

**Macter International Limited**



**QUARTERLY  
REPORT**

**SEPTEMBER 30, 2019**

**WORKING TODAY**  
FOR A HEALTHIER TOMORROW



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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

1.	Dr. Amanullah Kassim	Chairman	Independent Director
2.	Mr. Asif Misbah	Chief Executive	Executive Director
3.	Mr. Swaleh Misbah Khan		Executive Director
4.	Sheikh Muhammed Waseem		Independent Director
5.	Shaikh Aamir Naveed		Executive Director
6.	Mr. Sohaib Umar		Independent Director
7.	Mr. Islahuddin Siddiqui		Independent Director
8.	Ms. Masarrat Misbah		Non-Executive Director
9.	Mr. Muhammad Yahya Chawla		Non-Executive Director

### **BOARD AUDIT COMMITTEE**

1.	Sheikh Muhammed Waseem	Chairman
2.	Mr. Sohaib Umar	Member
3.	Mr. Muhammad Yahya Chawla	Member

### **BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE**

1.	Mr. Islahuddin Siddiqui	Chairman
2.	Shaikh Aamir Naveed	Member
3.	Mr. Muhammad Yahya Chawla	Member

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Asif

### **COMPANY SECRETARY**

Mr. Asif Javed

### **INTERNAL AUDITORS**

KPMG Taseer Hadi & Co.  
Chartered Accountants

### **EXTERNAL AUDITORS**

EY Ford Rhodes  
Chartered Accountants

**BANKERS**

Al Baraka (Pakistan) Limited  
Allied Bank Ltd - Islamic Banking Branch  
Bank Al Habib Limited - Islamic Banking Branch  
Bankislami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited - Islamic Banking Branch  
Habib Metropolitan Bank Pakistan Limited - Islamic Banking Branch  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited

**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  
Email: fdregistrar@yahoo.com

**REGISTERED OFFICE**

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

**WEBSITE**

[www.macter.com](http://www.macter.com)

## DIRECTORS' REVIEW REPORT

The Directors are pleased to present the un-audited unconsolidated and consolidated condensed interim financial information, for the quarter ended September 30, 2019:

### FINANCIAL RESULTS

DESCRIPTION	September 30, 2019		September 30, 2018
	UNCONSOLIDATED	*CONSOLIDATED	UNCONSOLIDATED
	..... (m pkr) .....		
Turnover - Net	1,132.8	1,160.8	889.4
Gross profit	423.9	439.8	419.2
Operating Profit / loss	6.1	(12.4)	61.5
(Loss) / Profit before tax	(39.1)	(60.0)	40.2
(Loss) / Profit after tax	(52.0)	(73.5)	31.0

\* The investment in subsidiary was made on September 19, 2018, hence consolidation reporting started subsequent to September 2018.

### EARNINGS PER SHARE

Earnings per share of the Company for the 1st quarter ended September 30, 2019 was (1.33) pkr as compared to earnings per share of 0.79 pkr during same period last year.

### FINANCIAL PERFORMANCE

During the period under review, net sales increased by 243.4m pkr registering a robust growth of 27.4% over the same period last year. The business segment wise growth was as follows:

Segment	Absolute growth in net sales (in m pkr)	Growth (% YoY)
Street	41	6%
Institution	132	203%
Others	71	91%
<b>Total</b>	<b>244</b>	<b>27%</b>

The most promising aspect was the 20% growth in Street sales which is the largest and strategically most important segment (after adjusting for 87m pkr extraordinary sales of Relaxin® during the same period last year).

Gross margin decreased year on year (YoY) from 47.1% to 37.4%. This was mainly due to higher Institutional sales during the current period and Relaxin® sales in the corresponding period last year. Excluding these two extraordinary factors the adjusted gross margin for the current period is 46.2% as compared to 48.3% during the corresponding period last year. The other factors impacting gross profit which were not fully mitigated by the price increase allowed by DRAP were:

- Depreciation of Pak Rupee against US Dollar
- Increase in cost of operations due to inflation
- Increase in wages & salaries
- Increase in cost of power & utilities

## Macter International Limited

Operating expenses (net of other income) increased by 16.8% from 357.8m pkr to 417.8m pkr due to increased marketing investments in line with planned new launches and field force expansion to sustain street sales growth momentum.

Finance cost increased from 21.3m pkr to 45.1m pkr YoY due to increase in KIBOR, increased working capital needs and planned CAPEX.

Due to the reasons mentioned above, the company incurred a net loss of 52.0m pkr as compared to a net profit of 31.0m pkr during the same period last year.

### FUTURE OUTLOOK

While the overall macro-economic, regulatory and competitive environment continues to remain challenging, the Company is focused on aggressively increasing sales, optimizing costs and investing in strategic areas. We expect to see a return to profitability in the coming quarters. A stable Rupee Dollar parity and 5%-7% approved price increase from DRAP in July 2019 will further help in achieving revenue and profitability targets for the year.

### 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.

All praise and gratitude to Allah SWT for His continued blessings.

