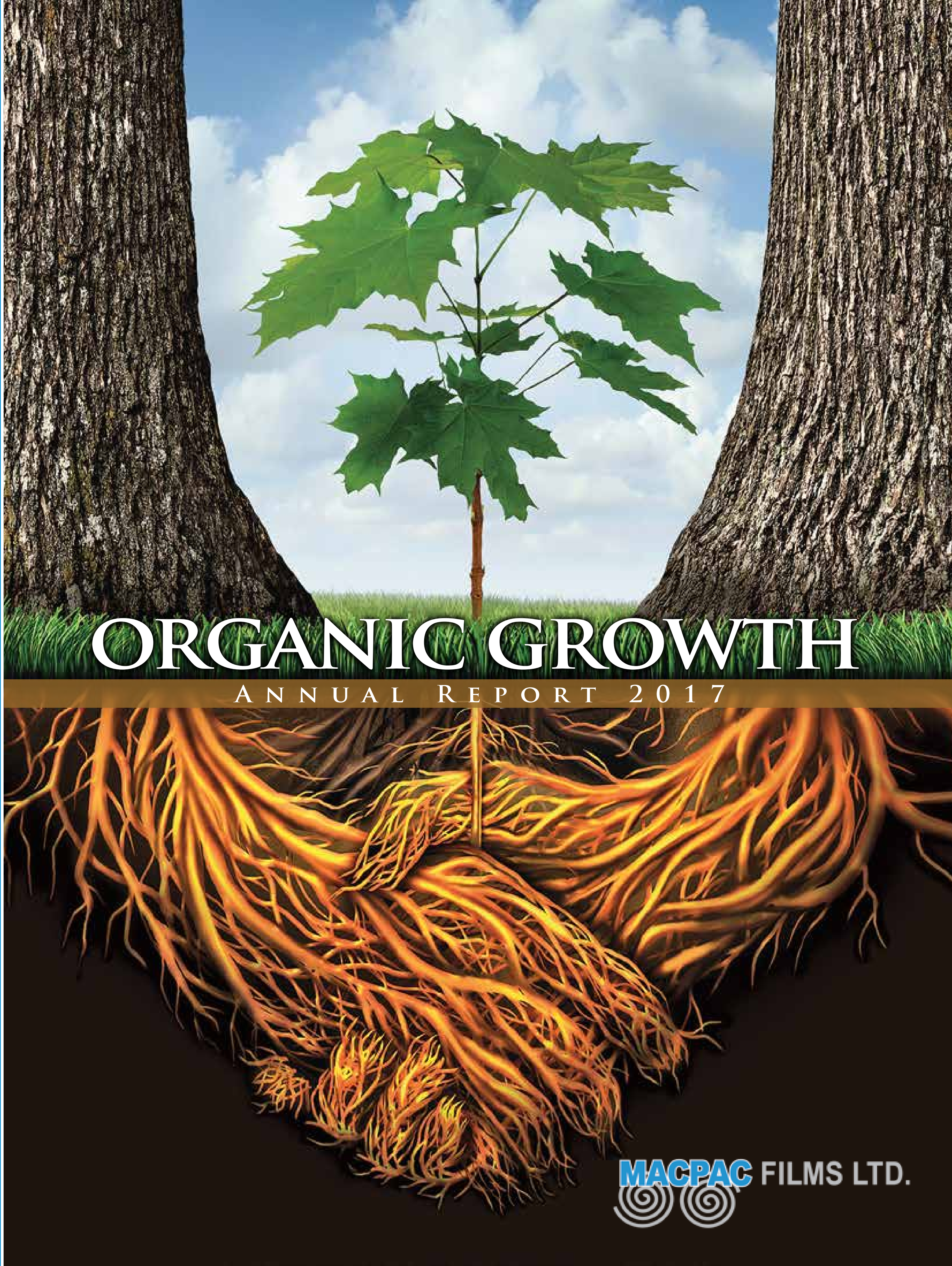


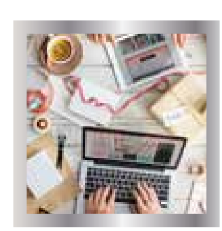
ORGANIC GROWTH

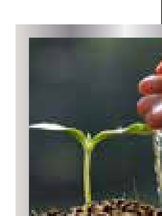
ANNUAL REPORT 2017

MACPAC FILMS LTD.

MACPAC FILMS LTD.

