



**WORKING TODAY
FOR A HEALTHIER TOMORROW**



Macter

ANNUAL REPORT 2017

Macter International Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

| | | |
|-------------------------|----------------------------|------------------------|
| Mr. Asif Misbah | Chairman & 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
Bank Alfalah Limited
Bankislami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metro Bank Pakistan Limited
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
Ph # 92 21 32271905-6
Fax # 92 21 32621233
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

VISION, MISSION AND VALUES

VISION

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

MISSION

Macter exists to:

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

VALUES

- Shariah Compliance
- Benevolent Intent
- Customer Focus
- Communication & Teamwork
- Excellence
- Leadership

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the meeting) of Macter International Limited (the Company) will be held on Saturday, October 21, 2017 at 10:00 am at Moosa D. Desai Auditorium, the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton. Karachi to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2017 together with the reports of the auditors and directors.
2. To consider and declare final cash dividend @ 42.5% i.e. Rs. 4.25 per ordinary share for the year ended June 30, 2017, as recommended by the Board of Directors (the Board).
3. To appoint auditors and to fix their remuneration for the year ending June 30, 2018. The present auditors M/s. EY Ford Rhodes, Chartered Accountants, retire and being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of the Chair.

By Order of the Board



Muhammad Asif
Company Secretary

Karachi
September 28, 2017

NOTES:

1. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from October 14, 2017 to October 21, 2017 (both days inclusive). Transfers received, in order, at the office of the Company's Share Registrar M/s. F.D. Registrar Services (SMC-Pvt) Limited, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi by the close of business on October 13, 2017 will be considered in time to determine the above mentioned entitlement and vote at the meeting.

2. Participation in the meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. Proxies, in order, must be received at the Company's Registered Office, F-216, SITE, Karachi not later than 48 hours before the time of the meeting.

CDC Account-holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For attending the meeting

- i. In case of individuals, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. CNIC / NTN Number on Dividend Warrant

As has already been notified from time to time, SECP vide Notification SRO No. 275(I)/2016 dated March 31, 2016 read with Notification SRO No. 19(I)/2014 dated January 10, 2014 and Notification SRO No. 831(I)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the CNIC Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s). Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

4. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance (ITO), 2001

- (i) Pursuant to the provisions of the Finance Act, 2017 effective July 1, 2017, the rates of deduction of income tax from dividend payments under the ITO 2001, have been revised as follows:

| | | |
|---|---|-----|
| 1 | Rate of tax deduction for filer of income tax return | 15% |
| 2 | Rate of tax deduction for non-filers of income tax return | 20% |

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

- (ii) Further, according to clarification received from FBR, with-holding tax will be determined separately on Filer/Non -Filer status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

| Company Name | Folio / CDS Account No. | Total Shares | Principal Shareholder | | Joint Shareholder(s) | |
|--------------|-------------------------|--------------|-----------------------|---|----------------------|---|
| | | | Name and CNIC No. | Shareholding Proportion (No. of Shares) | Name and CNIC No. | Shareholding Proportion (No. of Shares) |

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint-holder(s).

- (iii) As per FBR Circulars C. No. 1 (29) WHT/2006 dated June 30, 2010 and C. No. 1 (43) DG (WHT)/2008-Vol. II-66417-R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the ITO, 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part IV of Second Schedule to the ITO 2001, is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per the applicable rates.
- (iv) For any query/problem/information, the investors may contact the Company Secretary at email address cosec@macter.com and/or M/s. F.D. Registrar Services (SMC-Pvt) Limited at phone 021-32271905-6 and email address: fdregistrar@yahoo.com.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or M/s. F.D. Registrar Services (SMC-Pvt) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company Name and their respective Folio Numbers.

5. Payment of Cash Dividend Electronically

In accordance with the provision of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into bank account designated by the entitled shareholders, SECP vide circular No. 18 of 2017 dated August 01,

2017, has presently waived this condition till October 31, 2017. Any dividend payable after this due date shall be paid in the manner prescribed only.

All shareholders are requested to provide details of their bank mandate specifying; (i) title of account, (ii) account number (iii) IBAN number (iv) bank name and (v) branch name, code & address, to the Companys Share R egistrar. Shareholders who hold shares with CDC are advised to provide the bank mandate details as mentioned above, to the concerned Participant/CDC Investor Account Services.

6. Change of Address

Members are requested to notify any change in their addresses immediately.

7. Consent for Electronic Transmission of Audited Financial Statements and Notices

SECP through its notification SRO 787(I)/2014 dated September 8, 2014 has permitted companies to circulate Audited Financial Statements alongwith Notice of Annual General Meeting to its members through email. Accordingly members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Companys website www.macter.com.

8. Placement of Audited Financials on the website

Annual Audited Financial Statements of the Company for the year ended June 30, 2017 have been placed on Companys website i.e. www.macter.com.

DIRECTORS' REPORT TO THE MEMBERS

The directors are pleased to present the Annual Report together with Audited Financial Statements of Macter International Limited ("the Company") for the year ended June 30, 2017.

FINANCIAL RESULTS

The financial results of the Company are summarized hereunder:

| | 2017 | 2016 |
|-------------------|-------------------|---------|
| | Rupees in Million | |
| Sales - net | 3,630.0 | 3,064.4 |
| Gross Profit | 1,673.4 | 1,257.2 |
| Operating profit | 413.3 | 267.5 |
| Profit before tax | 352.4 | 212.3 |
| Profit after tax | 274.2 | 147.1 |



EARNINGS PER SHARE

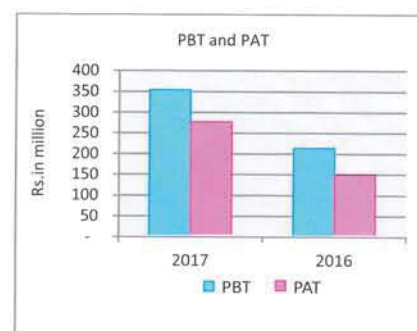
Earnings per share of the Company for the year ended June 30, 2017 was Rs. 7.01 as compared to Rs. 3.76 for last year.



FINANCIAL PERFORMANCE

During the period under review, net sales increased by Rs. 565.6 m registering a growth of 18.5% as compared to the last year, mainly owing to strong performance of the key brands and successful new product launches.

Gross profit to sales ratio increased during the year from 41.0% to 46.1% as compared to last year owing to better sales mix, efficient material buying and continuous cost cutting measures, in spite of increase in minimum wage and depreciation of Pak Rupees against US Dollar.



SUBSEQUENT EVENTS

The Company has been listed on Pakistan Stock Exchange Limited effective from August 1, 2017. Except this, no material changes or commitments affecting the financial position of the Company have been occurred between the end of financial year of the Company and the date of this report.

CAPITAL EXPENDITURE

The Company during the year made capital expenditure of Rs.174.2 m in various areas including manufacturing facilities for balancing, modernization and upgrading infrastructure.

RELATED PARTY TRANSACTIONS

Transactions with related parties during the year ended 30 June 2017 were placed before the board audit committee and the board for their review and approval. These transactions were approved by the Board in their meetings held during the year. Detail of related party transactions is given in note 30 to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

Service to the society is an integral part of Company's philosophy. The Company has undertaken a number of Corporate Social Responsibility (CSR) initiatives over the years, including:

- a) Provision of free drugs to various charitable organizations / hospitals
- b) Capacity-building of doctors and healthcare leadership in the country
- c) Support to various educational institutions and hospitals
- d) Free screening camps for hepatitis B and C
- e) Support to poor and needy patients

HEALTH, SAFETY & ENVIRONMENT

Realizing its responsibilities towards employees, environment and society; Company ensures complete adherence to the regulatory requirements in the area of health, safety and environment. The Company is compliant with most aspects of the applicable Standards. The manufacturing facility is managed in accordance with prescribed standards of the pharmaceutical industry and the company is compliant with National Environmental Quality Standards and labour legislation. Company's operations are ISO 14001:2004 and ISO 18001:2007 certified.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company made a total contribution of Rs 148.5 m to the National Exchequer by way of Customs duties, income tax and sales tax during the year 2017.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these financial statements.
- The Company maintains a sound internal control system. The internal control system is regularly reviewed.
- There are no doubts upon the Company's ability to continue as a going concern.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the financial statements.
- Significant deviations, if any, from last year in the operating results of the Company have been highlighted and explained.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- The values of investments of employees provident fund based on latest un-audited accounts as of 30 June 2017 are Rs. 71.4 m.

KEY OPERATING AND FINANCIAL DATA

Key operating and financial data of last six years is annexed with these financial statements.

BOARD OF DIRECTORS

The attendance of Directors in 06 meetings held during the year is as follows:

| Directors | Meetings entitled to attend | Meetings Attended |
|-------------------------|--------------------------------|-------------------|
| Mr. Asif Misbah | 06 | 06 |
| Mr. Swaleh Misbah Khan | 06 | 05 |
| Sheikh Muhammed Waseem | 06 | 05 |
| Mr. Mohammed Aslam | 06 | 06 |
| Sheikh Aamir Naveed | 05 | 05 |
| Mr. Muhammad Asif | 06 | 06 |
| Syed Salman Ahmad Zaidi | 06 | 06 |
| Mr. Zubeid Qureshi | 01 | 01 |
| Mr. Asad Nasir | 03 | 03 |
| Mr. Sarfaraz Anis | 03 | 03 |
| Mr. Muhammad Sajid | 03 | 02 |
| Mrs. Naureen Swaleh | 03 | 02 |

Leave of absence was granted to Directors who could not attend some of the Board meetings.

CHANGES IN BOARD OF DIRECTORS

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

| Name of Directors | Mode of Change | Effective Date |
|---------------------|----------------|--------------------|
| Mr. Zubeid Qureshi | Resigned | September 16, 2016 |
| Sheikh Aamir Naveed | Appointed | September 16, 2016 |
| Mr. Asad Nasir | Resigned | October 30, 2016 |
| Mr. Sarfaraz Anis | Resigned | October 30, 2016 |
| Mr. Muhammad Sajid | Appointed | November 22, 2016 |
| Mrs. Naureen Swaleh | Appointed | November 22, 2016 |

The Board acknowledges and appreciates the services of outgoing Directors and welcomes new Directors.

DIRECTORS TRAINING PROGRAM

The Board is compliant with the training requirement and the criteria as prescribed in the Code of Corporate Governance.

DIVIDEND

The board of directors has recommended a final cash dividend of 42.5% for the year ended June 30, 2017 (2016: 37.6% cash dividend).

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding is annexed with the financial statements.