### ON BEHALF OF THE BOARD



**ASIF MISBAH**  
CHIEF EXECUTIVE

Karachi  
October 26, 2019



**ISLAHUDDIN SIDDIQUI**  
DIRECTOR

## Macter International Limited

سال بہ سال (YoY) مجموعی منافع 47.1 فیصد سے کم ہو کر 37.4 فیصد رہ گیا۔ اس کی بنیادی وجہ موجودہ مدت کے دوران زیادہ انٹی ڈیپٹل فروخت اور گندیشہ سال کے اسی عرصے میں Relaxin® کی غیر معمولی فروخت تھی۔ ان دونوں معمولی عوامل کو چھوڑ کر پچھلے سال کے اسی عرصہ کے دوران 48.3 فیصد کے خام منافع کے مقابلے میں موجودہ مدت کے لیے ایڈجسٹ شدہ خام منافع 46.2 فیصد ہے۔ مجموعی منافع پر اثر انداز ہونے والے دیگر عوامل جو DRAP کے منظور شدہ قیمت میں اضافے سے مکمل طور پر کم نہیں ہوئے، یہ تھے:

- امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی
- افراط زر کی وجہ سے آپریٹنگ کی لاگت میں اضافہ
- اثرتوں اور تنخواہوں میں اضافہ
- بجلی اور بنیادی ضروریات کی لاگت میں اضافہ

آپریٹنگ اخراجات (other income سے خالص) میں 16.8 فیصد اضافہ ہوا اور یہ 357.8 ملین پاکستانی روپے سے بڑھ کر 417.8 ملین پاکستانی روپے ہو گئے جس کی بنیادی وجہ طے شدہ نئی اجراء کے سلسلے میں مارکیٹنگ کی سرمایہ کاری میں اضافہ اور بڑھتی ہوئی مسابقتی مارکیٹ کے تناظر میں اسٹریٹ فروخت میں اضافہ کی رفتار کو برقرار رکھنا رہا۔

فنانس کی لاگت گندیشہ سال کی اسی مدت کے مقابلے میں 21.3 ملین پاکستانی روپے سے بڑھ کر 45.1 ملین پاکستانی روپے (سال بہ سال) ہو گئی، جس کی بنیادی وجہ KIBOR میں اضافہ، ورکنگ کپٹل کی ضروریات میں اضافہ اور طے شدہ CAPEX میں اضافہ ہے۔

مذکورہ وجوہات کی بنا پر پچھلی گندیشہ سال اسی مدت کے 31.0 ملین پاکستانی روپے کے خالص منافع کے مقابلے میں 52.0 ملین پاکستانی روپے کا بعد ازنگل/خالص خسارہ ہوا۔


### مستقبل کا جائزہ

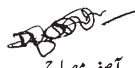
اگرچہ مجموعی طور پر معاشی صورتحال، ریگولیٹری اور مسابقتی عوامل چیلنج رہیں گے تاہم کمپنی کی توجہ جارحانہ طور پر فروخت میں اضافہ، لاگت کو بہتر بنانے اور اسٹریٹجک علاقوں میں سرمایہ کاری پر مرکوز ہے۔ ہم آنے والی سہ ماہیوں میں منافع بخش صورتحال کی طرف واپسی کی توقع کرتے ہیں۔ امریکی ڈالر اور پاکستانی روپے میں مستحکم فرق اور DRAP کی جانب سے جولائی 2019 میں 5 تا 7 فیصد منظور شدہ قیمت میں اضافہ، سال کے لیے آمدنی اور منافع کے اہداف کے حصول میں مزید مدد دیں گے۔

### اعتراف

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

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

  
اصلاح الدین صدیقی  
ڈائریکٹر

منجانب بورڈ  
  
آصف مصباح  
چیئرمین ایگزیکٹو

کراچی

اکتوبر 26، 2019

## ڈائریکٹرز جائزہ رپورٹ

ڈائریکٹرز 30 ستمبر، 2019 کو ختم ہونے والی سرمایہ کی غیر آڈٹ شدہ مختصر غیر مدغم شدہ اور مدغم شدہ باہمی مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## مالیاتی نتائج

مندرجات	ستمبر 30، 2019		ستمبر 30، 2018
	(پاکستانی روپے ملین میں)		
	غیر مدغم شدہ	* مدغم شدہ	غیر مدغم شدہ
فروخت خالص	1,132.8	1,160.8	889.4
خام منافع	423.9	439.8	419.2
آپریٹنگ منافع/(خسارہ)	6.1	(12.4)	61.5
قبل از ٹیکس (خسارہ)/منافع	(39.1)	(60.0)	40.2
بعد از ٹیکس (خسارہ)/منافع	(52.0)	(73.5)	31.0

\* ستمبر 19، 2018 کے دوران ذیلی ادارے میں سرمایہ کاری کی گئی، چنانچہ مدغم شدہ رپورٹنگ ستمبر 2018 کے بعد شروع ہوئی۔

## فی حصص منافع

کمپنی کے 30 ستمبر، 2019 کو ختم ہونے والی پہلی سرمایہ کی لئے فی حصص منافع گزشتہ سال کی اسی مدت کے دوران فی حصص منافع 0.79 پاکستانی روپے کے مقابلے میں (1.33) پاکستانی روپے رہا۔

## مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، خالص فروخت گزشتہ سال کی اسی مدت کے مقابلے میں مضبوط نمودار کرتے ہوئے 243.4 ملین پاکستانی روپے سے بڑھ گئی۔ کاروباری شعبوں کے اعتبار سے بڑھوتری درج ذیل تھی:

شعبہ	خالص فروخت میں حتمی بڑھوتری (پاکستانی روپے ملین میں)	بڑھوتری سال بہ سال (فیصد میں)
اسٹریٹ	41	6%
انسٹی ٹیوشن	132	203%
دیگر	71	91%
ٹوٹل	244	27%

سب سے پرامید پہلو اسٹریٹ سیل میں 20 فیصد اضافہ تھا جو سب سے بڑا اور اسٹریٹجک لحاظ سے نہایت اہم شعبہ ہے (گزشتہ سال اسی عرصے کے دوران Relaxin® کی 87 ملین پاکستانی روپے کی غیر معمولی فروخت ایڈجسٹ کرنے کے بعد)۔





