



WORKING TODAY
FOR A HEALTHIER TOMORROW



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017

Macter International Limited

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COMPANY INFORMATION**BOARD OF DIRECTORS**

| | | |
|-------------------------|-----------------|-------------------------|
| Mr. Amanullah | Chairman | Independent Director |
| Mr. Asif Misbah | Chief Executive | Executive Director |
| Mr. Swaleh Misbah Khan | | Executive Director |
| Sheikh Muhammed Waseem | | Independent Director |
| Sheikh Aamir Naveed | | Executive Director |
| Mr. Mohammed Aslam | | Non- Executive Director |
| Mr. Muhammad Sajid | | Non- Executive Director |
| Mr. Sohaib Umar | | Independent Director |
| Mr. Islahuddin Siddiqui | | Independent Director |

BOARD AUDIT COMMITTEE

| | |
|------------------------|----------|
| Sheikh Muhammed Waseem | Chairman |
| Mr. Muhammad Sajid | Member |
| Mr. Sohaib Umar | Member |

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

| | |
|---------------------|----------|
| Mr. Mohammed Aslam | Chairman |
| Mr. Muhammad Sajid | Member |
| Sheikh 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



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017

BANKERS

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

SHARE REGISTRAR

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

REGISTERED OFFICE

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

WEBSITE

www.macter.com



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017

DIRECTORS' REPORT TO THE MEMBERS

The Directors are pleased to present the un-audited condensed interim financial information of Macter International Limited ("the Company") for the period ended December 31, 2017:

OPERATING RESULTS

| | JUL - DEC 2017 | JUL - DEC 2016 |
|-------------------|-------------------|-------------------|
| | Rupees in Million | |
| Turnover - net | 2,081.8 | 1,701.7 |
| Gross profit | 936.3 | 779.7 |
| Operating profit | 199.5 | 176.2 |
| Profit before tax | 170.0 | 147.3 |
| Profit after tax | 129.8 | 115.6 |

Earnings per share of the Company for the period ended December 31, 2017 was Rs.3.32 as compared to Rs. 2.95 for the same period last year.

FINANCIAL PERFORMANCE

During the period under review, net sales increased by Rs.380.1m registering a growth of 22.3% as compared to the same period last year, mainly owing to strong performance of the key brands in private and institutional segments.

Gross profit to net sales ratio was slightly reduced from 45.8% to 45.0% as compared to the same period last year mainly due to change of sales mix, increase in minimum wages and depreciation of Pak Rupees against US Dollar.

The Company posted net profit after tax of Rs.129.8m for the period, a 12.3% increase over the same period last year.

FUTURE OUTLOOK

Despite the challenging environment, including delay in registration and pricing at regulatory level, increase in global API prices, and risk of further Pak Rupees depreciation against US Dollar, the company expects to deliver improved results over last year at financial year end.

ACKNOWLEDGEMENT

The Board takes this opportunity to express its profound appreciation of the commitment, dedication, and devotion of the employees and to acknowledge the support and cooperation received from our valued shareholders, customers, distributors, suppliers, financial institutions and regulatory authorities. Of course none of this would have been possible without the continued blessing and mercies from Allah SWT for which we are eternally grateful.

ON BEHALF OF THE BOARD

CHIEF EXECUTIVE

Date: February 24, 2018

میکنٹرنیشنل لمیٹڈ

ڈائریکٹرز رپورٹ برائے ممبران

ڈائریکٹرز اپنی سرت کے ساتھ میکنٹرنیشنل لمیٹڈ (کمپنی) کے 31 دسمبر 2017 کو ختم ہونے والی مدت کے غیر اکٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوش قسمتیوں کو ہے۔

کاروباری نتائج

| 2017 دسمبر | 2016 دسمبر | لڑھکھاس |
|-----------------|-----------------|---------|
| (روپے لاکھ میں) | (روپے لاکھ میں) | نام |
| 2,081.8 | 1,701.7 | گنہگار |
| 936.3 | 779.7 | گنہگار |
| 199.5 | 176.2 | گنہگار |
| 170.0 | 147.3 | گنہگار |
| 129.8 | 115.6 | گنہگار |