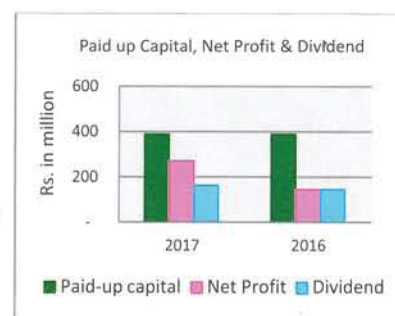
EXTERNAL AUDITORS

The present auditors M/s. EY Ford Rhodes., Chartered Accountants shall retire at the conclusion of ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board of Directors endorses recommendation of the Board Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2018.

FUTURE OUTLOOK

Macter has an exciting pipeline of biological and other drugs, many of which are expected to be approved in the coming months and years and would have impact on revenue and profit growth.

Despite the challenging environment, the company continues to remain determined to deliver optimum results by focusing on the best sales 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, especially Pakistan Stock Exchange (PSX) and Securities Exchange Commission of Pakistan (SECP) during the year.

On behalf of the Board



ASIF MISBAH
CHIEF EXECUTIVE

Karachi
September 22, 2017

میکٹر انٹرنیشنل لمیٹڈ

ڈائریکٹرز رپورٹ برائے ممبران

ڈائریکٹرز انتہائی مسرت کے ساتھ میکٹر انٹرنیشنل لمیٹڈ (کمپنی) کی سالانہ رپورٹ بمعہ آڈٹ شدہ مالی دستاویزات برائے سال 30 جون 2017 پیش کر رہے ہیں۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج درج ذیل خلاصہ کے ساتھ بیان کئے گئے ہیں:

| 2016 (روپے ملین میں) | 2017 (روپے ملین میں) | |
|----------------------|----------------------|-------------------|
| 3,064.4 | 3,630.0 | فروخت - خالص |
| 1,257.2 | 1,673.4 | خام منافع |
| 267.5 | 413.3 | آپریٹنگ منافع |
| 212.3 | 352.4 | قبل از ٹیکس منافع |
| 147.1 | 274.2 | بعد از ٹیکس منافع |

فی حصص منافع

کمپنی کے پچھلے سال کے فی حصص منافع 3.76 روپے کے مقابلہ میں 30 جون 2017 کو ختم ہونے والے سال کے لئے فی حصص منافع 7.01 روپے رہا۔

مالیاتی کارکردگی

زیر جائزہ مدت میں خالص فروخت گزشتہ سال کے مقابلے میں 18.5 فیصد کا اضافہ درج کرتے ہوئے 565.6 ملین روپے سے بڑھ گئی ہے۔ جس کی بڑی وجہ بنیادی برانڈز کی مضبوط کارکردگی اور نئی پروڈکٹس کا کامیاب اجراء ہے۔

اس مدت میں خام منافع کا فروخت سے تناسب پچھلے سال کی اسی مدت میں 41.0 فیصد سے بڑھ کر 46.1 فیصد ہو گیا۔ جس کی وجوہات، باوجود کم از کم اجرت میں اضافے اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے، بہتر فروخت کس، خام مال کی مؤثر انداز میں خریداری اور لاگت میں کمی کے مسلسل اقدامات ہیں۔

بعد ازاں واقعات

کمپنی یکم اگست 2017 سے پاکستانی اسٹاک ایکسچینج لمیٹڈ پر درج کر لی گئی ہے۔ کمپنی کے مالی سال کے اختتام سے لے کر اس رپورٹ تک کے درمیان ماسوائے، کوئی اور تبدیلی یا وعدے کمپنی کی مالی حیثیت پر اثر انداز نہیں ہوئے۔

کیپیٹل مصارف

کمپنی نے دوران سال مینوفیکچرنگ کی سہولیات اور بنیادی ڈھانچے کو متوازن، جدید بنانے اور اپ گریڈ کرنے کی مدد میں 174.2 ملین روپے کے کیپیٹل مصارف کئے۔

متعلقہ پارٹی ٹرانزیکشن

30 جون 2017 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیز کے ساتھ ٹرانزیکشنز کو، بورڈ کی آڈٹ کمیٹی اور بورڈ کے سامنے جائزہ لینے اور منظور کرنے کے لئے پیش کیا گیا۔ یہ ٹرانزیکشنز بورڈ نے سال کے دوران ہونے والے اجلاسوں میں منظور کر لیں۔ متعلقہ پارٹی ٹرانزیکشنز کی تفصیل مالی گوشواروں کے نوٹ 30 میں دے دی گئی ہے۔

کارپوریٹ سماجی ذمہ داری

سماجی خدمت کمپنی کی فلاحی کا بنیادی جز ہے۔ کمپنی نے سالہا سال سے کارپوریٹ سماجی ذمہ داری کے اقدامات کئے ہیں، بشمول:

- (a) مختلف خیراتی تنظیموں / ہسپتالوں کو مفت ادویات کی فراہمی
- (b) ملک میں ڈاکٹروں اور صحت کی دیکھ بھال کرنے والوں کی اہلیت کی تعمیر
- (c) مختلف تعلیمی اداروں اور ہسپتالوں کی مدد
- (d) میپائٹنس بی اور سی کے لئے مفت اسکریننگ کیمپ
- (e) غریب اور ضرورت مند مریضوں کے ساتھ تعاون

صحت، حفاظت اور ماحول

ملازمین، ماحول اور معاشرے سے متعلق اپنی ذمہ داری کا ادراک کرتے ہوئے کمپنی صحت، حفاظت اور ماحول کے حوالے سے ریگولیٹری ضروریات کی طرف مکمل توجہ کو یقینی بناتی ہے۔ کمپنی قابل اطلاق معیار کے تمام پہلوؤں کے مطابق ہے مینوفیکچرنگ کی سہولت ادویات کی صنعت کے مقرر کردہ معیار کے مطابق منظم ہے اور کمپنی قومی ماحولیاتی معیار اور مزدوروں سے متعلق قوانین پر عمل پیرا ہے۔ کمپنی کے آپریشن آئی ایس او 2004 : 14001 اور 2007 : 18001 سے مصدقہ ہیں۔

قومی خزانے میں حصہ

کمپنی نے 2017 کے دوران کسٹم ڈیوٹی، انکم ٹیکس اور سیلز ٹیکس کی صورت میں 148.5 ملین روپے مجموعی طور پر قومی خزانے میں جمع کروائے۔

کارپوریٹ فنانشل رپورٹنگ فریم ورک کا اسٹیٹمنٹ

- مینجمنٹ کی طرف سے تیار کردہ مالیاتی اسٹیٹمنٹ اس کی صورت حال، کارکردگی، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کا واضح اظہار کرتی ہے۔
- کمپنی کے اکاؤنٹس کی مناسب / درست کتابیں تیار کی گئی ہیں۔
- مالیاتی اسٹیٹمنٹ کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کا یکساں اور مسلسل اطلاق کیا گیا ہے۔ اکاؤنٹنگ تخمینے موزوں اور محتاط اندازوں پر مبنی ہیں
- مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیارات کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے۔

- کمپنی نے ایک مضبوط انٹرئل کنٹرول سسٹم نافذ کیا ہے۔ انٹرئل کنٹرول سسٹم کی نگرانی بھی کی جاتی ہے۔
- بطور ادارہ کمپنی کے کام جاری رکھنے کی اہلیت پر کسی شک و شبہ کی گنجائش نہیں ہے۔
- مالی گوشواروں میں واجب الادا محصولات، چار جز اور ڈیویڈنڈ، اگر ہوں تو، کی باقاعدہ نشاندہی کی گئی ہے۔
- گزشتہ سال کے مقابلے میں کمپنی کے آپریٹنگ نتائج میں ہونے والی قابل ذکر تبدیلیوں کو نمایاں اور بیان کیا گیا ہے۔
- لسٹنگ ریگولیشن میں تفصیلی طور پر دیئے گئے کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- 30 جون 2017 تک تازہ ترین غیر آڈٹ شدہ اکاؤنٹس پر مبنی ملازمین کے پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 71.4 ملین روپے ہے۔

کلیدی آپریٹنگ اور مالیاتی ڈیٹا

گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا مالیاتی گوشواروں کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز

سال کے دوران منعقد ہونے والے چھ اجلاسوں میں ڈائریکٹرز کی حاضری درج ذیل ہے:

| ڈائریکٹرز | حاضری کے اہل اجلاس | حاضری |
|---------------------|--------------------|-------|
| جناب آصف مصباح | 06 | 06 |
| جناب صالح مصباح خان | 06 | 05 |
| جناب محمد اسلم | 06 | 05 |
| جناب شیخ عامر نوید | 05 | 05 |
| جناب محمد آصف | 06 | 06 |
| جناب سید سلمان زیدی | 06 | 06 |
| جناب زبیر قریشی | 01 | 01 |
| جناب اسد ناصر | 03 | 03 |
| جناب سرفراز انیس | 03 | 03 |
| جناب محمد ساجد | 03 | 02 |
| محترمہ نورین صالح | 03 | 02 |

ڈائریکٹرز جو بورڈ کے کچھ اجلاس میں شرکت نہ کر سکے ان کو غیر حاضری کی رخصت دی گئی۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

سال کے دوران بورڈ آف ڈائریکٹرز میں مندرجہ ذیل تبدیلیاں ہوئیں:

| ڈائریکٹرز کے نام | تبدیلی کی صورت | نافذ العمل تاریخ |
|--------------------|----------------|------------------|
| جناب زبید قریشی | مستعفی | 16 ستمبر 2016 |
| جناب شیخ عامر نوید | تقرری | 16 ستمبر 2016 |
| جناب اسد ناصر | مستعفی | 30 اکتوبر 2016 |
| جناب سرفراز انیس | مستعفی | 30 اکتوبر 2016 |
| جناب محمد ساجد | تقرری | 22 نومبر 2016 |
| محترمہ نورین صالح | تقرری | 22 نومبر 2016 |

بورڈ رخصت ہونے والے ڈائریکٹرز کی خدمات کو تسلیم کرتے ہوئے ان کا معترف ہے اور نئے ڈائریکٹرز کو خوش آمدید کہتا ہے۔

ڈائریکٹرز ٹریننگ پروگرام

بورڈ کو ڈ آف کارپوریٹ گورننس کی ٹریننگ کی ضرورت اور اس کے مقرر کردہ معیار پر پورا اترتا ہے۔

ڈیویڈنڈ (Dividend)

بورڈ آف ڈائریکٹرز نے 30 جون 2017 کو ختم ہونے والے سال کے لئے 42.5 فیصد فائنل کیش ڈیویڈنڈ کی سفارش کی ہے (2016: 37.6 فی صد کیش ڈیویڈنڈ)۔