**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
QUARTER ENDED  
SEPTEMBER 30, 2019**

## Macter International Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		SEPTEMBER 30, 2019	JUNE 30, 2019
	NOTE	..... (Rupees in '000) .....	.....
<b>ASSETS</b>		<b>UN-AUDITED</b>	<b>AUDITED</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,241,786	1,232,833
Intangible assets		7,439	8,279
Long-term investment	6	200,000	100,000
Long-term loans		1,929	2,147
Long-term deposits		75,675	73,619
Deferred tax asset		20,646	18,396
		<b>1,547,475</b>	<b>1,435,274</b>
<b>CURRENT ASSETS</b>			
Stores and spares		2,590	2,171
Stock-in-trade	7	881,458	773,203
Trade debts		743,504	580,686
Loans and advances		133,711	72,018
Trade deposits, prepayments and other receivables		81,835	70,576
Taxation-net		148,334	134,045
Cash and bank balances	8	30,570	142,578
		<b>2,022,002</b>	<b>1,775,277</b>
<b>TOTAL ASSETS</b>		<b>3,569,477</b>	<b>3,210,551</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		391,444	391,444
Reserves		750,476	802,502
		<b>1,141,920</b>	<b>1,193,946</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	9	363,959	298,760
Deferred liabilities		176,077	178,459
		<b>540,036</b>	<b>477,219</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	777,126	625,248
Accrued profit		31,114	24,288
Short-term borrowings	11	970,352	790,738
Current portion of long-term financing	9	108,649	98,832
Unclaimed dividends		280	280
		<b>1,887,521</b>	<b>1,539,386</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,569,477</b>	<b>3,210,551</b>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial information.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

## Macter International Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000)	SEPTEMBER 30, 2018 .....
<b>Turnover</b>		<b>1,132,781</b>	889,355
Cost of sales		<b>(708,874)</b>	(470,117)
<b>Gross profit</b>		<b>423,907</b>	419,238
Distribution costs		<b>(360,932)</b>	(301,287)
Administrative expenses		<b>(57,183)</b>	(54,676)
Other expenses		-	(3,413)
Other income		<b>301</b>	1,606
		<b>(417,814)</b>	(357,770)
<b>Operating profit</b>		<b>6,093</b>	61,468
Financial charges		<b>(45,182)</b>	(21,296)
<b>(Loss) / profit before taxation</b>		<b>(39,089)</b>	40,172
Taxation	13	<b>(12,937)</b>	(9,149)
<b>(Loss) / profit after taxation</b>		<b>(52,026)</b>	31,023
		..... (Rupees) .....	
<b>Basic and diluted (loss) / earnings per share</b>		<b>(1.33)</b>	0.79

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial information.

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR

## Macter International Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
	..... (Rupees in '000) .....	
(Loss) / profit after taxation	(52,026)	31,023
Other comprehensive income for the period	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(52,026)</b>	<b>31,023</b>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial information.

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER  
\_\_\_\_\_  
CHIEF EXECUTIVE  
\_\_\_\_\_  
DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	TOTAL EQUITY
		CAPITAL RESERVES	UNAPPROP- -RIATED PROFIT		
	(Rupees in '000)				
Balance as at July 01, 2018	391,444	217,808	548,178	765,986	1,157,430
Profit for the quarter	-	-	31,023	31,023	31,023
Other comprehensive income for the period ended September 30, 2018	-	-	-	-	-
	-	-	31,023	31,023	31,023
Balance as at September 30, 2018	391,444	217,808	579,201	797,009	1,188,453
Balance as at July 01, 2019	391,444	217,808	584,694	802,502	1,193,946
(Loss) for the quarter	-	-	(52,026)	(52,026)	(52,026)
Other comprehensive income for the period ended September 30, 2019	-	-	-	-	-
	-	-	(52,026)	(52,026)	(52,026)
Balance as at September 30, 2019	391,444	217,808	532,668	750,476	1,141,920

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial information.

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE

  
 DIRECTOR

## Macter International Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	NOTE	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
		..... (Rupees in '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(39,089)	40,172
Adjustments :			
Depreciation		23,606	19,290
Amortization		840	1,068
Financial charges		45,182	21,296
Provision for gratuity		6,285	5,704
Gain on sale of operating fixed assets		-	(610)
Provision for slow moving and obsolete stock-in-trade		(9,125)	-
Provision for doubtful debts		(2,904)	(3,970)
		63,884	42,778
		24,795	82,950
<b>Decrease / (increase) in current assets</b>			
Stores and spares		(419)	52
Stock-in-trade		(99,130)	(47,870)
Trade debts		(159,914)	(19,720)
Loans and advances		(61,693)	(10,214)
Trade deposits, prepayments and other receivables		(11,259)	(11,502)
		(332,415)	(89,254)
<b>Increase in current liabilities</b>			
Trade and other payables		151,878	23,464
		(155,742)	17,160
Financial charges paid		(38,356)	(19,009)
Income tax paid		(29,476)	(14,617)
Gratuity paid		(8,631)	(2,110)
Long-term loans		218	274
Long-term deposits		(2,056)	192
Deferred liabilities		(36)	77
		(78,337)	(35,193)
<b>Net cash (used in) operating activities</b>		(234,079)	(18,033)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property plant and equipment		(32,559)	(35,655)
Proceeds from disposal of operating fixed assets		-	1,414
Investments made during the period		(100,000)	(100,000)
Additions of intangible asset		-	(2,702)
<b>Net cash (used in) investing activities</b>		(132,559)	(136,943)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings obtained - net		179,614	66,954
Long-term financing obtained - net		75,016	81,144
<b>Net cash generated from financing activities</b>		254,630	148,098
<b>Net decrease in cash and cash equivalents</b>		(112,008)	(6,878)
<b>Cash and cash equivalents at the beginning of the period</b>		142,578	46,995
<b>Cash and cash equivalents at the end of the period</b>	8	30,570	40,117

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial information.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**1. THE COMPANY AND ITS OPERATIONS**

Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company and was converted into a public limited company in 2011. Effective from August 01, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and market pharmaceutical products. The geographical location and registered office of the Company is situated at F-216, S.I.T.E. Karachi.