کمپنی کے پچھلے سال کی ذمہ داریوں کے لئے حصص منافع مبلغ 2.95 روپے کے مقابلے میں 31 دسمبر 2017 کو ختم ہونے والی مدت کے لئے حصص منافع مبلغ 3.32 روپے رہا۔

مالیاتی کارکردگی

ذمہ داریوں میں خالص فروخت گزشتہ سال اسی مدت کے مقابلے میں 22.3% کا اضافہ درج کرتے ہوئے 380.1 ملین روپے سے بڑھ گئی ہے۔ جس کی بڑی وجہ بلڈنگ ریٹائرمنٹ کی نئی اور نئی مشینوں میں سرمایہ کاری ہے۔

اس مدت میں خالص منافع کا خالص فروخت سے تناسب پچھلے سال کی اسی مدت کے مقابلے میں 45.8% سے معمولی کم ہو کر 45.0% ہو گیا۔ جس کی وجہ سے فروخت کمس میں تبدیلی، کمزور کاروبار میں اضافے اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی ہے۔

کمپنی نے اس مدت میں بعد از گیس خالص منافع 129.8 ملین روپے درج کیا ہے جو گزشتہ سال کی اسی مدت سے 12.3% زیادہ ہے۔

مستقبل کا نقطہ نظر

حکمل حالات بشمول ریگولیری لیبل پر رجسٹریشن اور پرائسنگ میں تاخیر، مالیاتی سٹیج API کی قیمتوں میں اضافہ اور ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں مزید کمی کے اہلچلنے کے باوجود کمپنی گزشتہ سال کے مقابلے میں مالی سال کے آخر تک بہتر نتائج دینے کی توقع کرتی ہے۔

اعتراف

پورے آف ڈائریکٹرز اس موقع پر ملازمین کے سہ، گن اور خدمت کی گہری قدر دہانی کا اظہار کرتے ہیں اور اپنے تمام قابل قدر شیئرز ہولڈرز، کسٹمرز، میٹری بیورو، سپلائرز، مالیاتی اداروں اور ریگولیری اتھارٹیز کی محنت اور تعاون کا اعتراف کرتے ہیں۔ وہ ان میں سے کچھ بھی انٹرنیٹ سائٹس، سوشل میڈیا اور دیگر ذرائع کی مستقل برکتوں اور دستوں کے بغیر ممکن نہیں ہو سکتا تھا جس کے لیے ہم بہت شکر گزار ہیں۔

مختم ہونے والا

شعبہ کاروبار
24 فروری 2018



EY Ford Rhodes
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Pakistan

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Auditors' report to the members on review of Interim financial information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Mactec International Limited (the Company) as at 31 December 2017, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as "Interim financial information"). Management is responsible for the preparation and presentation of this Interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Chartered Accountants

Review Engagement Partner: Shabbir Yunus

Date: 24 February 2018

Place: Karachi



Machher

HALF YEARLY REPORT
DECEMBER 31, 2017CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017