Annual Report 2017



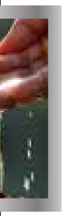


بسم الله الرحمن الرحيم

Organic growth involves expansion from within a business, by expanding the product range, or number of business units and location. Organic growth builds on the business' own capabilities and resources.

Macpac Films Ltd aims at Organic Growth which is always sustainable and deep rooted with strong fundementals of Strength, Honor, Integrity, Bridging of the generations, Team members, Customers, Suppliers, Shareholders and all other stake holders of decades old relationships.

The concept picture used aims to demonstrate the strong foundations of the company, as Pioneers of the industry, with concrete values of previous generations giving nurturing, nourishment and strength to upcoming ideas, teams, generations, stake holders, new upcoming projects and many new achievements to come.







Without continual growth and progress, such words as improvement, and success have no meaning.

"Benjamin Franklin"

CONTENTS

Company Information

Board of Directors
Mr. Naeem Munshi (Chairman)
Mr. Maqbool Elahi Shaikh (Chief Executive)
Mr. Mohammad Sadiq Khan (Executive Director)
Mr. Ehtesham Maqbool Elahi (Executive Director)
Mr. Fahad Munshi (Non-Executive Director)
Mr. Habib Elahi (Non-Executive Director)
Mr. Mansoor Younus (Independent Director)
Mr. Shariq Maqbool Elahi (Non-Executive Director)
Mr. Syed Wasi Hyder (Non-Executive Director)

Audit Committee of the Board
Mr. Mansoor Younus
Mr. Naeem Munshi
Mr. Shariq Maqbool Elahi

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

Chief Financial Officer & Company Secretary
Mr. M. Javid Ansari

Auditors
EY Ford Rhodes
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 Shahra-e-Faisal, Karachi-74400
Customer Support Service 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Bankers (in alphabetical order)
Bank Alfalah Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metro Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Soneri Bank Limited
United Bank Limited

Registered Office
Plot # 21 Maqboolabad, Jinnah Cooperative
Housing Society (J.C.H.S.), Tipu Sultan Road,
Karachi

Email
info@macpacfilms.com

Website
www.macpacfilms.com

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


SUCCESS
RK
VISION

VISION:

To be the market leader, recognized locally and internationally as a premium quality manufacturer of multilayer packaging materials.

MISSION:

Our mission is to:

- Maintain the highest level of quality in the manufacture of our products, thereby adding value for all our stakeholders.
- Be ethical in practice and fulfill our social responsibilities by contributing towards the environment as good corporate citizens.
- Gain the confidence of our stakeholders by earning a reputation of a responsible and progressive enterprise that is prepared to change for them.
- Focus on the changing customer needs and requirements and strive to improve and innovate the product line for the benefit of our clients.

Core Values

Accountability:
We believe accountability in operations, is fundamental to our business. Our actions are conducted in a responsible, timely and professional manner.

Passion:
Underlying our diligence and hard work is the core reason that we develop a passion in what we do.

Honesty:
All our business dealings are conducted in a transparent manner in line with our moral principles.

Quality:
Our product quality is a symbol of our excellence. Constant monitoring and stringent checks are ensured; we satisfy our customers in the best possible manner.

Innovation:
We believe in the ideology of innovating our offering not just for the betterment of our customers, but for the overarching aim of benefitting the industry as a whole.

Caring:
Our aim is to do business in a sustainable manner while contributing positively to the society as well.

Statement of Ethics

Ethical Standards

Macpac Films Ltd will conduct its business honestly and ethically.

Personal interests must never be permitted to conflict, or appear to conflict, with the interests of the Company, its clients or its affiliates.

All applicable laws and regulations including labor laws and equal opportunity must be complied with.

Directors, officers and employees must respect and act responsibly with others in all of their dealings.

All Company policies and procedures including Company's Code of Conduct must be followed.

The Company's core values must be upheld at all times.


Thank You
SHOP NOW
JUST

Business Strengths

Pioneers of BOPP films in Pakistan, possessing rich expertise and a strong brand identity.

Completely automated Brückner plant which produces superior quality films with minimum wastage and higher efficiency.

Strong emphasis on research and development – focused on expanding an already diverse portfolio of offerings.

Strong relationship with our stakeholders. Our suppliers are committed to provide quality services with minimum lead time.