**2. BASIS OF PREPARATION**

This unconsolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under Companies Act 2017.
- Provisions of and directives issued under the Companies Act, 2017.

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

This unconsolidated condensed interim financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2019.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computations adopted in the preparation of this unconsolidated condensed interim financial information are consistent with those followed in the preparation of the Company's unconsolidated annual audited financial statements for the year ended June 30, 2019.

**4. ACCOUNTING ESTIMATES AND JUDGMENTS**

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

Judgments and estimates made by the management in the preparation of this unconsolidated condensed interim financial information are same as those applied in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2019.



## Macter International Limited

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 AUDITED
		UN-AUDITED	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>1,189,863</b>	1,201,358
Capital work-in-progress	5.2	<b>51,923</b>	31,475
		<b>1,241,786</b>	1,232,833

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
	..... (Rupees in '000) .....			
	..... (UN-AUDITED) .....			
Leasehold land	-	4,000	-	-
Buildings on leasehold land	-	7,122	-	-
Plant and machinery	<b>6,953</b>	80,660	-	-
Tools and equipment	<b>174</b>	4,155	-	-
Gas and other installation	<b>2,718</b>	2,331	-	-
Furniture and fixture	-	1,540	-	-
Office equipment	<b>266</b>	14	-	-
Computer equipment	<b>759</b>	473	-	23
Motor vehicles	<b>1,241</b>	1,393	-	781
	<b>12,111</b>	101,688	-	804

### 5.2 Capital work-in-progress

	SEPTEMBER 30, 2019				
	CIVIL WORKS	LEASEHOLD LAND	PLANT AND MACHINERY	OTHERS	TOTAL
	..... (Rupees in '000) .....				
	..... (UN-AUDITED) .....				
Opening balance	<b>683</b>	<b>2,050</b>	<b>28,427</b>	<b>315</b>	<b>31,475</b>
Capital expenditure incurred / advances made	<b>1,111</b>	<b>2,874</b>	<b>17,430</b>	-	<b>21,415</b>
Transferred to operating fixed assets	-	-	(814)	(153)	(967)
Closing balance	<b>1,794</b>	<b>4,924</b>	<b>45,043</b>	<b>162</b>	<b>51,923</b>

## Macter International Limited

		SEPTEMBER 30, 2019	JUNE 30, 2019
	NOTE	..... (Rupees in '000) .....	
		UN-AUDITED	AUDITED
<b>6. LONG-TERM INVESTMENT</b>			
Investment in subsidiary - at cost			
Misbah Cosmetic (Private) Limited	6.1	<u>200,000</u>	<u>100,000</u>
20,000,000 ordinary shares at par value of			
Rs. 10 each representing 72.5% voting shares			
<b>6.1</b>	During the period, the Company acquired an additional 10,000,000 ordinary shares increasing the voting shares from 56.9% to 72.5% of Misbah Cosmetics (Private) Limited against a consideration of Rs.100 million. The Subsidiary Company is engaged in selling and distribution of cosmetic products.		
<b>7. STOCK IN TRADE</b>			
In hand			
raw material		<b>311,686</b>	264,024
packing material		<b>183,382</b>	170,963
work-in-process		<b>106,741</b>	65,668
finished goods	7.1	<u><b>309,351</b></u>	<u>296,278</u>
		<b>911,160</b>	796,933
Less: Provision for slow moving and obsolete items	7.2	<u><b>(32,435)</b></u>	<u>(27,376)</u>
		<b>878,725</b>	769,557
In transit		<u><b>2,733</b></u>	<u>3,646</u>
		<u><b>881,458</b></u>	<u>773,203</u>
<b>7.1</b>	These include cost of physician samples, aggregating Rs.12.413 (2019: Rs.13.502) million.		
<b>7.2 Provision for slow moving and obsolete items</b>			
Opening balance		<b>27,376</b>	46,482
Charge for the period		<b>9,125</b>	10,716
Write off during the period		<u><b>(4,066)</b></u>	<u>(29,822)</u>
Closing balance		<u><b>32,435</b></u>	<u>27,376</u>

## Macter International Limited

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 AUDITED
<b>8. CASH AND BANK BALANCES</b>		<b>UN-AUDITED</b>	
Cash in hand		168	271
With banks in:			
- current accounts		20,872	84,462
- saving accounts	8.1	9,530	57,845
		30,402	142,307
		30,570	142,578

8.1 These carry profit at the rates ranging from 5.50% to 7.23% (2019: 2.25% to 6.15%) per annum.

## 9. LONG-TERM FINANCING

### Secured

Diminishing musharakah on

- Leasehold land and buildings	9.1	165,625	76,263
- Plant and machinery	9.2	244,032	253,727
- Vehicles	9.3	62,951	67,602
		472,608	397,592
Less : Current maturity shown under current liabilities		(108,649)	(98,832)
		363,959	298,760

9.1 These facilities have been obtained from Meezan Bank Limited. These carry markup at the rate of 6 Months KIBOR plus 1.25% to 2.00% (2019: KIBOR plus 1.25% to 2.00%) per annum and having maturity till August 2022 (2019: August 2022). These facilities are secured against the respective assets.

During the period, the Company has utilized facility of Rs.100 million from Meezan Bank Limited under the diminishing musharakah, which carries mark up at the rate of 3 Months KIBOR plus 1.50% per annum and is payable latest by August 2024, this facility is secured against the respective asset.

9.2 These facilities have been obtained from First Habib Modaraba, Dubai Islamic Bank and MCB Islamic Bank. These carry markup at the rates of 6 Months KIBOR plus 1.40% to 2.00% (2019: KIBOR plus 1.40% to 2.00%) per annum and having maturity till September 2024 (2019: June 2023). These facilities are secured against the respective assets.