شیر ہولڈنگ کا پیٹرن

شیر ہولڈنگ پیٹرن کا اسٹیٹمنٹ مالی گوشواروں کے ساتھ منسلک ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز میسرز ای وائی فورڈ روڈ چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام میں ریٹائر ہو گئے۔ قابل ہونے کے باعث انہوں نے اپنے آپ کو دوبارہ تقرری کئے جانے کیلئے پیش کیا۔ بورڈ آف ڈائریکٹرز، آڈیٹرز کے تقرر برائے سال 30 جون 2018 کے لئے بورڈ آڈٹ کمیٹی کی سفارش کی تائید کرتا ہے۔

مستقبل کا جائزہ

میکٹر کے آئندہ منصوبوں میں حیاتیاتی اور دیگر ادویات شامل ہیں جن میں سے اکثر کی منظوری آنے والے مہینوں اور سالوں میں متوقع ہے جس کا اثر آمدنی اور منافع میں اضافہ پر مرتب ہوگا۔

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

اعتراف

بورڈ آف ڈائریکٹرز اس موقع سے فائدہ اٹھاتے ہوئے ملازمین کے عزم، لگن اور خدمت کی گہری قدردانی کا اظہار کرتا ہے اور اپنے تمام قابل قدر شیئرز، ہولڈرز، کسٹمرز، ڈسٹری بیوٹرز، سپلائرز، مالیاتی اداروں اور ریگولیٹری اتھارٹیز خاص طور پر پاکستان اسٹاک ایکسچینج (PSX) اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی، دوران سال حمایت اور تعاون کا اعتراف کرتا ہے

منجانب بورڈ



آصف مصباح

چیف ایگزیکٹو

کراچی

22 ستمبر 2017

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

| 2017 | % | 2016 | % |
|---------------------------|---|------|---|
| ----- (Rs. in `000) ----- | | | |

VALUE ADDITION

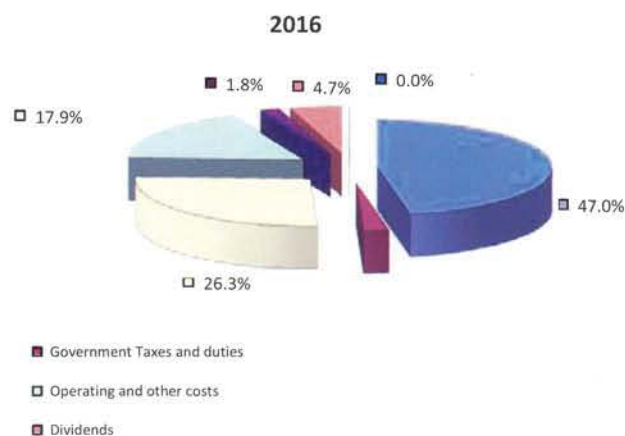
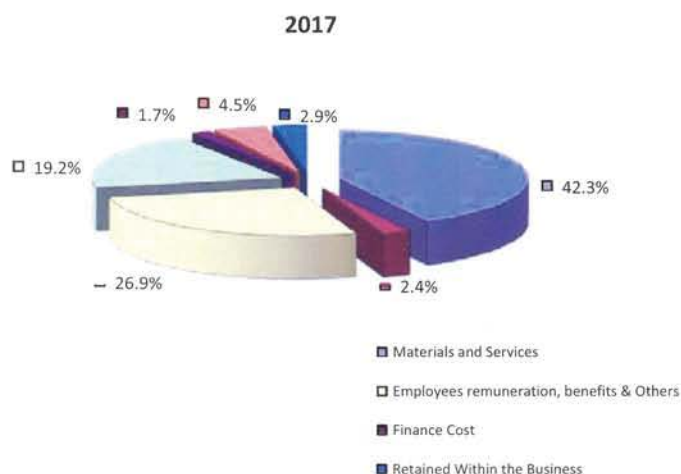
| | | | | |
|------------------------|-----------|-------|-----------|-------|
| Net Sales | 3,629,959 | 99.1% | 3,064,439 | 99.0% |
| Other Operating Income | 32,710 | 0.9% | 30,566 | 1.0% |

| | | | |
|------------------|-------------|------------------|-------------|
| 3,662,669 | 100% | 3,095,005 | 100% |
|------------------|-------------|------------------|-------------|

VALUE DISTRIBUTION

| | | | | |
|---|-----------|--------|-----------|-------|
| Materials and Services | 1,550,656 | 42.3% | 1,453,849 | 47.0% |
| Government Taxes and duties | 89,046 | 2.4% | 72,132 | 2.3% |
| Employees remuneration, benefits & Others | 986,387 | 26.9% | 813,385 | 26.3% |
| Operating and other costs | 701,573 | 19.15% | 553,351 | 17.9% |
| Finance Cost | 60,783 | 1.66% | 55,168 | 1.78% |
| Dividends | 166,364 | 4.5% | 146,501 | 4.7% |
| Retained Within the Business | 107,860 | 2.94% | 619 | 0.02% |

| | | | |
|------------------|-------------|------------------|-------------|
| 3,662,669 | 100% | 3,095,005 | 100% |
|------------------|-------------|------------------|-------------|



KEY OPERATING AND FINANCIAL DATA

| | Unit | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------------------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Summary of Balance Sheet | | | | | | | |
| Non-Current Assets | Rs. in Million | 927 | 811 | 897 | 858 | 837 | 781 |
| Current Assets | Rs. in Million | 1,813 | 1,581 | 1,231 | 1,232 | 928 | 872 |
| Total Assets | Rs. in Million | 2,740 | 2,392 | 2,128 | 2,090 | 1,765 | 1,653 |
| Summary of Profit and loss | | | | | | | |
| Net sales | Rs. in Million | 3,630 | 3,064 | 2,385 | 2,560 | 2,246 | 2,254 |
| Gross profit | Rs. in Million | 1,673 | 1,257 | 846 | 959 | 965 | 888 |
| Operating profit | Rs. in Million | 413 | 267 | 93 | 154 | 222 | 115 |
| Profit before taxation | Rs. in Million | 352 | 212 | 31 | 129 | 192 | 105 |
| Taxation | Rs. in Million | 78 | 65 | 12 | 29 | 17 | 30 |
| Net profit | Rs. in Million | 274 | 147 | 19 | 100 | 175 | 75 |
| Ratios | | | | | | | |
| Profitability Ratios | | | | | | | |
| Gross profit to sales | % | 46.09 | 41.02 | 35.47 | 37.46 | 42.97 | 39.40 |
| Net profit to sales | % | 7.55 | 4.80 | 0.80 | 3.91 | 7.79 | 3.33 |
| Operating Profit to sales | % | 11.38 | 8.71 | 3.90 | 6.02 | 9.88 | 5.10 |
| Return on equity before tax | % | 30.80 | 21.54 | 3.57 | 14.07 | 22.86 | 15.11 |
| Return on equity after tax | % | 23.97 | 14.94 | 2.19 | 10.91 | 20.83 | 10.79 |
| Return capital employed | % | 29.69 | 21.50 | 7.94 | 12.88 | 20.39 | 12.97 |
| PBT to Sales margin | % | 9.70 | 6.92 | 1.30 | 5.04 | 8.55 | 4.66 |
| PAT to Sales margin | % | 7.55 | 4.80 | 0.80 | 3.91 | 7.79 | 3.33 |
| Return on assets | % | 10.00 | 6.15 | 0.89 | 4.78 | 9.92 | 4.54 |
| Liquidity Ratios | | | | | | | |
| Current ratio | Times | 1.34 | 1.37 | 1.30 | 1.38 | 1.37 | 1.41 |
| Quick / Acid test ratio | Times | 0.62 | 0.78 | 0.50 | 0.48 | 0.43 | 0.41 |

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Macter International Limited** (the Company) as at **30 June 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 2.3 to the financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2017** and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Chartered Accountants
Audit Engagement Partner: Khurram Jameel
Date: 22 September 2017
Place: Karachi

**BALANCE SHEET
AS AT JUNE 30, 2017**

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Restated) ----- |
|---|------|-----------------------------------|--------------------------------|
| <u>ASSETS</u> | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 845,204 | 740,734 |
| Intangible assets | 5 | 10,944 | 18,533 |
| Long-term loans | 6 | 2,644 | 2,331 |
| Long-term deposits | 7 | 46,944 | 26,841 |
| Deferred tax asset | 8 | 21,697 | 22,853 |
| | | 927,433 | 811,292 |
| CURRENT ASSETS | | | |
| Stores and spares | | 1,640 | 1,148 |
| Stock-in-trade | 9 | 905,111 | 625,288 |
| Trade debts | 10 | 535,582 | 415,672 |
| Loans and advances | 11 | 99,632 | 106,743 |
| Trade deposits and short-term prepayments | 12 | 70,919 | 60,828 |
| Other receivables | | 767 | 887 |
| Accrued mark-up | | 88 | 477 |
| Taxation – net | | 96,679 | 96,143 |
| Cash and bank balances | 13 | 102,088 | 273,682 |
| | | 1,812,506 | 1,580,868 |
| TOTAL ASSETS | | 2,739,939 | 2,392,160 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 14 | 391,444 | 391,444 |
| Reserves | | 751,800 | 592,559 |
| | | 1,143,244 | 984,003 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing | 15 | 81,353 | 116,831 |
| Deferred liabilities | 16 | 166,130 | 141,105 |
| Long-term deposit | | 500 | 500 |
| | | 247,983 | 258,436 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 17 | 1,184,618 | 1,048,585 |
| Accrued mark-up | | 13,202 | 11,969 |
| Short-term borrowings | 18 | 93,800 | 30,141 |
| Current portion of long-term financing | 15 | 57,092 | 59,026 |
| | | 1,348,712 | 1,149,721 |
| CONTINGENCIES AND COMMITMENTS | 19 | | |
| TOTAL EQUITY AND LIABILITIES | | 2,739,939 | 2,392,160 |

The annexed notes from 1 to 34 form an integral part of these financial statements.


CHIEF EXECUTIVE
ASIF MISBAH


DIRECTOR
MUHAMMAD SAJID

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

| | Note | 2017 ----- (Rs. in '000) ----- (Restated) | 2016 ----- (Restated) |
|---|------|---|-----------------------------|
| Turnover | 20 | 3,629,959 | 3,064,439 |
| Cost of sales | 21 | (1,956,580) | (1,807,274) |
| Gross profit | | 1,673,379 | 1,257,165 |
| Distribution costs | 22 | (1,061,311) | (806,561) |
| Administrative expenses | 23 | (201,546) | (187,227) |
| Other expenses | 24 | (29,945) | (26,450) |
| Other income | 25 | 32,710 | 30,566 |
| Operating profit | | 413,287 | 267,493 |
| Finance costs | 26 | (60,842) | (55,226) |
| Profit before taxation | | 352,445 | 212,267 |
| Taxation | 27 | (78,221) | (65,146) |
| Net profit for the year | | 274,224 | 147,121 |
| Basic and diluted earnings per share (Rs.) | 28 | 7.01 | 3.76 |

The annexed notes from 1 to 34 form an integral part of these financial statements.