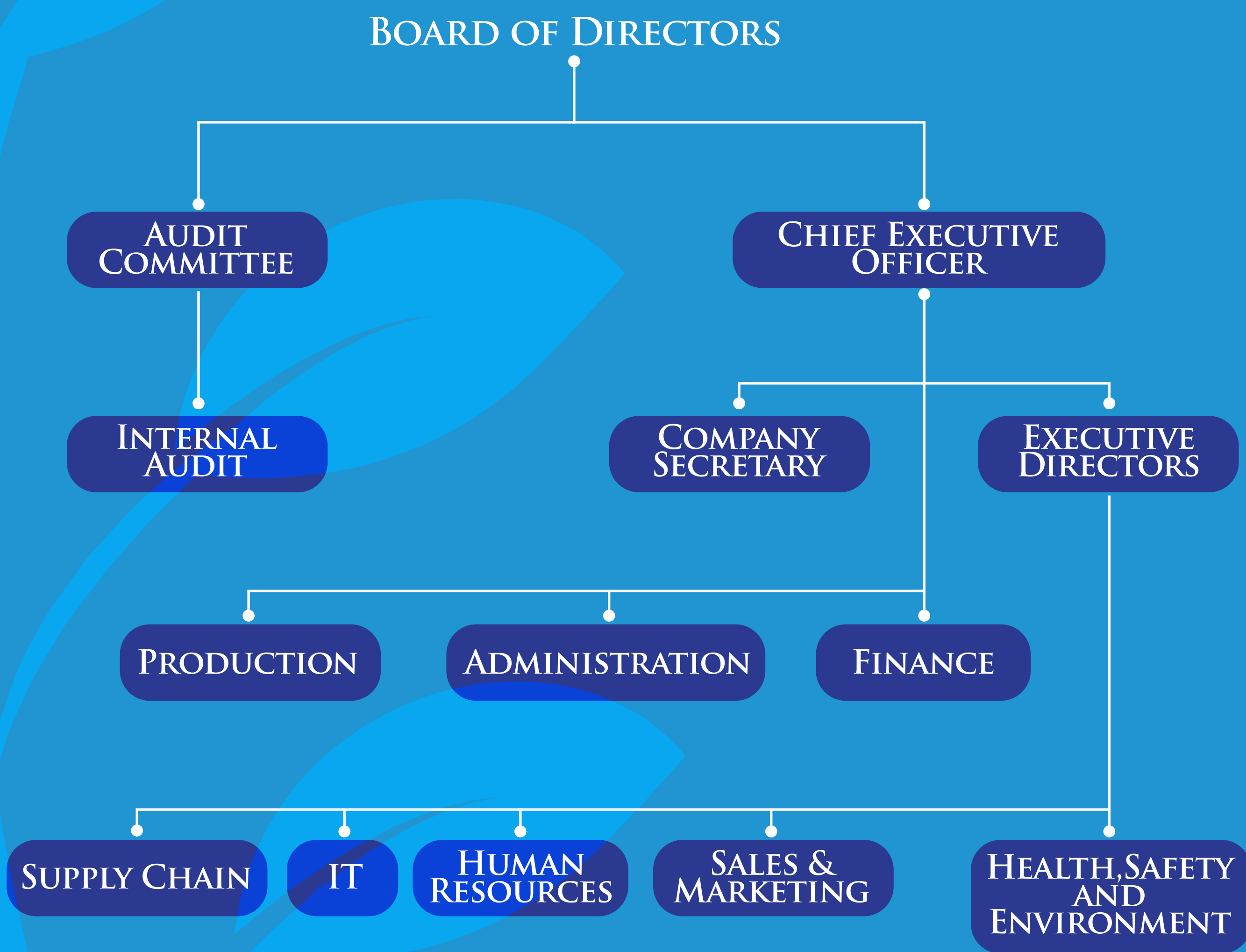
Dedicated and focused staff who believes in continuous improvement

Build and maintain customer satisfaction by providing timely deliveries and quality after-sales services.

Efficient and experienced team.

Self power generation plant.

Organization Structure



The strength of the team is each member. The strength of each member is the team.

"Phil Jackson"

ISO 9001:2008
BUREAU VERITAS
Certification

QUALITY POLICY

- Macpac Films Ltd is committed to improve and provide the best quality products to its valuable customers consistently and at competitive rates while ensuring that the requirements of our customers are fulfilled through a resolute after-sales service.

- We are determined to achieve good customer satisfaction through the implementation of ISO 9001:2008 quality assurance certification whereby we will target superior quality through a process of continuous improvement.

- Our policy is to empower and train our human resource periodically in order to improve efficiency and ensure quality of our products and services.

CORPORATE SOCIAL RESPONSIBILITY

For a business to take responsibility for its actions, it must be fully accountable. Here at Macpac Films Ltd, we have gone beyond the legal requirements to enhance transparency and credibility, and strengthened our management infrastructure. All this is done to ensure that we fulfill our social responsibility as it is the least we can do.