| NOTE | DECEMBER 31, 2017 | | JUNE 30, 2017 | |
|--|----------------------|------------------|------------------|------------------|
| | (Rs. In '000) | | (AUDITED) | |
| | (UN-AUDITED) | | (AUDITED) | |
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 5 | 982,977 | | 845,204 |
| Intangible assets | | 9,534 | | 10,944 |
| Long-term loans | | 2,144 | | 2,644 |
| Long-term deposits | | 54,791 | | 46,344 |
| Deferred tax asset | | 15,625 | | 21,697 |
| | | 1,065,071 | | 927,433 |
| CURRENT ASSETS | | | | |
| Stores and spares | | 1,800 | | 1,640 |
| Stock-in-trade | | 925,753 | | 905,111 |
| Trade debts - considered good | | 746,973 | | 535,582 |
| Loans and advances | | 207,046 | | 99,632 |
| Trade deposits and short-term prepayments | | 98,999 | | 70,919 |
| Other receivables | | 639 | | 767 |
| Accrued mark-up | | 26 | | 88 |
| Taxation-net | | 95,299 | | 96,679 |
| Cash and bank balances | 6 | 12,515 | | 102,088 |
| | | 2,089,050 | | 1,812,506 |
| TOTAL ASSETS | | 3,154,121 | | 2,739,939 |
| EQUITY AND LIABILITIES | | | | |
| SHARE CAPITAL AND RESERVES | | | | |
| Share capital | | | | |
| Authorised | | | | |
| 65,000,000 (June 30, 2017: 65,000,000) ordinary shares of Rs.10/- each | | 650,000 | | 650,000 |
| Issued, subscribed and paid-up | | 391,444 | | 391,444 |
| Reserves | | 715,257 | | 751,800 |
| | | 1,106,701 | | 1,143,244 |
| NON-CURRENT LIABILITIES | | | | |
| Long-term financing | 7 | 163,071 | | 81,353 |
| Long-term deposit | | 500 | | 500 |
| Deferred liabilities | | 167,411 | | 166,130 |
| | | 330,982 | | 247,983 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 8 | 1,507,012 | | 1,184,618 |
| Accrued mark-up | | 18,597 | | 13,202 |
| Short-term borrowings | 9 | 146,092 | | 93,800 |
| Current portion of long-term financing | | 49,797 | | 57,092 |
| | | 1,716,438 | | 1,348,712 |
| CONTINGENCIES AND COMMITMENTS | | | | |
| | 10 | | | |
| TOTAL EQUITY AND LIABILITIES | | 3,154,121 | | 2,739,939 |

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

| 07 |

DIRECTOR



Machher

HALF YEARLY REPORT
DECEMBER 31, 2017CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | HALF YEAR ENDED | | QUARTER ENDED | |
|---|----------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2017 | DECEMBER 31, 2016 | DECEMBER 31, 2017 | DECEMBER 31, 2016 |
| | (Rs. In '000) | | | |
| Turnover | 2,081,766 | 1,701,725 | 1,140,569 | 916,602 |
| Cost of sales | (1,145,446) | (922,063) | (632,901) | (490,229) |
| Gross profit | 936,320 | 779,662 | 507,668 | 426,373 |
| Distribution costs | (638,272) | (506,667) | (335,814) | (272,998) |
| Administrative expenses | (95,995) | (99,554) | (49,112) | (50,137) |
| Other expenses | (14,448) | (12,496) | (8,744) | (7,880) |
| Other Income | 11,854 | 15,283 | 4,253 | 10,869 |
| | (736,861) | (603,434) | (389,417) | (320,146) |
| Operating profit | 199,459 | 176,228 | 118,251 | 106,227 |
| Finance costs | (29,412) | (28,893) | (15,340) | (13,713) |
| Profit before taxation | 170,047 | 147,335 | 102,911 | 92,514 |
| Taxation | (40,227) | (31,759) | (21,439) | (20,868) |
| Profit after taxation | 129,820 | 115,576 | 81,472 | 71,646 |
| Basic and diluted earnings per share (Rupees) | 3.32 | 2.95 | 2.08 | 1.83 |

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

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Machor

HALF YEARLY REPORT
DECEMBER 31, 2017CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | HALF YEAR ENDED | | QUARTER ENDED | |
|---|----------------------|----------------------|----------------------|----------------------|
| | DECEMBER 31, 2017 | DECEMBER 31, 2016 | DECEMBER 31, 2017 | DECEMBER 31, 2016 |
| | Rs. in '000 | | | |
| Profit after taxation | 129,820 | 115,576 | 81,472 | 71,646 |
| Other comprehensive Income for the period Items that will not be reclassified to profit or loss in subsequent periods | - | - | - | - |
| Total comprehensive Income for the period | 129,820 | 115,576 | 81,472 | 71,646 |

The annexed notes from 1 to 13 form an integral part of this condensed Interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



