provident Fund	Contribution		7,516	5,530

NOTE	JUL - SEP 2017	JUL - SEP 2016
	----- (Rs. in '000) -----	
8. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,136	54,821
Adjustments:		
Depreciation	16,134	14,978
Amortization	1,556	2,640
Finance costs	14,072	15,180
Provision for gratuity	5,069	4,342
Gain on sale of property, plant and equipment	(5,093)	(1,773)
Provision for slow moving and obsolete stock-in-trade	3,735	15,600
Provision for doubtful debts	(4,660)	4,695
	30,813	55,662
Working capital changes	8.1	
	(65,776)	(27,881)
	32,173	82,602
8.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(83)	(92)
Stock-in-trade	(6,051)	(197,177)
Trade debts	(13,107)	27,542
Loans and advances	(20,046)	18,688
Trade deposits and short-term prepayments	(19,076)	2,870
Other receivables	(18)	(7,643)
	(58,381)	(155,812)
(Increase) / decrease in current liabilities		
Trade and other payables	(7,395)	127,931
	(65,776)	(27,881)

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Director of the Company on October 21, 2017.

10. GENERAL

Figures have been rounded off to the nearest thousands.



 CHIEF EXECUTIVE
 ASIF MISBAH



 DIRECTOR
 MOHAMMED ASLAM



if undelivered please return to:



Macter

Macter International Limited

F 216 SITE, Karachi - Pakistan
www.macter.com