9.3 These facilities have been obtained from First Habib Modaraba and AL Baraka Bank (Pakistan) Limited. These carry markup at the rates of 6 Months KIBOR plus 1.25% to 1.50% (2019: KIBOR plus 1.25% to 2.00%) per annum and are having maturity till December 2023 (2019: June 2023). These facilities are secured against the respective assets.

## Macter International Limited

		SEPTEMBER 30, 2019	JUNE 30, 2019
	NOTE	..... (Rupees in '000) .....	..... (Rupees in '000) .....
		UN-AUDITED	AUDITED
<b>10. TRADE AND OTHER PAYABLES</b>			
Trade and other creditors		528,554	346,788
Advances from customers		79,198	114,205
Accrued liabilities		42,552	44,323
Provision for gas infrastructure development cess		72,169	66,795
Sindh Workers' Profit Participation Fund		2,852	2,852
Workers' Welfare Fund		21,725	21,725
Central Research Fund		1,238	1,238
Payable to provident fund		3,912	3,302
Ijarah rental payable		4,870	4,591
Auditors' remuneration		2,589	2,023
Withholding taxes payable		6,018	9,398
Others		11,449	8,008
		<u>777,126</u>	<u>625,248</u>

## 11. SHORT-TERM BORROWINGS

Istisna'a	11.1	63,000	19,511
Musharakah running finance	11.2	130,000	130,000
Murabaha payables	11.3	777,352	641,227
		<u>970,352</u>	<u>790,738</u>

**11.1** This represents finance facility obtained from Dubai Islamic Bank. This carries profit at the rate of 6 Months KIBOR plus 1.25% (2019: 6 Months KIBOR plus 1.25%) per annum and having maturity till January 2020 (2019: July 2019). These are secured by way of hypothecation on stock-in-trade and trade debts of the Company.

**11.2** These represent finance facility obtained from MCB Islamic Bank. This carries profit at the rate of 3 Months KIBOR plus 0.85% per annum (2019: 3 Months KIBOR plus 0.85% per annum) and is repayable on demand. These are secured by way of hypothecation on stock-in-trade and trade debts of the Company.

**11.3** These represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of inventory. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.00% to 1.50% (2019: 3 to 6 Months KIBOR plus 1.00% to 1.50%) per annum and having maturity till March 2020 (2019: December 2019). These are secured against hypothecation of stock in trade and trade debts of the Company.

**Macter International Limited**

	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 ..... AUDITED
<b>12. CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1 Contingencies</b>		
<b>12.1.1</b> Claims not acknowledged as debt by the Company	<b>6,793</b>	7,240
<b>12.1.2</b> Outstanding letters of guarantee	<b>98,410</b>	89,667
<b>12.1.3</b> The Company has issued corporate guarantee aggregating Rs. 60 million (June 2019 : Rs. 60 million) to a commercial bank against financing facilities utilised by the subsidiary Company.		
<b>12.1.4</b> There is no change in the status of contingencies as disclosed in the unconsolidated annual audited financial statements for the year ended June 30, 2019 except as mentioned in above notes.		
<b>12.2 Commitments</b>		
Outstanding letters of credit	<b>141,590</b>	55,641
Commitments for capital expenditures	<b>76,484</b>	42,136
Commitments for ljarah rentals in respect of plant and machinery, motor vehicles and equipment		
<b>Year</b>		
2020	<b>73,726</b>	100,457
2021	<b>91,087</b>	90,938
2022	<b>62,634</b>	62,569
2023	<b>9,877</b>	9,640
2024	<b>1,061</b>	998
	<b>238,385</b>	264,602
	<b>QUARTER ENDED</b>	
	<b>SEPTEMBER 30,</b>	<b>SEPTEMBER 30,</b>
	<b>2019</b>	<b>2018</b>
	..... (Rupees in '000) .....	.....
	..... (UN-AUDITED) .....	.....
<b>13. TAXATION</b>		
Current	<b>15,187</b>	7,712
Deferred	<b>(2,250)</b>	1,437
	<b>12,937</b>	9,149

**14. TRANSCATIONS 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 unconsolidated condensed interim financial information, are as follows:

		QUARTER ENDED	
		SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
		..... (Rupees in '000) .....	
		..... (UN-AUDITED) .....	
Relationship	Nature of transaction		
Key Management Personnel	Salary and other benefits	37,624	40,621
Non-Executive Director	Meeting Fee	282	125
Provident Fund	Contribution	8,998	8,542
Misbah Cosmetics (Private) Limited - (Subsidiary) 72.5%	Investment made	100,000	100,000
	Expenses incurred and Reimbursed thereon	1,084	-

**15. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

This unconsolidated condensed interim financial information does not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's unconsolidated annual financial statements for the year ended June 30, 2019. There have been no change in any risk management policies since the year end.

**16. DATE OF AUTHORISATION FOR ISSUE**

This unconsolidated condensed interim financial information was authorised for issue on October 26, 2019 by the Board of Directors of the Company.

**17. GENERAL**

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

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
QUARTER ENDED  
SEPTEMBER 30, 2019**

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		SEPTEMBER 30, 2019	JUNE 30, 2019
	NOTE	..... (Rupees in '000) .....	.....
ASSETS		UN-AUDITED	AUDITED
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,256,846	1,248,312
Intangible assets	6	63,687	65,218
Long-term loans		1,929	2,147
Long-term deposits		77,153	74,537
Deferred tax asset		20,646	18,396
		1,420,261	1,408,610
<b>CURRENT ASSETS</b>			
Stores and spares		2,590	2,171
Stock-in-trade	7	966,655	841,849
Trade debts		768,027	599,532
Loans and advances		138,920	76,887
Trade deposits, prepayments and other receivables		87,597	76,998
Taxation-net		148,334	134,045
Cash and bank balances	8	67,928	144,969
		2,180,051	1,876,451
<b>TOTAL ASSETS</b>		3,600,312	3,285,061
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		391,444	391,444
Reserves		698,084	764,552
Equity attributable to the owner's of the Holding Company		1,089,528	1,155,996
Non controlling interest		(3,051)	4,031
		1,086,477	1,160,027
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	9	418,608	354,330
Deferred liabilities		176,077	178,459
		594,685	532,789
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	805,071	648,245
Accrued profit		31,114	25,453
Short-term borrowings	11	970,352	815,751
Current portion of long-term financing	9	112,333	102,516
Unclaimed dividends		280	280
		1,919,150	1,592,245
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>TOTAL EQUITY AND LIABILITIES</b>		3,600,312	3,285,061

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial information.