Machor

HALF YEARLY REPORT
DECEMBER 31, 2017CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| NOTE | HALF YEAR ENDED | |
|--|----------------------|----------------------|
| | DECEMBER 31, 2017 | DECEMBER 31, 2016 |
| | Rs. in '000 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 170,047 | 147,335 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 32,986 | 30,663 |
| Amortisation | 2,496 | 5,300 |
| Provision for gratuity | 8,547 | 10,917 |
| Finance costs | 29,412 | 28,893 |
| Gain on disposal of operating fixed assets | (5,514) | (8,930) |
| Provision for slow moving and obsolete stock-in-trade – net | 1,325 | 20,000 |
| Provision for doubtful debts | (4,098) | (2,254) |
| | 65,154 | 84,589 |
| Operating profit before working capital changes | 235,201 | 231,924 |
| Increase in current assets | | |
| Stores and spares | (160) | (167) |
| Stock-in-trade | (21,967) | (297,347) |
| Trade debts | (207,293) | (70,207) |
| Loans and advances | (107,414) | (21,332) |
| Trade deposits and short-term prepayments | (24,080) | (583) |
| Other receivables | 190 | 490 |
| | (364,724) | (389,146) |
| Increase in current liabilities | | |
| Trade and other payables | 307,001 | 238,077 |
| Cash generated from operations | 177,478 | 80,855 |
| Finance costs paid | (29,077) | (29,511) |
| Income tax paid | (32,774) | (38,161) |
| Gratuity paid | (7,899) | (9,542) |
| Long-term loans | 500 | (591) |
| Long-term deposits | (7,847) | (14,463) |
| Deferred liabilities | 639 | (33) |
| | (76,464) | (92,301) |
| Net cash generated / (used) from operating activities | 101,014 | (11,446) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (171,276) | (79,631) |
| Acquisition of intangible assets | (1,085) | (585) |
| Sale proceeds from disposal of operating fixed assets | 6,029 | 10,629 |
| Net cash used in investing activities | (166,332) | (69,587) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term financing obtained – net | 74,423 | 24,713 |
| Short-term borrowings obtained / (repaid) – net | 52,282 | (15,178) |
| Dividend paid | (150,970) | (95,904) |
| Net cash used in financing activities | (24,265) | (86,369) |
| Net decrease in cash and cash equivalents | (89,573) | (167,402) |
| Cash and cash equivalents at the beginning of the period | 102,088 | 273,682 |
| Cash and cash equivalents at the end of the period | 12,515 | 106,280 |

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | ISSUED, SUBSCRIBED AND PAID- UP CAPITAL | RESERVES | | TOTAL RESERVES | TOTAL EQUITY |
|--|--|---------------------|-----------------------------|-------------------|------------------|
| | | CAPITAL RESERVES | UNAPPROPR- -IATED PROFIT | | |
| | | | | | |
| Balance as at July 01, 2016 | 391,444 | 217,808 | 374,751 | 592,559 | 984,003 |
| Net profit for the period | - | - | 115,576 | 115,576 | 115,576 |
| Other comprehensive income for the period ended December 31, 2016 | - | - | - | - | - |
| Final dividend for the year ended June 30, 2016 @ Rs. 2.46 per share | - | - | 115,576 | 115,576 | 115,576 |
| | - | - | (95,904) | (95,904) | (95,904) |
| Balance as at December 31, 2016 | 391,444 | 217,808 | 394,423 | 612,231 | 1,003,675 |
| Balance as at July 01, 2017 | 391,444 | 217,808 | 533,992 | 751,800 | 1,143,244 |
| Net profit for the period | - | - | 129,820 | 129,820 | 129,820 |
| Other comprehensive income for the period ended December 31, 2017 | - | - | - | - | - |
| Final dividend for the year ended June 30, 2017 @ Rs. 4.25 per share | - | - | 129,820 | 129,820 | 129,820 |
| | - | - | (166,363) | (166,363) | (166,363) |
| Balance as at December 31, 2017 | 391,444 | 217,808 | 497,449 | 715,257 | 1,106,701 |

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1. THE COMPANY AND ITS OPERATIONS

- 1.1. Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company and was converted into a public limited company in 2011. Effective from August 1, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at F-216, S.I.T.E. Karachi.
- 1.2. The principal activity of the Company is to manufacture and market pharmaceutical products.

