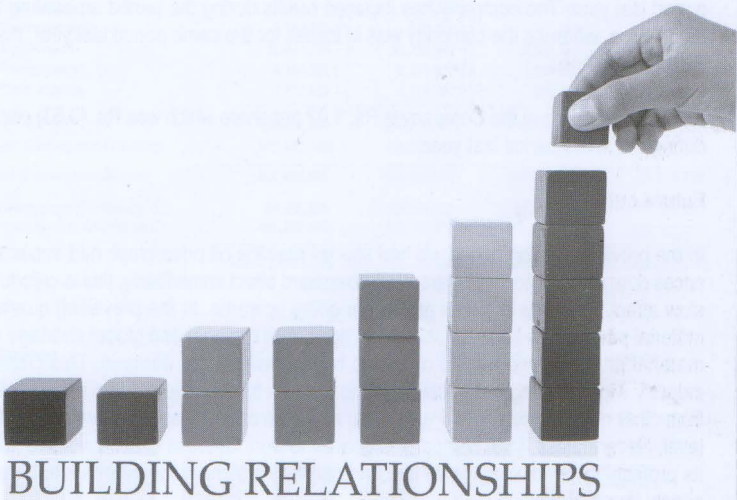


# CONDENSED INTERIM FINANCIAL STATEMENTS



FOR THE 3<sup>rd</sup>  
QUARTER & NINE  
MONTHS ENDED,  
MARCH 31, 2015  
(UN-AUDITED)

Manufacturers of Multi Layer Co-extruded BOPP Films

**MACPAC FILMS LTD.**



# Macpac Films Limited

## DIRECTOR'S REVIEW

In the name of Allah, the Most Gracious, the Most Benevolent and the Most Merciful.

### Assalam-o-Alaikum

Dear Shareholders,

The Board of Directors of your Company is pleased to present the un-audited financial information of the Company for the third quarter ended March 31, 2015.

### Financial Reporting

Alhamdulillah by the grace of Almighty Allah, Your Company has increased their sales by 6% reaching net sales of Rs. 970 million as compared to Rs. 916 million for the same period last year. The company has incurred profits during the period amounting to Rs. 39.6 million, whereas the company was in losses for the same period last year; that was Rs. (20.6) million.

Earnings per share of the Company is Rs. 1.02 per share which was Rs. (0.53) per share during the same period last year.

### Future outlook

In the previous ending period we had shared how the oil price crash had impacted the prices downwards and customers seek downward effect immediately, this is unfortunately slow affect when raw material prices are going upwards. In the prevailing quarter raw material prices have been on sharp rise again and regional and global shortage of raw material prevails unrelated to oil prices but its own supply demand. This creates an industry wide challenge of passing on these costs to customers again and competition from other manufacturers and Pet films do not make ease of keeping margins at a healthy level. Nevertheless, your company is geared to work at these challenges and maintain its profitability by keeping costs low and carefully watching the international and local supply demand trends.

We are confident that your Company has the potential to sustain all challenges by maintaining its position in the market and keeping the current focus and strengthening its business relationships.

### Acknowledgement

The Directors of the Company would like to take the opportunity to thank the Securities and Exchange Commission of Pakistan, Shareholders, Partners, Customers, Government Authorities, Autonomous bodies, Financial Institutions and Bankers for their co-operation & continued support.

The Directors are also pleased to record their special appreciation of the valuable and untiring efforts and services rendered by the staff of the Company.

For and on behalf of the Board

On behalf of the Board

Karachi  
April 30, 2015

**MAQBOOL ELAHI SHAIKH**  
Chief Executive Officer

# Macpac Films Limited

## Condensed Interim Balance Sheet (Un-Audited)

### As at March 31, 2015

	Note	(Un-audited) March 31 2015	(Audited) June 30 2014
		----- Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	739,271,577	760,901,866
Intangible assets		516,161	386,660
		739,787,738	761,288,526
Long-term deposits		61,551,921	61,551,921
		801,339,659	822,840,447
<b>CURRENT ASSETS</b>			
Stock-in-trade	5	239,949,936	248,667,073
Trade debts	6	210,860,216	159,775,636
Loans and advances		2,477,664	3,175,189
Trade deposits, prepayments and other receivables		10,356,242	8,193,613
Tax refund due from Government - net		33,352,788	28,462,590
Cash and bank balances		10,120,027	11,336,312
		507,116,873	459,610,413
<b>TOTAL ASSETS</b>		<b>1,308,456,532</b>	<b>1,282,450,860</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		388,860,000	388,860,000
Reserves - Share Premium		79,930,000	79,930,000
Accumulated Profit / (losses)		17,462,325	(22,201,851)
		486,252,325	446,588,149
<b>NON-CURRENT LIABILITIES</b>			
Long term loan from director and associated company		150,465,545	148,260,457
Diminishing musharika arrangement		19,416,189	31,065,903
Liability against assets subject to finance lease		84,960,442	29,413,590
Deferred Taxation	7	89,532,542	73,181,296
Staff retirement benefits - staff gratuity		15,436,983	13,534,377
		359,811,701	295,455,623
<b>CURRENT LIABILITIES</b>			
Trade and other payables		386,035,681	467,642,307
Accrued mark-up		1,460,820	1,130,198
Short term borrowings	8	-	50,000,000
Current portion of long term liabilities		74,896,005	21,634,583
		462,392,506	540,407,088
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,308,456,532</b>	<b>1,282,450,860</b>
Contingencies and commitments	9		