CHIEF EXECUTIVE
ASIF MISBAH


DIRECTOR
MUHAMMAD SAJID

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017**

| | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Restated) |
|--|-----------------------------------|-----------------------------|
| Net profit for the year | 274,224 | 147,121 |
| Other comprehensive (loss) / income | | |
| Items that may not be reclassified subsequently to profit and loss account | | |
| Actuarial (loss) / gain on defined benefit plan – net of tax | (19,079) | 4,568 |
| Total comprehensive income for the year | 255,145 | 151,689 |

The annexed notes from 1 to 34 form an integral part of these financial statements.


CHIEF EXECUTIVE
ASIF MISBAH


DIRECTOR
MUHAMMAD SAJID

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

| | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Rs. in '000) ----- (Restated) |
|---|-----------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 352,445 | 212,267 |
| Adjustments: | | |
| Depreciation | 65,115 | 63,635 |
| Amortization | 10,879 | 10,670 |
| Finance costs | 60,842 | 55,226 |
| Provision for gratuity | 13,078 | 18,027 |
| Gain on disposal of property, plant and equipment | (21,823) | (8,469) |
| Provision for slow moving and obsolete stock-in-trade | 11,471 | 3,519 |
| Provision for doubtful debts | 11,150 | 11,824 |
| | 150,712 | 154,433 |
| | 503,157 | 366,700 |
| (Increase) / decrease in current assets | | |
| Stores and spares | (492) | 27 |
| Stock-in-trade | (291,294) | 70,798 |
| Trade debts | (131,060) | (184,559) |
| Loans and advances | 7,111 | (68,888) |
| Trade deposits and short-term prepayments | (10,091) | (910) |
| Other receivables | 511 | 8,384 |
| | (425,315) | (175,148) |
| Increase in current liabilities | | |
| Trade and other payables | 136,033 | 192,806 |
| | (289,282) | 17,658 |
| Finance costs paid | (59,609) | (55,293) |
| Income tax paid | (69,887) | (50,780) |
| Gratuity paid | (15,138) | (28,832) |
| Long term loans | (313) | (3,621) |
| Long term deposits | (20,103) | - |
| Deferred liabilities | 291 | (2,100) |
| | (164,759) | (140,792) |
| Net cash generated from operating activities | 49,116 | 243,566 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (174,203) | (38,939) |
| Proceeds from disposal of property, plant and equipment | 26,440 | 112,545 |
| Acquisition of intangible assets | (3,290) | (6,680) |
| Investments made during the year | - | (64,742) |
| Net cash (used in) / generated from investing activities | (151,053) | 2,184 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (95,904) | (50,597) |
| Short-term borrowings obtained | 63,659 | 30,141 |
| Repayment of lease obligation | - | (257) |
| Long-term financing repaid | (37,412) | (61,429) |
| Net cash used in financing activities | (69,657) | (82,142) |
| Net (decrease) / increase in cash and cash equivalents | (171,594) | 163,608 |
| Cash and cash equivalents at the beginning of the year | 273,682 | 110,074 |
| Cash and cash equivalents at the end of the year | 102,088 | 273,682 |

The annexed notes from 1 to 34 form an integral part of these financial statements.


CHIEF EXECUTIVE
ASIF MISBAH


DIRECTOR
MUHAMMAD SAJID

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

| | Issued, subscribed and paid-up capital | Reserves | | | | Total |
|--|--|-----------------|---------------|-----------------------|----------------|-----------|
| | | Capital reserve | | Revenue reserve | Total reserves | |
| | | Merger reserve | Share premium | Unappropriated profit | | |
| ----- (Rs. in '000) ----- | | | | | | |
| Balance as at July 01, 2015 (as previously reported) | 389,205 | - | 204,671 | 273,659 | 478,330 | 867,535 |
| Merger adjustment (note 1.2) | 2,239 | 13,137 | - | - | 13,137 | 15,376 |
| Balance as at July 01, 2015 (restated) | 391,444 | 13,137 | 204,671 | 273,659 | 491,467 | 882,911 |
| Interim dividend @ Rs 1.3 per share for the year ended June 30, 2016 | - | - | - | (50,597) | (50,597) | (50,597) |
| Net profit for the year | - | - | - | 147,121 | 147,121 | 147,121 |
| Other comprehensive income | - | - | - | 4,568 | 4,568 | 4,568 |
| Total comprehensive loss for the year | - | - | - | 151,689 | 151,689 | 151,689 |
| Balance as at June 30, 2016 (restated) | 391,444 | 13,137 | 204,671 | 374,751 | 592,559 | 984,003 |
| Final dividend @ Rs 2.46 per share for the year ended June 30, 2016 | - | - | - | (95,904) | (95,904) | (95,904) |
| Net profit for the year | - | - | - | 274,224 | 274,224 | 274,224 |
| Other comprehensive loss | - | - | - | (19,079) | (19,079) | (19,079) |
| Total comprehensive income for the year | - | - | - | 255,145 | 255,145 | 255,145 |
| Balance as at June 30, 2017 | 391,444 | 13,137 | 204,671 | 533,992 | 751,800 | 1,143,244 |

The annexed notes from 1 to 34 form an integral part of these financial statements.


**CHIEF EXECUTIVE
ASIF MISBAH**


**DIRECTOR
MUHAMMAD SAJID**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 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. Subsequent to the year end the Company has been listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and market pharmaceutical products. The registered office of the Company is situated at F-216, S.I.T.E. Karachi.

1.2 During the year, pursuant to a Scheme of Arrangement approved by the High Court of Sindh on September 2, 2016, the Company and Associated Services Limited (ASRL) have been merged from January 1, 2016 (the effective date as per the Scheme of Arrangement). Consequently, the Company issued and allotted 223,834 fully paid ordinary shares of Rs. 10/- each to the registered shareholders of ASRL as at December 28, 2016 in the ratio of 1 ordinary share of the Company for 4 ordinary shares of ASRL, which will rank pari passu with the existing shares of the Company. Accordingly, all ASRL's assets are transferred to and vested in and similarly all liabilities are assumed by and vested in the Company, including listing status with Pakistan Stock Exchange Limited.

The said transaction has been accounted for using pooling of interest method which requires that the financial statements items of the merged entity for the period in which the merger occurs and for any comparative periods presented to be included in the financial statements of the merged entity as if they had been merged from the beginning of the earliest period presented. Any difference between the amount of investment made and the carrying amount of net assets acquired is included in merger reserve in the statement of changes in equity. Accordingly, the comparative figures have been restated wherever necessary to reflect the above transaction.

2. BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act, 2017 has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 17 of 2017 dated July 20, 2017 communicated its decision that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Company's financial statements for the year ended June 30, 2017 have been prepared in accordance with the requirements of the repealed Companies Ordinance, 1984 as an unlisted company and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention.

2.3 New and amended standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following accounting standards which became effective for the current year:

- IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)
- IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 - Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 - Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 - Employee Benefits - Discount rate: regional market issue
- IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, improvements to accounting standards did not have any material effect on the financial statements.

2.4 Standards not yet effective

The following standards and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

| | | Effective date (annual periods beginning on or after) |
|----------|--|--|
| IFRS 2 | - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments) | 01 January 2018 |
| IFRS 10 | - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) | Not yet finalized |
| IAS 7 | - Financial Instruments: Disclosures - Disclosure Initiative - (Amendment) | 01 January 2017 |
| IAS 12 | - Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments) | 01 January 2017 |
| IFRS 4 | - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments) | 01 January 2018 |
| IAS 40 | - Investment Property: Transfers of Investment Property (Amendments) | 01 January 2018 |
| IFRIC 22 | - Foreign Currency Transactions and Advance Consideration | 01 January 2018 |
| IFRIC 23 | - Uncertainty over Income Tax Treatments | 01 January 2019 |

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by the IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

| | Effective date (annual periods beginning on or after) |
|--|--|
| IFRS 9 – Financial Instruments: Classification and Measurement | 01 January 2018 |
| IFRS 14 – Regulatory Deferral Accounts | 01 January 2016 |
| IFRS 15 – Revenue from Contracts with Customers | 01 January 2018 |
| IFRS 16 – Lease | 01 January 2019 |
| IFRS 17 – Insurance Contracts | 01 January 2021 |

2.5 Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities and assets, at the end of the reporting period. However, uncertainty about these estimates and judgments could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

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

| | Notes |
|---|-----------------------|
| - determining the residual values, useful lives and impairment of property, plant and equipment / intangible assets | 3.1, 3.2, 3.3 & 4 & 5 |
| - valuation of inventories | 3.4, 3.5 & 9 |
| - provision against trade debts | 3.6 & 10 |
| - provision for tax and deferred tax | 3.18, 8 & 27 |
| - provision for employee retirement benefits | 3.13 & 16.1.2 |
| - contingencies | 19.1 |

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

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

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

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

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

3.2 Intangible assets

These are stated at cost less accumulated amortization and impairment loss, if any. These are amortized on a straight line method when assets are available for use at the rates specified in note 5 to the financial statement. Amortization is charged from the month when asset is available for use while no amortization is charged in the month in which an asset is disposed off.

3.3 Impairment

The carrying values of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

3.4 Stores and spares

These are stated at lower of weighted average cost and net realizable value.

3.5 Stock-in-trade

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

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

3.6 Trade debts

These are recognised and carried at original invoice amount less an estimate made for doubtful receivables which is determined based on management's review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off when identified.

3.7 Loans, advances, deposits and prepayments

These are carried at cost.

3.8 Cash and cash equivalents

These are carried at cost.

3.9 Long term and short-term borrowings

These are recorded at the proceeds received. Installments due within one year are shown as a current liability and mark-up on borrowings is charged to profit and loss as an expense, on accrual basis.

3.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

3.11 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes party to the contractual provisions of the instrument and are de-recognised in case of assets, when the contractual rights under the instrument are realised, expired or surrendered and in case of a liability, when the obligation is discharged, cancelled or expired. Any gain / (loss) on the recognition and de-recognition of the financial assets and liabilities is included in the profit / (loss) for the period in which it arises.

3.12 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

3.13 Employee retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme covering all eligible permanent employees. Provision is made on the basis of actuarial recommendations. The latest actuarial valuation is carried out as at June 30, 2017 using the Project Unit Credit Method.