2. STATEMENT OF COMPLIANCE

Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated October 06, 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirement differ, the provision of or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

3. BASIS OF PREPARATION

- 3.1. These condensed interim financial information are un-audited but subject to limited scope review by the statutory auditors as required by Section 237 of the Companies Act 2017. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statement of the Company for the year ended June 30, 2017.
- 3.2. The figures of the condensed interim profit and loss account for the quarter ended December 31, 2017 and December 31, 2016 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the half year ended December 31, 2017 and December 31, 2016.
- 3.3. This condensed interim financial information are presented in Pakistan Rupees which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those adopted in the preparation of the annual financial statements for the year ended June 30, 2017 except for the adoption of standards becomes effective during the current period. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4.1. Revised standards, amendments and Interpretations of IFRSs

The Company has adopted the following revised standards and amendment to IFRSs which became effective for the current period:

Amended standards

- | | |
|--------|--|
| IAS 7 | Statement of Cashflows: Disclosures - Disclosure Initiative (Amendment) |
| IAS 12 | Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments) |



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017

The adoption of the above amendment to accounting standards did not have any material effect on the condensed interim financial information.

In addition to the above, improvements to various accounting standards have also been issued by the IASB. The Company expects that such improvements to the standards do not have any material impact on the interim financial information of the Company

4.2. Accounting estimates and judgements

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

Estimates and judgments made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual audited financial information of the Company for the year ended June 30, 2017. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial information as at and for the year ended June 30, 2017.

Income tax expense is recognized based on the best estimate of the weighted average annual effective income tax rate for the full financial year.

| | | DECEMBER 31, 2017 | JUNE 30, 2017 |
|---|------|---------------------------------------|------------------|
| | NOTE | -----Rs. in '000----- (UN-AUDITED) | (AUDITED) |
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 918,323 | 764,349 |
| Capital work-in-progress | | 64,654 | 80,855 |
| | | <u>982,977</u> | <u>845,204</u> |

HALF YEAR ENDED
DECEMBER 31,
2017
-----Rs. in '000-----
(UN-AUDITED)

5.1. Additions including transfers during the period

| | |
|-------------------------------------|----------------|
| Leasehold land | 117,215 |
| Factory buildings on leasehold land | 23,947 |
| Plant and machinery | 10,346 |
| Tools and equipment | 12,122 |
| Gas and other installation | 8,457 |
| Furniture and fixtures | 11,176 |
| Office equipment | 2,008 |
| Computer equipment | 2,204 |
| | <u>187,475</u> |



Macter

HALF YEARLY REPORT
DECEMBER 31, 2017

| | | DECEMBER 31, 2017 | JUNE 30, 2017 |
|----------------------------------|------|---------------------------------------|------------------|
| | NOTE | -----Rs. in '000----- (UN-AUDITED) | (AUDITED) |
| 6. CASH AND BANK BALANCES | | | |
| Cash in hand | | 39 | 22 |
| With banks in | | | |
| - current accounts | | 8,019 | 86,584 |
| - saving accounts | 6.1 | 4,457 | 15,482 |
| | | <u>12,476</u> | <u>102,066</u> |
| | | <u>12,515</u> | <u>102,088</u> |

6.1. These carry profit rates ranging from 2.40% to 3.51% (June 2017: 2.40% to 4.33%) per annum.

| | | DECEMBER 31, 2017 | JUNE 30, 2017 |
|-------------------------------|------|---------------------------------------|------------------|
| | NOTE | -----Rs. in '000----- (UN-AUDITED) | (AUDITED) |
| 7. LONG TERM FINANCING | | | |
| Secured | | | |
| Diminishing musharakah on: | | | |
| - Land and buildings | 7.1 | 140,133 | 65,173 |
| - Plant and machinery | | 32,833 | 25,304 |
| - Vehicles | | 37,699 | 44,761 |
| - Equipment | | 2,203 | 2,994 |
| | | <u>212,868</u> | <u>138,232</u> |
| Less: Current maturity | | (49,797) | (57,092) |
| | | <u>163,071</u> | <u>81,140</u> |
| Unsecured | | | |
| From others | | - | 213 |
| | | <u>163,071</u> | <u>81,353</u> |

7.1. During the period, the Company has utilized an additional facility of Rs. 90 million from Meezan Bank Limited under diminishing musharakah for the purchase of leasehold land which carries markup at the rate of 6 months KIBOR plus 1.25% per annum and is repayable latest by August 2022. This facility is secured against an exclusive charge created over existing leasehold land and building. The title of which is in the process of being transferred.