The annexed notes 1 - 14 form an integral part of these financial information.

**Maqbool Elahi Shaikh**  
Chief Executive

**Mohammad Sadiq Khan**  
Director

# Macpac Films Limited

Condensed Interim Profit and Loss Account (Un-Audited)  
For the Nine Months ended March 31, 2015

	Note	Nine months ended		Quarter ended	
		March 31 2015	March 31 2014 (Restated)	March 31 2015	March 31 2014 (Restated)
		----- Rupees -----		----- Rupees -----	
<b>Turnover</b>					
Local		1,060,487,603	1,042,335,411	369,986,682	465,111,192
Processing income		72,674,419	28,201,406	27,576,875	-
Export		4,993,907	4,563,190	4,993,907	4,563,190
		1,138,155,929	1,075,100,007	402,557,464	469,674,382
Sales tax		(168,184,730)	(158,897,930)	(58,586,921)	(69,036,198)
<b>Turnover Net</b>		<b>969,971,199</b>	<b>916,202,077</b>	<b>343,970,543</b>	<b>400,638,184</b>
Cost of sales	10	(821,460,165)	(825,788,750)	(275,143,500)	(361,578,029)
<b>Gross profit</b>		<b>148,511,034</b>	<b>90,413,327</b>	<b>68,827,043</b>	<b>39,060,155</b>
Administrative expenses		(33,907,059)	(27,181,330)	(9,989,660)	(8,593,489)
Marketing & Selling expenses		(9,921,280)	(6,931,836)	(4,211,580)	(2,767,900)
Finance costs		(28,457,104)	(9,258,376)	(8,515,058)	(2,600,274)
Other expenses		(8,443,487)	(27,384,107)	(2,397,284)	(290,408)
Other income		713,069	1,457,344	310,826	800,344
		(80,015,860)	(69,298,305)	(24,802,755)	(13,451,727)
<b>Profit before Taxation</b>		<b>68,495,174</b>	<b>21,115,022</b>	<b>44,024,288</b>	<b>25,608,428</b>
Taxation	11	(28,830,998)	(41,785,665)	(6,538,624)	(22,166,890)
<b>Profit after Taxation</b>		<b>39,664,176</b>	<b>(20,670,643)</b>	<b>37,485,663</b>	<b>3,441,538</b>
<b>Earning per share</b>		<b>1.02</b>	<b>(0.53)</b>	<b>0.96</b>	<b>0.09</b>

The annexed notes 1 - 14 form an integral part of these financial information.

Maqbool Elahi Shaikh  
Chief Executive

Mohammad Sadiq Khan  
Director

**MACPAC FILMS LIMITED**

# Macpac Films Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)  
For the Nine Months ended March 31, 2015

	Nine months ended		Quarter ended	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
	----- Rupees -----		----- Rupees -----	
Net profit for the period	39,664,176	(20,670,643)	37,485,663	3,441,538
Other comprehensive Income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>39,664,176</b>	<b>(20,670,643)</b>	<b>37,485,663</b>	<b>3,441,538</b>

# Macpac Films Limited

Condensed Interim Statement of Changes in Equity (Un-Audited)  
For the Nine Months ended March 31, 2015

	Issued, subscribed & paid-up capital	Reserves share premium	Unappropriated (losses) / profits	Total
	----- Rupees -----			
Balance as at July 01, 2013 -Restated	388,860,000	79,930,000	2,216,318	471,006,318
Loss after taxation	-	-	(20,670,643)	(20,670,643)
Other comprehensive income	-	-	-	-
Balance as at March 31, 2014	<u>388,860,000</u>	<u>79,930,000</u>	<u>(18,454,325)</u>	<u>450,335,675</u>
Balance as at July 01, 2014	388,860,000	79,930,000	(22,201,851)	446,588,149
Profit after taxation	-	-	39,664,176	39,664,176
Other comprehensive income	-	-	-	-
Balance as at March 31, 2015	<u>388,860,000</u>	<u>79,930,000</u>	<u>17,462,325</u>	<u>486,252,325</u>

The annexed notes 1 - 14 form an integral part of these financial information.