Defined contribution plan

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

3.14 Revenue recognition

- Sales are recognised on dispatch of goods to customers.
- Income from toll manufacturing is accounted for on accrual basis.
- Profit on bank accounts is recognized on accrual basis.

3.15 Ijarah rentals

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

3.16 Foreign currency translations

Transactions in foreign currencies are recorded in Pakistan rupees (functional currency) at the rates of exchange approximating those prevalent on the date of transaction. Monetary assets and liabilities in foreign currencies are reported in Pakistan rupees at the rate of exchange prevailing on the balance sheet date. Exchange gains or losses are taken to the profit and loss account.

3.17 Provisions

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

3.18 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001.

Deferred

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

3.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4. PROPERTY, PLANT AND EQUIPMENT

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 (Restated) |
|--------------------------|------|-----------------------------------|--------------------|
| Operating fixed assets | 4.1 | 764,349 | 739,016 |
| Capital work-in-progress | 4.3 | 80,855 | 1,718 |
| | | <u>845,204</u> | <u>740,734</u> |

4.1 Operating fixed assets

| | 2017 | Cost as at July 01, 2016 | Additions/ (deletions) | Cost as at June 30, 2017 | Accumulated depreciation as at July 01, 2016 | Depreciation charge for the year | Accumulated depreciation on deletions | Accumulated depreciation as at June 30, 2017 | Net book value as at June 30, 2017 | Dep rate % per annum |
|-------------------------------------|------|-----------------------------|----------------------------|-----------------------------|--|--|---|--|--|-------------------------|
| | | | | | | (Rs. in '000) | | | | |
| Leasehold land | | 90,415 | - | 90,415 | - | - | - | - | 90,415 | - |
| Factory buildings on leasehold land | | 317,754 | 20,888 | 338,642 | 95,774 | 11,639 | - | 107,413 | 231,229 | 5 |
| Plant and machinery | | 507,097 | 17,419 | 524,516 | 267,014 | 25,126 | - | 292,140 | 232,376 | 10 |
| Tools and equipment | | 48,706 | 12,280 | 60,986 | 22,057 | 3,308 | - | 25,365 | 35,621 | 10 |
| Gas and other installation | | 149,085 | 8,922 | 158,007 | 73,519 | 7,982 | - | 81,501 | 76,506 | 10 - 15 |
| Furniture and fixture | | 36,609 | 767 | 37,376 | 16,486 | 2,064 | - | 18,550 | 18,826 | 10 |
| Office equipment | | 27,716 | 1,237 | 28,953 | 10,944 | 1,720 | - | 12,664 | 16,289 | 10 |
| Computer equipment | | 27,502 | 4,122 (74) | 31,550 | 21,831 | 2,350 | (66) | 24,115 | 7,435 | 30 |
| Motor vehicles | | 88,484 | 29,429 (10,197) | 107,716 | 46,727 | 10,926 | (5,589) | 52,064 | 55,652 | 20 |
| | | 1,293,368 | 95,064 (10,271) | 1,378,161 | 554,352 | 65,115 | (5,655) | 613,812 | 764,349 | |

| 2016 | Cost as at July 01, 2015 | Additions/ (deletions) | Cost as at June 30, 2016 | Accumulated depreciation as at July 01, 2015 | Depreciation charge for the year | Accumulated depreciation on deletions | Accumulated depreciation as at June 30, 2016 | Net book value as at June 30, 2016 | Dep rate % per annum |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|--|--|---|--|--|-------------------------|
| | (Rs. in '000) | | | | | | | | |
| Owned | | | | | | | | | |
| Leasehold land | 90,415 | - | 90,415 | - | - | - | - | 90,415 | - |
| Factory buildings on leasehold land | 288,378 | 29,376 | 317,754 | 84,188 | 11,586 | - | 95,774 | 221,980 | 5 |
| Plant and machinery | 404,081 | 105,310 (2,294) | 507,097 | 242,489 | 26,287 | (1,762) | 267,014 | 240,083 | 10 |
| Tools and equipment | 42,423 | 6,366 (83) | 48,706 | 19,564 | 2,493 | - | 22,057 | 26,649 | 10 |
| Gas and other installation | 147,596 | 5,998 (4,509) | 149,085 | 67,720 | 8,254 | (2,455) | 73,519 | 75,566 | 10 - 15 |
| Furniture and fixture | 36,538 | 71 | 36,609 | 14,254 | 2,232 | - | 16,486 | 20,123 | 10 |
| Office equipment | 23,889 | 4,008 (181) | 27,716 | 9,439 | 1,580 | (75) | 10,944 | 16,772 | 10 |
| Computer equipment | 26,650 | 1,425 (573) | 27,502 | 20,116 | 2,133 | (418) | 21,831 | 5,671 | 30 |
| Motor vehicles | 82,913 | 12,215 (6,644) | 88,484 | 41,563 | 9,013 | (3,849) | 46,727 | 41,757 | 20 |
| | 1,142,883 | 164,769 (14,284) | 1,293,368 | 499,333 | 63,578 | (8,559) | 554,352 | 739,016 | |
| Leased | | | | | | | | | |
| Motor vehicles | 1,000 | (1,000) | - | 590 | 57 | (647) | - | - | |
| | 1,143,883 | 164,769 (15,284) | 1,293,368 | 499,923 | 63,635 | (9,206) | 554,352 | 739,016 | |

4.2 Depreciation charge for the year has been allocated as follows:

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Rs. in '000) ----- |
|-------------------------|------|-----------------------------------|-----------------------------------|
| | | | (Restated) |
| Cost of sales | 21 | 49,253 | 49,566 |
| Distribution costs | 22 | 9,654 | 7,358 |
| Administrative expenses | 23 | 6,208 | 6,711 |
| | | <u>65,115</u> | <u>63,635</u> |

4.3 Capital work-in-progress

| | Land and Civil works | Plant and machinery | Others | Total |
|--|---------------------------|------------------------|---------------|---------------|
| | ----- (Rs. in '000) ----- | | | |
| Opening balance | - | 1,316 | 402 | 1,718 |
| Capital expenditure incurred / advances made | 57,255 | 24,538 | 26,406 | 108,199 |
| Transferred to operating fixed assets | (15,561) | (10,497) | (3,004) | (29,062) |
| Closing balance | <u>41,694</u> | <u>15,357</u> | <u>23,804</u> | <u>80,855</u> |

5. INTANGIBLE ASSETS

| | Cost as at July 01, 2016 | Additions | Cost as at June 30, 2017 | Accumulated amortization as at July 01, 2016 | Amortization charge for the year | Accumulated amortization as at June 30, 2017 | Net book value as at June 30, 2017 | Rate % Per annum |
|---|--------------------------------|--------------|-----------------------------|---|--|---|---|---------------------------|
| | ----- (Rs. in '000) ----- | | | | | | | |
| Software licenses | 13,036 | 3,290 | 16,326 | 5,892 | 2,518 | 8,410 | 7,916 | 20- 33.33 |
| SAP ERP | 41,802 | - | 41,802 | 30,413 | 8,361 | 38,774 | 3,028 | 20 |
| Manufacturing and distribution rights | 20,000 | - | 20,000 | 20,000 | - | 20,000 | - | 20 |
| 2017 | 74,838 | 3,290 | 78,128 | 56,305 | 10,879 | 67,184 | 10,944 | |

| | Cost as at July 01, 2015 | Additions | Cost as at June 30, 2016 | Accumulated amortization as at July 01, 2015 | Amortization charge for the year | Accumulated amortization as at June 30, 2016 | Net book value as at June 30, 2016 | Rate % Per annum |
|---|--------------------------------|--------------|-----------------------------|---|--|---|---|---------------------------|
| | ----- (Rs. in '000) ----- | | | | | | | |
| Software licenses | 9,346 | 3,690 | 13,036 | 4,318 | 1,574 | 5,892 | 7,144 | 20- 33.33 |
| SAP ERP | 38,812 | 2,990 | 41,802 | 22,651 | 7,762 | 30,413 | 11,389 | 20 |
| Manufacturing and distribution rights | 20,000 | - | 20,000 | 18,666 | 1,334 | 20,000 | - | 20 |
| 2016 | 68,158 | 6,680 | 74,838 | 45,635 | 10,670 | 56,305 | 18,533 | |

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- |
|--|------|-----------------------------------|----------------|
| 5.1 Amortization charge for the year has been allocated as follows: | | | |
| Cost of sales | 21 | 78 | - |
| Distribution costs | 22 | 292 | 1,385 |
| Administrative expenses | 23 | 10,509 | 9,285 |
| | | <u>10,879</u> | <u>10,670</u> |
| 6. LONG-TERM LOANS – secured, considered good | | | |
| Due from: | | | |
| - Executives | | 4,004 | 3,328 |
| - Other employees | | 6,058 | 5,972 |
| | 6.1 | <u>10,062</u> | <u>9,300</u> |
| Current portion: | | | |
| - Executives | | (2,845) | (2,496) |
| - Other employees | | (4,573) | (4,473) |
| | 11 | <u>(7,418)</u> | <u>(6,969)</u> |
| | | <u>2,644</u> | <u>2,331</u> |

6.1 These loans are markup free and are secured against retirement benefits of respective employees.

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Restated) |
|--|------|-----------------------------------|-----------------------------|
| 7. LONG-TERM DEPOSITS | | | |
| Ijarah / Diminishing Musharakah | | 44,236 | 24,659 |
| Utilities | | 1,998 | 1,937 |
| Rent | | 710 | 245 |
| | | <u>46,944</u> | <u>26,841</u> |
| 8. DEFERRED TAX ASSET | | | |
| Deductible temporary differences: | | | |
| Provisions | | 86,483 | 69,644 |
| Minimum tax | | 26,924 | 34,489 |
| Carried forward tax losses | | - | 10,638 |
| | | <u>113,407</u> | <u>114,771</u> |
| Taxable temporary differences: | | | |
| Accelerated tax depreciation | | (91,710) | (91,918) |
| | | <u>21,697</u> | <u>22,853</u> |
| 9. STOCK-IN-TRADE | | | |
| In hand | | | |
| raw material | | 366,100 | 195,232 |
| packing material | | 206,728 | 142,199 |
| work-in-process | | 95,598 | 79,160 |
| finished goods | 9.1 | <u>275,202</u> | <u>233,833</u> |
| | | <u>943,628</u> | <u>650,424</u> |
| Less: Provision for slow moving and obsolete items | 9.2 | <u>(40,372)</u> | <u>(28,901)</u> |
| | | <u>903,256</u> | <u>621,523</u> |
| In transit | | 1,855 | 3,765 |
| | | <u>905,111</u> | <u>625,288</u> |