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE

  
 DIRECTOR



## Macter International Limited

### CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000)	SEPTEMBER 30, 2018 .....
Turnover		1,160,806	889,355
Cost of sales		(721,022)	(470,117)
<b>Gross profit</b>		<b>439,784</b>	419,238
Distribution costs		(395,186)	(301,287)
Administrative expenses		(57,279)	(54,676)
Other expenses		-	(3,413)
Other income		300	1,606
		(452,165)	(357,770)
<b>Operating (loss) / profit</b>		<b>(12,381)</b>	61,468
Financial charges		(47,639)	(21,296)
<b>(Loss) / profit before taxation</b>		<b>(60,020)</b>	40,172
Taxation	13	(13,530)	(9,149)
<b>(Loss) / profit after taxation</b>		<b>(73,550)</b>	31,023
		..... (Rupees) .....	
<b>Basic and diluted (loss) / earnings per share</b>		<b>(1.88)</b>	0.79

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial information.

#### Attributable to:

Owner of the Holding Company  
Non- controlling interest

(66,468)	31,023
(7,082)	-
<b>(73,550)</b>	<b>31,023</b>

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

## Macter International Limited

### CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
	..... (Rupees in '000)	.....
(Loss) / profit after taxation	(73,550)	31,023
Other comprehensive income for the period	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(73,550)</b>	<b>31,023</b>

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial information.

**Attributable to:**

Owner of the Holding Company	(66,468)	31,023
Non- controlling interest	(7,082)	-
	<b>(73,550)</b>	<b>31,023</b>

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR

## Macter International Limited

### CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES		TOTAL RESERVES	NON- CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES	UNAPPROP- -RIATED PROFIT			
	(Rupees in '000)					
Balance as at July 01, 2018	391,444	217,808	546,403	764,211	-	1,155,655
Non controlling interest on acquisition of Subsidiary Company	-	-	-	-	31,245	31,245
Profit for the quarter	-	-	31,023	31,023	-	31,023
Other comprehensive income for the period ended September 30, 2018	-	-	-	-	-	-
	-	-	31,023	31,023	-	31,023
Balance as at September 30, 2018	391,444	217,808	577,426	795,234	31,245	1,217,923
Balance as at July 01, 2019	391,444	217,808	546,744	764,552	4,031	1,160,027
(Loss) for the quarter	-	-	(66,468)	(66,468)	(7,082)	(73,550)
Other comprehensive income for the period ended September 30, 2019	-	-	-	-	-	-
	-	-	(66,468)	(66,468)	(7,082)	(73,550)
Balance as at September 30, 2019	391,444	217,808	480,276	698,084	(3,051)	1,086,477

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial information.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	NOTE	QUARTER ENDED	
		SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
		..... (Rupees in '000) .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(60,020)	40,172
Adjustments :			
Depreciation		24,024	19,290
Amortization		1,532	1,068
Financial charges		47,639	21,296
Provision for gratuity		6,285	5,704
Gain on sale of operating fixed assets		-	(610)
Provision for slow moving and obsolete stock-in-trade		(9,125)	-
Provision for doubtful debts		(2,904)	(3,970)
		67,451	42,778
		7,431	82,950
<b>Decrease / (increase) in current assets</b>			
Stores and spares		(419)	52
Stock-in-trade		(115,681)	(87,081)
Trade debts		(165,591)	(54,240)
Loans and advances		(62,033)	(10,757)
Trade deposits, prepayments and other receivables		(10,599)	(15,189)
		(354,323)	(167,215)
<b>Increase in current liabilities</b>			
Trade and other payables		156,826	30,012
		(190,066)	(54,253)
Financial charges paid		(41,978)	(19,009)
Income tax paid		(30,069)	(14,617)
Gratuity paid		(8,631)	(2,110)
Long-term loans		218	274
Long-term deposits		(2,616)	(642)
Deferred liabilities		(36)	77
		(83,112)	(36,027)
<b>Net cash (used in) operating activities</b>		(273,178)	(90,280)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property plant and equipment		(32,559)	(43,691)
Proceeds from disposal of operating fixed assets		-	(3,033)
Additions of intangible asset		-	1,414
<b>Net cash (used in) investing activities</b>		(32,559)	(45,310)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowings obtained - net		154,601	146,981
Long-term financing obtained -net		74,095	106,957
<b>Net cash generated from financing activities</b>		228,696	253,938
<b>Net decrease in cash and cash equivalents</b>		(77,041)	118,348
<b>Cash and cash equivalents at the beginning of the period</b>		144,969	46,995
<b>Cash and cash equivalents acquired through bussiness combination</b>		-	(27,505)
<b>Cash and cash equivalents at the end of the period</b>	8	67,928	137,838

The annexed notes from 1 to 17 form an integral part of this consolidated condensed interim financial information.

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**1. THE COMPANY AND ITS OPERATIONS**

Macter International Limited (the Company) was incorporated in Pakistan in 1992 as a private limited company and was converted into a public limited company in 2011. Effective from August 01, 2017 the Company has been listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and market pharmaceutical products. The geographical location and registered office of the Company is situated at F-216, S.I.T.E. Karachi.