| | | DECEMBER 31, 2017 | JUNE 30, 2017 |
|---|--|---------------------------------------|------------------|
| | | -----Rs. in '000----- (UN-AUDITED) | (AUDITED) |
| 8. TRADE AND OTHER PAYABLES | | | |
| Creditors | | 605,687 | 325,941 |
| Murabaha payables | | 600,151 | 588,575 |
| Accrued liabilities | | 50,534 | 30,323 |
| Advance from customers | | 127,038 | 161,109 |
| Provision for Gas Infrastructure Development Cess | | 53,526 | 44,412 |
| Workers' profit participation fund | | 9,225 | 2,120 |
| Workers' welfare fund | | 16,093 | 12,588 |
| Central research fund | | 1,718 | 3,560 |
| Provident fund | | 6,848 | 2,864 |
| Ijarah rent payable | | 9,224 | 4,275 |
| Unclaimed dividends | | 15,942 | 549 |
| Other liabilities | | 11,026 | 8,302 |
| | | <u>1,507,012</u> | <u>1,184,618</u> |



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HALF YEARLY REPORT
DECEMBER 31, 2017

| NOTE | DECEMBER 31, 2017 | JUNE 30, 2017 |
|--------------------------------------|-----------------------------|------------------|
| | Rs. in '000 (UN-AUDITED) | (AUDITED) |
| 9. SHORT-TERM BORROWINGS | | |
| Istisna'a - secured | 109,364 | 93,800 |
| Financing from directors - unsecured | 9.1 36,728 | - |
| | <u>146,092</u> | <u>93,800</u> |

9.1 Represents interest free amount which is repayable on demand.

| | DECEMBER 31, 2017 | JUNE 30, 2017 |
|---|-----------------------------|------------------|
| | Rs. in '000 (UN-AUDITED) | (AUDITED) |
| 10. CONTINGENCIES AND COMMITMENTS | | |
| 10.1. Contingencies | | |
| 10.1.1 Claims not acknowledged as debt by the Company | 5,787 | 8,343 |

10.1.2 There is no change in the status of contingencies as disclosed in the annual audited financial information for the year ended June 30, 2017 except as mentioned above in the note 10.1.1.

| | DECEMBER 31, 2017 | JUNE 30, 2017 |
|--|-----------------------------|------------------|
| | Rs. in '000 (UN-AUDITED) | (AUDITED) |
| 10.2. Commitments | | |
| Outstanding letters of credit | 151,143 | 87,152 |
| Outstanding letters of guarantee | 95,789 | 82,335 |
| Commitments for capital expenditure | 37,039 | 101,390 |
| Commitments for ijarah rentals in respect of plant and machinery, motor vehicles and equipment | | |
| Year | | |
| 2018 | 53,797 | 76,981 |
| 2019 | 102,685 | 75,575 |
| 2020 | 87,352 | 60,242 |
| 2021 | 77,691 | 50,582 |
| 2022 | 54,952 | 24,609 |
| 2023 | 5,278 | - |
| | <u>381,755</u> | <u>287,989</u> |



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HALF YEARLY REPORT
DECEMBER 31, 2017**11. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise of associates, directors and key management personnel. Transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

| Relationship | Nature of transactions | HALF YEAR ENDED | |
|--------------------------|---|-----------------------------|----------------------|
| | | DECEMBER 31, 2017 | DECEMBER 31, 2016 |
| | | Rs. in '000 (UN-AUDITED) | (UN-AUDITED) |
| Key Management Personnel | Salary and other benefits | 81,802 | 64,939 |
| | Dividend | 108,622 | 62,789 |
| | Technical advisory services | 2,540 | 2,400 |
| | Financing obtained for working capital requirements | 94,513 | - |
| | Financing repaid on their behalf | 57,785 | - |
| Non-Executive Director | Meeting Fees | 130 | 15 |
| | Dividend | 6,322 | - |
| Provident fund | Contribution | 15,443 | 12,239 |

12. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial information were authorised for issue on February 24, 2018 by the Board of Directors of the Company.

13. GENERAL

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

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

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