9.1 These include cost of physician samples, aggregating Rs.8.957 million (2016: Rs. 7.707 million).

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 |
|---|------|-----------------------------------|----------|
| 9.2 Provision for slow moving and obsolete items | | | |
| Opening balance | | 28,901 | 25,382 |
| Charge for the year | 21 | 32,225 | 53,956 |
| Written off during the year | | (20,754) | (50,437) |
| Closing balance | | 40,372 | 28,901 |
| 10. TRADE DEBTS – unsecured | | | |
| Considered good | | 535,582 | 415,672 |
| Considered doubtful | | 48,576 | 37,426 |
| Provision for doubtful debts | 10.1 | (48,576) | (37,426) |
| | | - | - |
| | | 535,582 | 415,672 |
| 10.1 Provision for doubtful debts | | | |
| Opening balance | | 37,426 | 25,602 |
| Charge for the year | 22 | 26,290 | 16,264 |
| Written off during the year | | (15,140) | (4,440) |
| Closing balance | | 48,576 | 37,426 |
| 11. LOANS AND ADVANCES – considered good | | | |
| Current portion of long term loans | 6 | 7,418 | 6,969 |
| Advances to: | | | |
| Employees | | 24,170 | 18,302 |
| Suppliers | | 67,859 | 81,438 |
| Others | | 185 | 34 |
| | | 92,214 | 99,774 |
| | | 99,632 | 106,743 |
| 12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS | | | |
| Trade deposits | | | |
| Ijarah/ Diminishing Musharakah | | 3,400 | 3,943 |
| Margin against bank guarantees | | 16,485 | 11,448 |
| Tender deposits | | 35,236 | 38,213 |
| Others | | 5,371 | 5,180 |
| | | 60,492 | 58,784 |
| Prepayments | | 10,427 | 2,044 |
| | | 70,919 | 60,828 |
| 13. CASH AND BANK BALANCES | | | |
| Cash in hand | | 22 | 87 |
| With banks in: | | | |
| - current accounts | | 86,584 | 28,684 |
| - saving accounts | 13.1 | 15,482 | 82,411 |
| - term deposit receipts | | - | 162,500 |
| | | 102,066 | 273,595 |
| | | 102,088 | 273,682 |

13.1 These carry profit rates ranging from 2.40% to 4.33% (2016: 3.0% to 5.5%) per annum.

| | | | 2017 ----- (Rs. in '000) ----- | 2016 ----- |
|--|-------------------------|-------------------|-------------------------------------|-------------------------------|
| 14. SHARE CAPITAL | | | | |
| 14.1 Authorized capital | | | | |
| | 2017 | 2016 | | |
| | Number of shares | | | |
| | <u>65,000,000</u> | <u>65,000,000</u> | Ordinary shares of Rs. 10/- each | <u>650,000</u> <u>650,000</u> |
| 14.2 Issued, subscribed and paid-up capital | | | | |
| | 2017 | 2016 | | |
| | Number of shares | | | |
| | | | Ordinary shares of Rs. 10/- each | |
| | 8,430,868 | 8,430,868 | Fully paid in cash | 84,309 84,309 |
| | 30,489,649 | 30,489,649 | Issued as fully paid bonus shares | 304,896 304,896 |
| | <u>223,834</u> | <u>223,834</u> | Issued pursuant to merger with ASRL | <u>2,239</u> <u>2,239</u> |
| | <u>39,144,351</u> | <u>39,144,351</u> | | <u>391,444</u> <u>391,444</u> |

| | | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- |
|--------------------------------|---|-----------------|-----------------------------------|---------------|
| 15. LONG-TERM FINANCING | | | | |
| Secured | | | | |
| Diminishing musharakah on: | | | | |
| - land and buildings | 15.1 | 65,173 | 98,894 | |
| - plant and machinery | 15.2 | 25,304 | 32,104 | |
| - vehicles | 15.3 | 44,761 | 30,750 | |
| - equipments | 15.4 | 2,994 | 6,364 | |
| | | <u>138,232</u> | <u>168,112</u> | |
| Less: Current maturity | | <u>(57,092)</u> | <u>(59,026)</u> | |
| | | <u>81,140</u> | <u>109,086</u> | |
| Unsecured | | | | |
| From others | | <u>213</u> | <u>7,745</u> | |
| | | <u>81,353</u> | <u>116,831</u> | |
| 15.1 | These facilities have been obtained from Meezan Bank Limited. These carry markup at the rate of 6 months KIBOR plus 1.5% to 2.0% (2016: 6 months KIBOR plus 1.5% to 2.0%) per annum and are repayable latest by August 2019. These facilities are secured against the respective assets. | | | |
| 15.2 | These facilities have been obtained from First Habib Modaraba and Al Baraka Bank Pakistan Limited. These carry markup at the rates ranging from 6 months KIBOR plus 1.4% to 2.5% (2016: 6 months KIBOR plus 1.5% to 2.5%) per annum and are repayable latest by January 2022. These facilities are secured against the respective assets. | | | |
| 15.3 | These facilities have been obtained from First Habib Modaraba. These carry markup at the rates ranging from 6 months KIBOR plus 1.25% to 2.00% (2016: 6 months KIBOR plus 1.4% to 2.0%) per annum and are repayable by March 2022 in 60 monthly installments. These facilities are secured against the respective assets. | | | |
| 15.4 | These facilities have been obtained from First Habib Modaraba. These carry markup at the rates ranging from 6 months KIBOR plus 2.0% (2016: 6 months KIBOR plus 2.0% to 2.5%) per annum and are repayable latest by December 2018. These facilities are secured against the respective assets. | | | |

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Rs. in '000) ----- |
|--|------|-----------------------------------|-----------------------------------|
| 16. DEFERRED LIABILITIES | | | |
| Advance against motor vehicles | | 616 | 325 |
| Employees gratuity | 16.1 | 165,514 | 140,780 |
| | | 166,130 | 141,105 |
| 16.1 Employee gratuity | | | |
| Opening balance | | 140,780 | 158,349 |
| Charge for the year | | 13,078 | 18,027 |
| Actuarial loss / (gain) recognised in other comprehensive income | | 26,793 | (6,764) |
| Benefits paid during the year | | (15,137) | (28,832) |
| Closing balance | | 165,514 | 140,780 |
| 16.1.1 Movement in the present value of defined benefit obligations | | | |
| Opening balance | | 140,780 | 158,349 |
| Service cost | | 4,419 | 5,073 |
| Interest cost | | 8,659 | 12,954 |
| Actuarial loss / (gain) recognised in other comprehensive income | | 26,793 | (6,764) |
| Benefits paid during the year | | (15,137) | (28,832) |
| Closing balance | | 165,514 | 140,780 |
| 16.1.2 Amounts recognized in the profit and loss account | | | |
| Service cost | | 4,419 | 5,073 |
| Interest cost | | 8,659 | 12,954 |
| Charge for the year | | 13,078 | 18,027 |
| 16.1.3 Significant actuarial assumptions | | | |
| | | 2017 | 2016 |
| | | ----- (%) ----- | |
| Discount rate | | 7.0 | 6.5 |
| Expected rate of increase in salary | | 7.0 | 6.5 |
| | | 2017 | 2016 |
| | | ----- (Rs. in '000) ----- | |
| | | | (Restated) |
| 17. TRADE AND OTHER PAYABLES | | | |
| Creditors | | 325,941 | 285,357 |
| Advance from customers | | 161,109 | 105,857 |
| Murabaha payables | 17.1 | 588,575 | 563,911 |
| Accrued liabilities | | 30,323 | 29,663 |
| Provision for Infrastructure Development Cess | 17.2 | 44,412 | 28,701 |
| Workers' Profit Participation Fund | 17.3 | 2,120 | 2,339 |
| Workers' Welfare fund | | 12,588 | 5,322 |
| Central Research Fund | | 3,560 | 2,297 |
| Provident fund | 17.4 | 2,864 | 637 |
| Other liabilities | | 13,126 | 24,501 |
| | | 1,184,618 | 1,048,585 |

- 17.1** Represent outstanding murabaha facilities with various Islamic banks. The repayment varies from 110 to 180 days (2016: 37 to 180 days) and carries profit at the rate ranging from 3 to 6 months KIBOR plus 1.0% to 1.5% per annum (2016: from 3 to 6 months of KIBOR plus 1.0% to 1.5% per annum). These are secured against hypothecation of stock in trade and trade debts of the Company.

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- |
|---|------|-----------------------------------|---------------|
| 17.2 Provision for Infrastructure Development Cess | | | |
| Opening balance | | 28,701 | 12,506 |
| Provision for the year | | 15,711 | 16,195 |
| | | <u>44,412</u> | <u>28,701</u> |
| 17.3 Workers' Profit Participation Fund | | | |
| Opening balance | | 2,339 | 1,667 |
| Markup thereon | | 59 | 58 |
| Charge for the year | 24 | 19,120 | 12,339 |
| | | <u>21,518</u> | <u>14,064</u> |
| less: Payment made during the year | | (19,398) | (11,725) |
| Closing balance | | <u>2,120</u> | <u>2,339</u> |
| 17.4 Provident fund | | <u>2,864</u> | <u>637</u> |
| 17.4.1 General disclosures | | | |
| Size of the fund | | 77,069 | 36,377 |
| Cost of investments | | 74,585 | 32,021 |
| Fair value of investments made | | 71,429 | 32,021 |
| Percentage of investments made | | 97% | 88% |

17.4.2 Breakup of investments

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

| | 2017 Unaudited | | 2016 Unaudited | |
|----------------------|-----------------------------|--|-----------------------------|--|
| | Investment (Rs. in '000) | % of investment as size of the fund | Investment (Rs. in '000) | % of investment as size of the fund |
| Saving Bank Account | 17,022 | 22 | 32,021 | 88 |
| Term Deposit Receipt | 30,000 | 39 | - | - |
| Mutual Funds | 24,407 | - | - | - |
| | <u>71,429</u> | <u>93</u> | <u>32,021</u> | <u>88</u> |

- 17.4.3** Investments out of provident fund have been made in accordance with the provisions of the section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- |
|---|------|-----------------------------------|---------------|
| 18. SHORT-TERM BORROWINGS – secured | | | |
| Istisna'a | 18.1 | <u>93,800</u> | <u>30,141</u> |
| 18.1 | | | |
| Represents finance facilities obtained from various Islamic banks. These carry mark up at the rate of 3 to 6 months KIBOR plus 1.0% to 1.5% per annum (2016: 3 to 6 months KIBOR plus 1.0% to 1.5% per annum) and are repayable after 180 days. These are secured by way of hypothecation on stock-in-trade and trade debts of the Company. | | | |

2017 2016
----- (Rs. in '000) -----

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 Claims not acknowledged as debt by the Company 8,343 5,535

19.1.2 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 these financial statements in this respect.