**Maqbool Elahi Shaikh**  
Chief Executive

**Mohammad Sadiq Khan**  
Director

**MACPAC FILMS LIMITED**

# Macpac Films Limited

Condensed Interim Cash Flow Statement (Un-Audited)  
For the Nine Months ended March 31, 2015

	Note	March 31 2015 Rupees	March 31 2014 Rupees
<b>A Cash generated from operation</b>	12	12,704,306	73,460,465
Income tax (paid) / refund		(17,369,950)	20,068,299
Gratuity paid		(1,734,030)	(913,400)
Finance cost (paid)		(23,076,144)	(9,258,376)
		(42,180,124)	9,896,523
<b>Net cash (used in) / generated from operating activities</b>		<u>(29,475,817)</u>	<u>83,356,988</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditures		(16,253,778)	(95,529,701)
Purchase of intangible assets		(150,000)	-
Proceeds from disposal of fixed assets		100,350,000	955,000
<b>Cash flow (used in) / from investing activities</b>		<u>83,946,222</u>	<u>(94,574,701)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term borrowings (Paid) / obtained		(50,000,000)	9,901,249
Lease rentals paid		(17,808,540)	-
Diminishing Musharika paid		(3,883,238)	-
Short term loan from director received		16,005,088	-
<b>Net cash inflow / (outflow) from financing activities</b>		<u>(55,686,690)</u>	<u>9,901,249</u>
<b>Net (decrease) / Increase in cash and cash equivalent (A + B + C)</b>		<u>(1,216,285)</u>	<u>(1,316,464)</u>
Cash and cash equivalent at the beginning of the period		11,336,312	4,869,753
<b>Cash and cash equivalent at the end of the period</b>		<u><u>10,120,027</u></u>	<u><u>3,553,289</u></u>

The annexed notes 1 - 14 form an integral part of these financial information.

**Maqbool Elahi Shaikh**  
Chief Executive

**Mohammad Sadiq Khan**  
Director

**MACPAC FILMS LIMITED**

# Macpac Films Limited

## Notes to the Condensed Interim Financial Statements For the Nine Months ended March 31, 2015 (Unaudited)

### 1. THE COMPANY AND ITS OPERATIONS

Macpac Films Limited (the Company) was incorporated on August 19, 1993, in Pakistan as a limited liability company under the Companies Ordinance, 1984 and is listed on the Karachi and Lahore stock exchanges. The registered office of the Company is situated at F/2, A-F, S.I.T.E, Karachi, Pakistan and city office is at Plot # 21 Maqbolabad, Jinnah Cooperative Housing Society, (J.C.H.S), Tipu Sultan Road, Karachi.

The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films.

### 2. BASIS OF PREPARATION

These condensed interim financial statements of the Company for the nine months period ended March 31, 2015 are un-audited and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements for the year ended June 30, 2014

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2014.

	Note	March 31 2015 (Un-audited)	June 30 2014 (Audited)
Rupees			
<b>4 Property, plant and equipment</b>			
Operating fixed assets	4.1	630,871,776	460,757,435
Capital work in process	4.1.2	108,399,801	300,144,431
		<u>739,271,577</u>	<u>760,901,866</u>
<b>4.1 Operating fixed assets</b>			
Opening book value		460,757,435	494,567,991
Additions during the current period	4.1.1	207,998,408	13,056,966
		<u>668,755,843</u>	<u>507,624,957</u>
Disposals during the period (book value)		(75,408)	(154,656)
Depreciation during the current period		(37,808,659)	(46,712,866)
		<u>(37,884,067)</u>	<u>(46,867,522)</u>
		<u>630,871,776</u>	<u>460,757,435</u>
<b>4.1.1 Following are the additions made during the current period:</b>			
Plant and machinery		204,319,078	7,389,500
Furniture and fixtures		718,396	306,900
Office equipment		492,740	60,282
Refrigeration and air conditioning		261,987	-
Electric installation		32,450	-
Computers		303,950	258,050
Generators		339,307	603,294
Motor vehicles		1,530,500	4,438,940
		<u>207,998,408</u>	<u>13,056,966</u>

4.1.2 During the period Sales and lease back transaction has been made with Faysal bank limited and as a result The Capital work in progress amounting to Rs. 198 million has been shifted to Operating fixed assets.