**1.1 Following is the Subsidiary Company**

	<b>Effective %age of holding</b>	
	<b>SEPTEMBER 30, 2019 UN-AUDITED</b>	<b>JUNE 30, 2019 AUDITED</b>
Misbah Cosmetic (Private) Limited	<b>72.5%</b>	56.9%

**2. BASIS OF PREPARATION**

This consolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under Companies Act 2017.
- Provisions of and directives issued under the Companies Act, 2017.

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

This consolidated condensed interim financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's consolidated annual audited financial statements for the year ended June 30, 2019.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computations adopted in the preparation of this consolidated condensed interim financial information are consistent with those followed in the preparation of the Company's consolidated annual audited financial statements for the year ended June 30, 2019.

#### 4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

Judgments and estimates made by the management in the preparation of this consolidated condensed interim financial information are same as those applied in the Company's consolidated annual audited financial statements for the year ended June 30, 2019.

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 AUDITED
		UN-AUDITED	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>1,204,923</b>	1,216,837
Capital work-in-progress	5.2	<b>51,923</b>	31,475
		<b>1,256,846</b>	<b>1,248,312</b>

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

	ADDITIONS (COST)		DELETIONS (NET BOOK VALUE)	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
	..... (Rupees in '000) .....			
	..... (UN-AUDITED) .....			
Leasehold land	-	4,000	-	-
Buildings on leasehold land	-	7,122	-	-
Plant and machinery	<b>6,953</b>	80,660	-	-
Tools and equipment	<b>174</b>	4,155	-	-
Gas and other installation	<b>2,718</b>	2,331	-	-
Furniture and fixture	-	1,540	-	-
Office equipment	<b>266</b>	14	-	-
Computer equipment	<b>759</b>	473	-	23
Motor vehicles	<b>1,241</b>	1,393	-	781
	<b>12,111</b>	<b>101,688</b>	<b>-</b>	<b>804</b>

## Macter International Limited

### 5.2 Capital work-in-progress

	SEPTEMBER 30, 2019				
	CIVIL WORKS	LEASEHOLD LAND	PLANT AND MACHINERY	OTHERS	TOTAL
	(Rupees in '000)				
	(UN-AUDITED)				
Opening balance	683	2,050	28,427	315	31,475
Capital expenditure incurred / advances made	1,111	2,874	17,430	-	21,415
Transferred to operating fixed assets	-	-	(814)	(153)	(967)
Closing balance	1,794	4,924	45,043	162	51,923

### 6. Intangible Assets

	As at July 01, 2019	Additions during the period	As at September 30, 2019	As at July 01, 2019	Charge for the period	As at September 30, 2019	Net book value as at September 30, 2019	Amortization rate % per annum
	(Rupees in '000)							
Good will	4,632	-	4,632	-	-	-	4,632	-
Band "MMM"	54,127	-	54,127	2,030	651	2,681	51,446	5%
Software licenses	22,474	-	22,474	15,170	731	15,900	6,574	20-33.33%
SAP ERP	41,802	-	41,802	40,617	150	40,767	1,035	0.2
Manufacturing and distribution rights	20,000	-	20,000	20,000	-	20,000	-	20%
	143,035	-	143,035	77,817	1,532	79,348	63,687	

		NOTE	SEPTEMBER 30, 2019 (Rupees in '000)	JUNE 30, 2019 (Rupees in '000)
			UN-AUDITED	AUDITED
7. STOCK IN TRADE				
In hand				
raw material			311,686	264,024
packing material			183,382	170,963
work-in-process			106,741	65,668
finished goods		7.1	369,261	361,668
			971,070	862,323
Less: Provision for slow moving and obsolete items		7.2	(32,435)	(27,376)
			938,635	834,947
In transit			28,020	6,902
			966,655	841,849

7.1 These include cost of physician samples, aggregating Rs.12.413 (2019: Rs.13.502) million.

## Macter International Limited

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 .....
		UN-AUDITED	AUDITED
<b>7.2 Provision for slow moving and obsolete items</b>			
Opening balance		27,376	46,482
Charge for the period		9,125	10,716
Write off during the period		(4,066)	(29,822)
Closing balance		<u>32,435</u>	<u>27,376</u>
<b>8. CASH AND BANK BALANCES</b>			
Cash in hand		174	608
With banks in:			
- current accounts		58,224	86,516
- saving accounts	8.1	9,530	57,845
		<u>67,754</u>	<u>144,361</u>
		<u>67,928</u>	<u>144,969</u>
<b>8.1</b>	These carry profit at the rates ranging from 5.50% to 7.23% (2019: 2.25% to 6.15%) per annum.		
<b>9. LONG-TERM FINANCING</b>			
Loan from related party	9.1	58,333	59,254
<b>Secured</b>			
Diminishing musharakah on			
- Leasehold land and buildings	9.2	165,625	76,263
- Plant and machinery	9.3	244,032	253,727
- Vehicles	9.4	62,951	67,602
		<u>530,941</u>	<u>456,846</u>
Less : Current maturity shown under current liabilities		<u>(112,333)</u>	<u>(102,516)</u>
		<u>418,608</u>	<u>354,330</u>
<b>9.1</b>	This represents unsecured loan obtained by the Subsidiary Company from one of the director in personal capacity, under mark-up arrangements. It carries profit at 90 days average of 12 Months KIBOR for 3rd calendar quarter-2018 which is fixed for the period as 7.05% per annum (2019: 90 days average of 12 Months KIBOR for 3rd calendar quarter-2018 which is fixed for the period as 7.05% per annum). The profit is payable on monthly basis.		
<b>9.2</b>	These facilities have been obtained from Meezan Bank Limited. These carry markup at the rate of 6 Months KIBOR plus 1.25% to 2.00% (2019: KIBOR plus 1.25% to 2.00%) per annum and having maturity till August 2022 (2019: August 2022). These facilities are secured against the respective assets.		