2017 2016
----- (Rs. in '000) -----

19.2 Commitments

| | | | |
|---|-------------|----------------|----------------|
| Outstanding letters of credit | | 87,152 | 265,014 |
| Outstanding letters of guarantee | | 82,335 | 59,077 |
| Commitments for capital expenditure | | 101,390 | 28,091 |
| Commitments for Ijarah rentals in respect of plant and machinery, motor vehicles and equipments | | | |
| | Year | | |
| | 2017 | - | 41,619 |
| | 2018 | 76,981 | 36,490 |
| | 2019 | 75,575 | 30,563 |
| | 2020 | 60,242 | 15,192 |
| | 2021 | 50,582 | 5,597 |
| | 2022 | 24,609 | - |
| | | 287,989 | 129,461 |

20. TURNOVER

| | | |
|--------------------|------------------|------------------|
| Local | 3,483,570 | 2,906,972 |
| Export | 63,340 | 63,165 |
| | 3,546,910 | 2,970,137 |
| Toll manufacturing | 83,049 | 94,302 |
| | 3,629,959 | 3,064,439 |

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 ----- |
|---|------|-----------------------------------|------------------|
| 21. COST OF SALES | | | |
| Raw and packing materials consumed | 21.1 | 1,440,398 | 1,278,367 |
| Salaries, wages and benefits | | 320,222 | 270,528 |
| Fuel and power | | 105,044 | 98,791 |
| Ijarah lease rentals | | 26,001 | 22,830 |
| Repairs and maintenance | | 52,974 | 43,240 |
| Laboratory and factory supplies | | 16,041 | 14,944 |
| Insurance | | 2,287 | 2,247 |
| Provision for slow moving and obsolete stock-in-trade | 9.2 | 32,225 | 53,956 |
| Printing and stationery | | 4,314 | 4,289 |
| Rent, rates and taxes | | 6,427 | 7,024 |
| Legal and professional | | 453 | 75 |
| Travelling and conveyance | | 1,544 | 1,822 |
| Depreciation | 4.2 | 49,253 | 49,566 |
| Amortization | 5.1 | 78 | - |
| Postage and communication | | 1,094 | 904 |
| Others | | 562 | 326 |
| | | 2,058,917 | 1,848,909 |
| Work-in-process | | | |
| Opening | | 79,160 | 85,892 |
| Closing | | (95,598) | (79,160) |
| | | (16,438) | 6,732 |
| Cost of goods manufactured | | 2,042,479 | 1,855,641 |
| Finished goods | | | |
| Opening | | 233,833 | 219,297 |
| Closing | | (275,202) | (233,833) |
| | | (41,369) | (14,536) |
| Physician samples | | (44,530) | (33,831) |
| | | 1,956,580 | 1,807,274 |
| 21.1 Raw and packing materials consumed | | | |
| Opening stock | | 337,431 | 419,150 |
| Purchases | | 1,675,795 | 1,196,648 |
| | | 2,013,226 | 1,615,798 |
| Closing stock | | (572,828) | (337,431) |
| | | 1,440,398 | 1,278,367 |

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 |
|---|------|-----------------------------------|----------------|
| 22. DISTRIBUTION COSTS | | | |
| Salaries and benefits | | 514,511 | 409,361 |
| Sales promotion expenses | | 174,024 | 98,495 |
| Repairs and maintenance | | 20,584 | 14,778 |
| Fuel and power | | 11,750 | 10,894 |
| Ijarah lease rentals | | 19,315 | 14,669 |
| Printing and stationery | | 2,774 | 2,317 |
| Insurance | | 3,365 | 2,825 |
| Postage and communication | | 4,246 | 5,407 |
| Rent, rates and taxes | | 16,616 | 10,673 |
| Legal and professional | | 2,240 | 1,958 |
| Provision for doubtful debts | 10.1 | 26,290 | 16,264 |
| Freight charges | | 51,568 | 47,355 |
| Training and development cost | | 65,608 | 39,981 |
| Depreciation | 4.2 | 9,654 | 7,358 |
| Amortization | 5.1 | 292 | 1,385 |
| Traveling, conveyance and entertainment | | 49,060 | 30,506 |
| Service charges | | 79,823 | 83,578 |
| Subscription charges | | 9,591 | 8,757 |
| | | 1,061,311 | 806,561 |
| 23. ADMINISTRATIVE EXPENSES | | | |
| Salaries and benefits | | 132,475 | 121,108 |
| Fuel and power | | 6,023 | 4,520 |
| Ijarah lease rentals | | 3,113 | 3,194 |
| Legal and professional | | 13,058 | 9,486 |
| Printing and stationery | | 2,341 | 2,226 |
| Auditors' remuneration | 23.1 | 2,030 | 1,178 |
| Rent, rates and taxes | | 3,044 | 4,231 |
| Insurance | | 1,000 | 1,106 |
| Repairs and maintenance | | 15,145 | 14,317 |
| Postage and communication | | 2,854 | 3,420 |
| Depreciation | 4.2 | 6,208 | 6,711 |
| Amortization | 5.1 | 10,509 | 9,285 |
| Traveling, conveyance and entertainment | | 1,660 | 1,516 |
| Others | | 2,086 | 4,929 |
| | | 201,546 | 187,227 |
| 23.1 Auditors' remuneration | | | |
| Audit fee | | 650 | 650 |
| Other services | | 1,162 | 399 |
| Out of pocket expenses | | 218 | 129 |
| | | 2,030 | 1,178 |

| | Note | 2017 ----- (Rs. in '000) ----- | 2016 |
|--|---|-----------------------------------|---------------|
| 24. OTHER EXPENSES | | | |
| Workers' Profit Participation Fund | 17.3 | 19,120 | 12,339 |
| Workers' Welfare Fund | | 7,265 | 4,689 |
| Central Research Fund | | 3,560 | 2,297 |
| Exchange loss – net | | - | 125 |
| Others | | - | 7,000 |
| | | <u>29,945</u> | <u>26,450</u> |
| 25. OTHER INCOME | | | |
| Income from financial assets | | | |
| Profit on bank accounts | | 4,159 | 2,905 |
| Income from non-financial assets | | | |
| Gain on disposal of property, plant and equipment | | 21,823 | 15,469 |
| Rental income | | 177 | 6,229 |
| Scrap sales | | 4,336 | 4,585 |
| Exchange gain – net | | 242 | - |
| Others | | 1,973 | 1,378 |
| | | <u>28,551</u> | <u>27,661</u> |
| | | <u>32,710</u> | <u>30,566</u> |
| 26. FINANCE COSTS | | | |
| Mark up on: | | | |
| - Istisna'a | | 2,703 | 2,887 |
| - Diminishing musharakah | | 11,927 | 18,036 |
| - Murabaha | | 45,513 | 33,537 |
| - WPPF | | 59 | 58 |
| | | <u>60,202</u> | <u>54,518</u> |
| Bank charges and commission | | 640 | 708 |
| | | <u>60,842</u> | <u>55,226</u> |
| 27. TAXATION | | | |
| Current | | 69,352 | 14,477 |
| Prior | | - | 63 |
| Deferred | | 8,869 | 50,606 |
| | 27.1 | <u>78,221</u> | <u>65,146</u> |
| 27.1 Relationship between tax expense and accounting profit | | | |
| Profit before taxation | | <u>352,445</u> | |
| Tax at the applicable tax rate of 31% | | 109,258 | |
| Tax effects of: | | | |
| Income subject to Final Tax Regime | | (14,177) | |
| Tax credits | | (27,031) | |
| Expenses not allowable for tax purposes | | 8,757 | |
| Others | | 1,414 | |
| | | <u>78,221</u> | |
| 27.2 | As the Company was subject to Alternative Corporate Tax (ACT) for the previous year, therefore, no numerical tax reconciliation was prepared. | | |

| | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Rs. in '000) ----- (Restated) |
|---|-----------------------------------|---|
| 28. BASIC AND DILUTED EARNINGS PER SHARE | | |
| Net profit for the year | 274,224 | 147,121 |
| Weighted average number of ordinary shares in issue | 39,144 | 39,144 |
| Basic earnings per share (Rupees) | 7.01 | 3.76 |

28.1 There is no dilutive effect on basic earnings per share of the Company.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

a) Credit risk

- (i) Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The maximum exposure to credit risk at the reporting date is:

| | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Rs. in '000) ----- |
|-------------------|-----------------------------------|-----------------------------------|
| Trade debts | 535,582 | 415,672 |
| Loans | 10,062 | 9,300 |
| Deposits | 107,436 | 85,625 |
| Other receivables | 767 | 887 |
| Bank balances | 102,066 | 273,595 |
| | 755,913 | 785,079 |

(ii) Credit quality of financial assets

| | 2017 ----- (Rs. in '000) ----- | 2016 ----- (Rs. in '000) ----- |
|-------------------------------|-----------------------------------|-----------------------------------|
| Bank balances | | |
| A1+ | 101,988 | 201,166 |
| A1 | 78 | 8,799 |
| A-2 | - | 63,630 |
| | 102,066 | 273,595 |
| Trade debts | | |
| Neither past due nor impaired | 255,944 | 185,564 |
| Past due but not impaired | | |
| - Within 30 days | 83,076 | 73,163 |
| - Within 31 to 90 days | 62,897 | 71,471 |
| - Within 91 to 180 days | 39,773 | 26,672 |
| - Within 181 to 360 days | 43,990 | 38,993 |
| - Over 360 days | 49,902 | 19,809 |
| | 535,582 | 415,672 |

b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

| | 2017 | Less than 3 months | 3 to 12 months | > 1 year | Total |
|--------------------------|------|--------------------|----------------|---------------|------------------|
| | | (Rs. in '000) | | | |
| Long-term financing | | 15,606 | 41,699 | 81,140 | 138,445 |
| Long-term deposit | | - | - | 500 | 500 |
| Trade and other payables | | 632,123 | 552,495 | - | 1,184,618 |
| Accrued markup | | 10,588 | 2,614 | - | 13,202 |
| Short-term borrowings | | 66,030 | 27,770 | - | 93,800 |
| | | 724,347 | 624,578 | 81,640 | 1,430,565 |

| | 2016 | Less than 3 months | 3 to 12 months | > 1 year | Total |
|--------------------------|------|--------------------|----------------|----------------|------------------|
| | | (Rs. in '000) | | | |
| Long-term financing | | 17,149 | 41,877 | 116,831 | 175,857 |
| Long-term deposit | | - | - | 500 | 500 |
| Trade and other payables | | 530,240 | 518,345 | - | 1,048,585 |
| Accrued markup | | 8,969 | 3,000 | - | 11,969 |
| Short term borrowings | | - | 30,141 | - | 30,141 |
| | | 556,358 | 593,363 | 117,331 | 1,267,052 |

c) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at the balance sheet, the Company is not materially exposed to such risk.

d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates mainly relates to the long-term, short term borrowings, murabaha payables and bank deposits.