		March 31 2015	June 30 2014
	Note	----- Rupees ----- (Un-audited)	----- (Audited)
<b>5 Stock in trade</b>			
Raw material			
- In hand		58,147,437	47,997,100
- In Bond		10,861,596	-
- In transit		41,760,864	86,820,854
		110,769,897	134,817,954
Work-in-process		77,782,549	69,410,299
Finished goods		51,397,490	44,438,820
		<u>239,949,936</u>	<u>248,667,073</u>
<b>6 Trade debts - unsecured</b>			
<u>Considered good:</u>			
Related Parties	6.1	24,382,408	15,728,238
Others		186,477,809	144,047,398
		<u>210,860,216</u>	<u>159,775,636</u>
Considered doubtful - others		19,371,987	19,371,987
		<u>230,232,203</u>	<u>179,147,623</u>
Provision for doubtful debts	6.2	(19,371,987)	(19,371,987)
		<u>210,860,216</u>	<u>159,775,636</u>
<b>6.1</b>	These represent amounts due from associates of the company.		
<b>6.2 Provision for Doubtful debts</b>			
Balance as at July 01		19,371,987	19,371,987
Provision during the period		-	-
		<u>19,371,987</u>	<u>19,371,987</u>
<b>6.2.1 Particulars of Provision</b>			
Specific Provision		14,839,999	14,839,999
General Provision		4,531,988	4,531,988
		<u>19,371,987</u>	<u>19,371,987</u>
<b>7 Deferred Taxation</b>			
Taxable temporary differences arising due to:			
accelerated tax depreciation		88,109,251	91,255,895
accelerated tax amortisation		172,588	127,598
liabilities against assets subject to finance lease		12,431,618	10,717,530
		100,713,457	102,101,023
Deductible temporary differenced arising due to			
unused tax losses		-	(18,060,627)
provision for staff retirement benefits-gratuity		(4,759,283)	(4,466,344)
provision for doubtful debts		(6,421,632)	(6,392,756)
		(11,180,915)	(28,919,727)
		<u>89,532,542</u>	<u>73,181,296</u>
<b>8 Short term borrowings</b>			
Term finance under mark-up arrangement		-	50,000,000
Short-term loan from a director		-	-
		<u>-</u>	<u>50,000,000</u>
<b>9 Contingencies &amp; Commitments</b>			
<b>Contingencies</b>			
Guarantees issued by banks on behalf of the Company		7,250,000	7,250,000

There has been no change in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2014, except for the following:

In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Honorable Supreme Court on the subject, where it upheld that earlier introduction of GIDC Act of 2011 was unconstitutional and *ultravires* on the grounds that GIDC was a 'Fee' and not a 'Tax'.

The Company filed a Suit against the above Ordinance in Sindh High Court on the plea that the Honorable Supreme Court has already given its judgment on the subject. Accordingly, the Company has not accounted for GIDC amounting to Rs.8.391 million in these condensed interim financial statements as the company is confident that the decision of the case will be in its favor.

**Commitments**

Letter of credits for purchase of raw material	43,930,277	45,989,279
--	------------	------------



	Nine months ended		Quarter ended	
	March 31	March 31	March 31	March 31
	2015	2014	2015	2014
	Rupees		Rupees	
<b>10 Cost of good sold</b>				
Opening stock of raw material	47,997,100	62,112,649	56,064,263	72,398,200
Purchases during the year	672,657,691	659,996,702	190,262,095	267,699,885
Raw material available for use	720,654,791	722,109,351	246,326,358	340,098,085
Closing stock of raw material	(58,147,437)	(49,240,875)	(58,147,437)	(49,240,875)
Raw material consumed	662,507,354	672,868,476	188,178,921	290,857,210
<b>Cost of sales</b>				
Opening work in process	69,410,299	73,520,490	88,088,659	86,276,635
Material consumed	662,507,354	672,868,476	188,178,921	290,857,210
Salaries, wages and other benefits	33,033,839	24,970,371	13,639,364	8,649,901
Oil and lubricants/diesel	4,565,850	4,313,730	1,434,168	1,711,012
Packing material consumed	13,798,957	10,803,294	5,492,409	4,690,175
Consumable stores	1,590,060	3,728,677	462,436	2,446,140
Water charges	122,057	92,154	-	20,000
Repair and maintenance	3,934,737	5,273,834	2,091,699	3,315,146
Vehicle running and maintenance	1,053,640	1,513,263	219,871	564,928
Power/electricity/gas	57,564,487	48,360,418	20,111,345	18,319,853
Insurance	5,030,465	4,502,441	1,687,421	1,524,505
Telephone	414,540	366,360	143,320	131,730
Cartage and octroi	5,464,812	6,260,908	2,863,862	2,006,676
Consultancy charges	3,004,806	2,532,000	1,026,806	704,000
Staff welfare	1,246,414	1,135,230	606,262	378,316
Security charges	1,142,623	979,429	359,683	382,676
Depreciation	36,444,456	33,294,301	15,529,249	11,078,853
Transportation	4,154,336	2,571,000	1,619,237	441,000
Other expense	1,717,652	2,174,707	518,247	335,417
	906,201,384	899,261,083	344,072,959	433,834,173
Less : Closing work in process	(77,782,549)	(64,255,425)	(77,782,549)	(64,255,425)
Cost of goods manufactured	828,418,835	835,005,658	266,290,410	369,578,748
Opening stock of finished goods	44,438,820	29,974,062	60,250,580	31,190,250
Closing stock of finished goods	(51,397,490)	(39,190,970)	(51,397,490)	(39,190,970)
	821,460,165	825,788,750	275,143,500	361,578,028