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During the period, the Company has utilized facility of Rs.100 million from Meezan Bank Limited under the diminishing musharakah, which carries mark up at the rate of 3 Months KIBOR plus 1.50% per annum and is payable latest by August 2024, this facility is secured against the respective asset.

**9.3** These facilities have been obtained from First Habib Modaraba, Dubai Islamic Bank and MCB Islamic Bank. These carry markup at the rates of 6 Months KIBOR plus 1.40% to 2.00% (2019: KIBOR plus 1.40% to 2.00%) per annum and having maturity till September 2024 (2019: June 2023). These facilities are secured against the respective assets.

**9.4** These facilities have been obtained from First Habib Modaraba and Al Baraka Bank (Pakistan) Limited. These carry markup at the rates of 6 Months KIBOR plus 1.25% to 1.50% (2019: KIBOR plus 1.25% to 2.00%) per annum and are having maturity till December 2023 (2019: June 2023). These facilities are secured against the respective assets.

	NOTE	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 AUDITED
		UN-AUDITED	
<b>10. TRADE AND OTHER PAYABLES</b>			
Trade and other creditors		544,560	358,597
Advances from customers		79,623	115,334
Accrued liabilities		53,356	53,085
Provision for gas infrastructure development cess		72,169	66,795
Sindh Workers' Profit Participation Fund		2,852	2,852
Workers' Welfare Fund		21,725	21,725
Central Research Fund		1,238	1,238
Payable to provident fund		3,912	3,302
Ijarah rental payable		4,870	4,591
Auditors' remuneration		2,589	2,363
Withholding taxes payable		6,024	9,651
Others		12,153	8,712
		<b>805,071</b>	<b>648,245</b>
<b>11. SHORT-TERM BORROWINGS</b>			
Istisna'a	11.1	63,000	19,511
Musharakah running finance	11.2	130,000	130,000
Murabaha payables	11.3	777,352	666,240
		<b>970,352</b>	<b>815,751</b>

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- 11.1** This represents finance facility obtained from Dubai Islamic Bank. This carries profit at the rate of 6 Months KIBOR plus 1.25% (2019: 6 Months KIBOR plus 1.25%) per annum and having maturity till January 2020 (2019: July 2019). These are secured by way of hypothecation on stock-in-trade and trade debts of the Company.
- 11.2** These represent finance facility obtained from MCB Islamic Bank. This carries profit at the rate of 3 Months KIBOR plus 0.85% per annum (2019: 3 Months KIBOR plus 0.85% per annum) and is repayable on demand. These are secured by way of hypothecation on stock-in-trade and trade debts of the Company.
- 11.3** These represent outstanding murabaha facilities with various Islamic banks for the purpose of purchase of inventory. These carry profit at the rates ranging from 3 to 6 Months KIBOR plus 1.00% to 1.50% (2019: 3 to 6 Months KIBOR plus 1.00% to 1.50%) per annum and having maturity till March 2020 (2019: December 2019). These are secured against hypothecation of stock in trade and trade debts of the Company and corporate guarantee issued by Holding Company in favor of Subsidiary Company.

	SEPTEMBER 30, 2019 ..... (Rupees in '000) .....	JUNE 30, 2019 AUDITED
<b>12. CONTINGENCIES AND COMMITMENTS</b>	<b>UN-AUDITED</b>	
<b>12.1 Contingencies</b>		
<b>12.1.1</b> Claims not acknowledged as debt by the Company	<b>6,793</b>	7,240
<b>12.1.2</b> Outstanding letters of guarantee	<b>98,410</b>	89,667
<b>12.1.3</b> There is no change in the status of contingencies as disclosed in the consolidated annual audited financial statements for the year ended June 30, 2019 except as mentioned in above notes.		
<b>12.2 Commitments</b>		
Outstanding letters of credit	<b>141,590</b>	55,641
Commitments for capital expenditures	<b>77,843</b>	43,495
Commitments for Ijarah rentals in respect of plant and machinery, motor vehicles and equipment		
<b>Year</b>		
2020	<b>75,307</b>	102,565
2021	<b>93,195</b>	94,186
2022	<b>64,742</b>	65,817
2023	<b>11,985</b>	12,888
2024	<b>2,139</b>	1,765
	<b>247,368</b>	277,221

## Macter International Limited

	QUARTER ENDED	
	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
	..... (Rupees in '000) .....	
	..... (UN-AUDITED) .....	
<b>13. TAXATION</b>		
Current	15,780	7,712
Deferred	(2,250)	1,437
	<u>13,530</u>	<u>9,149</u>

## 14. TRANSCATIONS 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 consolidated condensed interim financial information, are as follows:

		QUARTER ENDED	
		SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
		..... (Rupees in '000) .....	
		..... (UN-AUDITED) .....	
Relationship	Nature of transaction		
Key Management Personnel	Salary and other benefit	40,925	40,621
	Repayment of loan	921	-
Non-Executive Director	Meeting Fee	282	125
Provident Fund	Contribution	8,998	8,542
Depilex (Private) Limited (Common directorship)	Sales made by the Subsidiary Company	911	-
<b>Balances outstanding</b>			
Depilex (Private) Limited (Common directorship)	Amount Due to the Subsidiary Company	1,417	-

**15. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

This consolidated condensed interim financial information does not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's consolidated annual financial statements for the year ended June 30, 2019. There have been no change in any risk management policies since the year end.

**16. DATE OF AUTHORISATION FOR ISSUE**

This consolidated condensed interim financial information was authorised for issue on October 26, 2019 by the Board of Directors of the Company.

**17. GENERAL**

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

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

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**  
\_\_\_\_\_  
**CHIEF EXECUTIVE**  
\_\_\_\_\_  
**DIRECTOR**



**Macter**

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**Macter International Limited**  
F-216, S.I.T.E, Karachi - Pakistan  
[www.macter.com](http://www.macter.com)