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

| | | Increase / (decrease) in basis points | Effect on profit before tax (Rs. in '000) |
|-------------|------|---------------------------------------|---|
| 2017 | | | |
| KIBOR | +100 | | (560) |
| KIBOR | -100 | | 560 |
| 2016 | | | |
| KIBOR | +100 | | (509) |
| KIBOR | -100 | | 509 |

e) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As of the balance sheet date, the carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

f) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through equity and working capital. The Company has a long-term debt to equity ratio of 7.1% (2016: 11.87%) as of the balance sheet date, which in view of the management is adequate considering the size of the operations.

30. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise directors and key management personnel. Detail of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

| Relationship | Nature of transactions | 2017 | 2016 |
|----------------|-----------------------------|---------------------------|---------------------------|
| | | ----- (Rs. in '000) ----- | ----- (Rs. in '000) ----- |
| Directors | Dividend paid | 62,697 | 33,268 |
| | Technical advisory services | 4,800 | 400 |
| | Meeting fees | 15 | 65 |
| Provident Fund | Contribution | 25,310 | 20,530 |

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Chief Executive | | Directors | | Executives | | Total | |
|------------------------------|-----------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| (Rs. in '000') | | | | | | | | |
| Managerial remuneration | 16,560 | 7,800 | 45,073 | 32,364 | 160,541 | 127,374 | 222,174 | 167,538 |
| Other benefits | 1,382 | 5,651 | 8,947 | 7,721 | 30,704 | 14,794 | 41,033 | 28,166 |
| Retirement benefits | 1,031 | 433 | 3,062 | 1,782 | 18,519 | 16,705 | 22,612 | 18,920 |
| Perquisites and benefits | | | | | | | | |
| -Housing utilities and other | 2,352 | 2,790 | 3,823 | 3,406 | 381 | 231 | 6,556 | 6,427 |
| -Medical expenses | 239 | 79 | 367 | 283 | 1,347 | 531 | 1,953 | 893 |
| | 21,564 | 16,753 | 61,272 | 45,556 | 211,492 | 159,635 | 294,328 | 221,944 |
| Number of persons | 1 | 1 | 4 | 6 | 115 | 83 | 120 | 90 |

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

32. NUMBER OF EMPLOYEES

Number of persons employed as at year end were 1,122 (2016: 1,064) and the average number of persons employed during the year were 1,082 (2016: 1,065).

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 22, 2017 by the Board of Directors of the Company.

34. GENERAL

Figures have been rounded off to the nearest thousands.



CHIEF EXECUTIVE
ASIF MISBAH


DIRECTOR
MUHAMMAD SAJID

**PATTERN OF SHARE HOLDING
AS AT JUNE 30, 2017**

| Number of Certificate Holders | From | Certificate Holding To | Certificates Held |
|--|-------------|-----------------------------------|------------------------------|
| 492 | 1 | - 100 | 15,175 |
| 180 | 101 | - 500 | 44,247 |
| 29 | 501 | - 1000 | 21,527 |
| 41 | 1001 | - 5000 | 88,239 |
| 4 | 5001 | - 10000 | 30,750 |
| 3 | 10001 | - 15000 | 36,400 |
| 1 | 20001 | - 25000 | 25,000 |
| 1 | 30001 | - 35000 | 31,251 |
| 1 | 40001 | - 45000 | 40,001 |
| 1 | 70001 | - 75000 | 70,171 |
| 1 | 420001 | - 425000 | 425,000 |
| 1 | 635001 | - 640000 | 637,500 |
| 3 | 845001 | - 850000 | 2,550,000 |
| 1 | 3245001 | - 3250000 | 3,248,964 |
| 1 | 6430001 | - 6435000 | 6,430,868 |
| 1 | 12665001 | - 12670000 | 12,668,380 |
| 1 | 12780001 | - 12785000 | 12,780,878 |
| 762 | | | 39,144,351 |

| Shareholder's Category | Number of Shareholders | Number of Shares held | Percentage |
|-------------------------------|-----------------------------------|----------------------------------|-------------------|
| Individuals | 745 | 32,676,682 | 83.48 |
| Joint Stock Companies | 10 | 6,455,564 | 16.49 |
| Investment Companies | 2 | 5,450 | 0.01 |
| Modarabas | 2 | 2,530 | 0.01 |
| Others | 3 | 4,125 | 0.01 |
| | 762 | 39,144,351 | 100.00 |

Categories Shareholders as on June 30, 2017

| S. No. | Categories Shareholders | Shareholders | Shares Held | Total |
|--------|--|--------------|-------------|-------------------|
| 1 | Directors and their spouse(s) and minor children | 9 | | 25,545,514 |
| | Mr. Asif Misbah | | 12,668,380 | |
| | Mr. Swaleh Misbah Khan | | 12,780,878 | |
| | Sheikh Muhammed Waseem | | 1 | |
| | Mr. Muhammad Sajid | | 1 | |
| | Mrs. Naureen Swaleh | | 1 | |
| | Mohammed Aslam | | 1 | |
| | Shaikh Aamir Naveed | | 25,000 | |
| | Muhammad Asif | | 31,251 | |
| | Syed Salman Ahmed Zaidi | | 40,001 | |
| 2 | Associate Companies, Undertakings and related parties | | NIL | |
| 3 | Executives | 1 | 12,500 | 12,500 |
| 4 | Mutual Fund | | NIL | |
| 5 | Public Sector Companies and Corporations | 1 | | 1,825 |
| | Investment Corporation of Pakistan | | 1,825 | |
| 6 | Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds | 13 | 6,461,719 | 6,461,719 |
| 7 | Others | 3 | 4,125 | 4,125 |
| 8 | General Public | 735 | | 7,118,668 |
| | Total | 762 | | 39,144,351 |

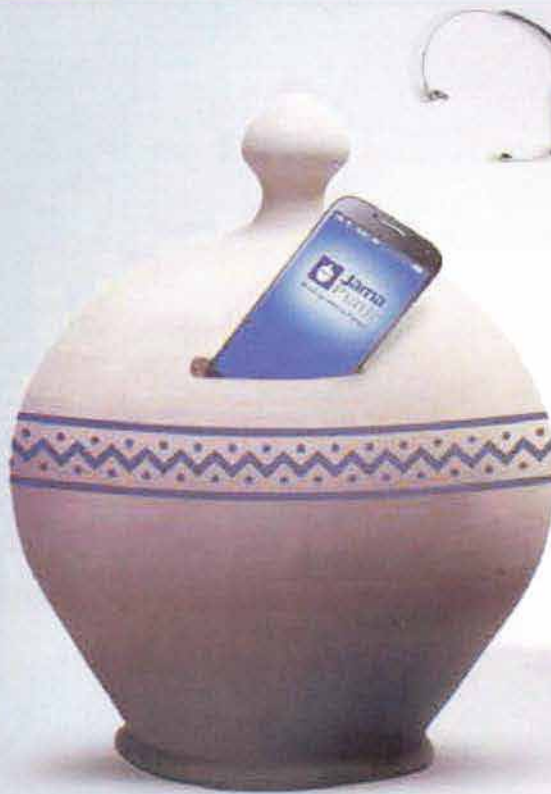
Shareholders Holding Five percent or more Voting Rights In the Listed Company

| | Shares Held | Percentage |
|---------------------------------|-------------|------------|
| Mr. Swaleh Misbah Khan | 12,780,878 | 32.65 |
| Mr. Asif Misbah | 12,668,380 | 32.36 |
| M/s. Pharmalux Holdings Limited | 6,430,868 | 16.43 |
| Mr. Misbahuddin Khan | 3,248,964 | 8.30 |

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- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

پراکسی فارم
سالانہ عمومی اجلاس

[illegible]

آج بتاریخ _____ اکتوبر 2017 میرے / ہمارے دستخط ہوئے۔

پانچ روپے کارسیدی ٹکٹ

وستخط

(اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے۔)

گواہ نمبر 1۔ دستخط:

نام: _____

سی این آئی سی نمبر:

2

گواہ نمبر 3۔ دستخط۔

نام:-

سی این آئی سی نمبر:۔

1

اہم نکات:

1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس ایف 216، سائٹ، کراچی میں موصول ہو جانا چاہئے۔

2- فارم پرممبر اس کا تحریقاً مقرر کردہ اثرائتی دستخط کرے گا۔ ممبر کارپوریشن ہونے کی صورت میں اس کی مہر فارم پر ثبت کرنی ہوگی۔

سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کے لئے

مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔

(i) پر کسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام، پتے اور سی این ائی سی یا پاسپورٹ نمبر فارم میں درج ہوں۔

(ii) پراسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا سپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔

(iii) برآسی کو اینا اصل شناختی کارڈ یا ماسپورٹ سے میٹنگ کے وقت دکھانا ہوگا۔

(iv) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا بورڈ آف انٹرنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کیپنی میں پر کسی فارم کے ساتھ جمع کرانی ہوگی۔

FORM OF PROXY
Annual General Meeting

I / We, _____ of
_____ being the member(s) of **Macter International Limited** and holder of
_____ Ordinary Shares as per Share Register Folio/CDC Account No.
_____ hereby appoint Mr./Ms. _____
having CNIC No. _____ Folio/CDC Account No. _____
of _____ or failing him/her _____
having CNIC No. _____ Folio/CDC Account No. _____ of
_____ who is also a member of the Company as my / our proxy to attend and vote
for me/us and on my/our behalf at the annual general meeting of the Company to be held on October
21, 2017 at 10:00 am and/or at any adjournment thereof.

Signed this _____ day of _____ 2017



Witnesses: 1. Signature: _____
Name: _____
CNIC#: _____
Address: _____
2. Signature: _____
Name: _____
CNIC#: _____
Address: _____

Signature _____
(The signature should be agree the
specimen signature with the Company)

IMPORTANT:

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, F-216, SITE, Karachi at least 48 hours before the time fixed for the meeting.
2. This form should be signed by the member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.

For CDC Account Holders/Corporate Entities

In addition to the above the following requirements have to be met.

- (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC or Passport Numbers shall be mentioned on the form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iii) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



Macter

Macter International Limited

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