	March 31	March 31
	2015	2014
	(Un-audited)	(Restated)
	Rupees	
<b>11 Taxation</b>		
Current	12,479,752	8,411,625
Deffered	16,351,246	33,374,040
	28,830,998	41,785,665

	March 31	March 31
	2015	2014
	Rupees	
<b>12 Cash Generated From Operations</b>		
<b>Profit before taxation</b>	68,495,174	21,115,022
<b>Adjustments:</b>		
Depreciation	37,808,659	34,741,118
Amortization of intangible asset	20,499	25,623
Provision for gratuity	3,636,636	2,440,648
Gain on sale of fixed assets	(274,592)	(800,344)
Financial charges	28,457,104	9,258,376
	69,648,306	45,665,421
<b>Operating cash flows before working capital changes</b>	138,143,480	66,780,443
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets:</b>		
Stock-in-trade	8,717,137	(148,555)
Trade debts	(51,084,580)	(67,374,666)
Loans and advances	697,525	(5,574,227)
Trade deposits and prepayments	(2,162,629)	(1,710,928)
	(43,832,547)	(74,808,376)
<b>Increase/(decrease) in current liabilities:</b>		
Trade and other payables	(81,606,626)	81,488,398
	(125,439,173)	6,680,022
Cash generated from/(used in) operation	12,704,306	73,460,465

### 13 Date of issue

This interim condensed financial information was authorized for issue on April 30, 2015 by the Board of Directors.

### 14 General

Corresponding figures have been re-arranged wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made.

**Maqbool Elahi Shaikh**  
Chief Executive

**Mohammad Sadiq Khan**  
Director

**MACPAC FILMS LIMITED**

# COMPANY INFORMATION

## Board of Directors

Air Marshal Azim Daudpota (Chairman)  
Mr. Maqbool Elahi Shaikh (Chief Executive)  
Mr. Mohammad Sadiq Khan (Executive Director)  
Mr. Naeem Munshi (Non-Executive Director)  
Mr. Ehtesham Maqbool Elahi (Executive Director)  
Mr. Shariq Maqbool Elahi (Non-Executive Director)  
Mr. Fahad Munshi (Non-Executive Director)  
Mr. Mansoor Younus (Independent Director)  
Mr. Syed Wasi Haider (Nominee Director EOB)

## Audit Committee of the Board

Mr. Mansoor Younus  
Mr. Naeem Munshi  
Air Marshal Azim Daudpota

## HR & Remuneration Committee

Mr. Naeem Munshi (Committee Chairman)  
Mr. Ehtesham Maqbool Elahi  
Mr. Shariq Maqbool Elahi

## Chief Financial Officer & Company Secretary

Mr. Khalid Riaz

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Legal Advisor

Abdul Ghaffar Khan  
F-72/1, KDA Scheme 5,  
Kehkashan, Clifton, Karachi

## Share Registrar

Central Depository Company  
Pakistan Ltd  
CDC House, 99 - B, Block 'B', S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400  
Customer Support Service 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: info@cdcpak.com  
www.cdcpakistan.com

## Bankers

(in alphabetical order)  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metro Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Soneri Bank Limited

## Registered Office

F/2, A-F, S.I.T.E. Karachi

## City Office

Plot # 21 Maqboolabad,  
Jinnah Cooperative Housing Society,  
(J.C.H.S), Tipu Sultan Road, Karachi.  
Email : info@macpacfilms.com

## Website:

www.macpac.com.pk

## Factory

Plot No. EZ/1/P-10  
Eastern Industrial Zone  
Port Qasim Area