The Company's utmost priority has always been conducting ethical and sustainable business with an aim to build stronger relations with its stakeholders and to make contributions for the welfare of the society. The goal of our CSR is to embrace responsibility for the Company's actions and create a positive impact through its activities on the environment, employees, communities and stakeholders.

Being socially responsible is more than just a corporate requirement for us; the Company continuously takes multifaceted initiatives to fulfill this moral obligation.

Employee Welfare

Macpac Films Ltd respects the dignity and rights of its human capital. The work environment is friendly and steps are taken to ensure a family-like environment. To uplift the living standards of our employees and improve their lives is our motive. We provide interest-free loans and medical facility to our employees and their families. Training and development is considered to be an integral part of our Human Resource Policy. Apart from on-the-job training, we encourage our employees to attend seminars, workshops, short courses and lectures. We are an equal opportunity employer and provide employment opportunities to young graduates with an aim to nurture a highly talented lot of future leaders for the country.

Safety and Health

We are committed to the health and safety of our employees, subcontractors, customers and the general public. We are also dedicated to safeguard our natural environment. Our health, safety and environment objectives are equal in status to our other business activities. Line management and supervision is responsible for implementing these objectives. Regular workshops and trainings are conducted to educate our employees about the various safety and health issues.

Social Services

While CSR is a corporate responsibility, keeping in line with the values of the Company and our traditions, we also make philanthropic contributions to institutions that are making significant efforts to help the underprivileged, e.g., Shaukat Khanum Hospital, The Citizens Foundation, Heart Care Society, Civil Hospital etc. Apart from such institutions, a significant contribution is made every year towards various educational organizations as part of our CSR initiatives.

Profile of the Board

Mr. Naeem Munshi - Chairman

He has been serving as a Non-Executive Director at Macpac Films Ltd ever since its inception and currently holds the office of CEO at Hilal Confectionery (Pvt) Ltd. A graduate of Sindh University, Hyderabad, his experience of successfully managing one of the largest confectionery businesses gives Macpac an integral insight deep into the customer demands and trends of the end users. He is also the Chairman of the HR & Remuneration Committee and a member of the Audit Committee of the Board.

Mr. Maqbool Elahi Shaikh - Chief Executive Officer

He is the pioneer of BOPP Films in Pakistan and his contributions to the packaging films industry of Pakistan are recognized by all. Major contributions include introducing vast ranges of packaging films starting from cellophane, BOPP, metalized and CPP films in Pakistan. He introduced BOPP films in 1980 and bought the country's first line of BOPP films machinery in 1985, first metalizer in 1985 and the first CPP machine in 2001. He is one of the major founders of Macpac Films Ltd. His in-depth industry knowledge combined with four decades of experience rightly fits him as the commander-in-chief of the Company. His strategic commitment is to steer the Company through modern management techniques under his strong leadership.

Mr. Mohammad Sadiq Khan – Executive Director

As an Executive Director, he commands all external and public affairs of the Company. His vast experience of more than 25 years in the packaging industry adds great value and expertise to the Board and he is an integral supporting pillar of the Company.

Mr. Ehtesham Maqbool Elahi – Executive Director

Having more than half a decade's experience with the Company as part of senior management, he joined the Board in 2012. A certified director from PICG and a management graduate of American University in Dubai, his role as an Executive Director is to help take the Company to new heights. Sharing and taking forward the vision of the CEO and the Board, he is committed to take the Company forward via newly adapted management practices. He is also a member of the HR & Remuneration Committee of the Board.

Mr. Habib Elahi – Non-Executive Director

He Graduated from the University of Manchester, Manchester Business School in 2013, Habib Elahi joined Corporate world immediately after his graduation. Having qualification of BSc Honors Operations Management and Technology. we believe that his addition to Macpac Films Ltd as a Director will add value towards the company's operations and improve operational efficiency.

Mr. Shariq Maqbool Elahi – Non-Executive Director

He is the technical mind of the Board pertaining to the packaging industry. Serving as a Non-Executive Director and a member of the HR & Remuneration Committee, he adds immense value to the Board by his understanding of the business from his first-hand experience.

Mr. Fahad Munshi – Non-Executive Director

After completing his graduation from Bentley University in Waltham, Massachusetts, he joined Hilal Confectionery (Pvt) Ltd as a Director. Having a dynamic personality and an achievement-oriented approach, he started off his career in management operations with a focus towards process improvement and innovation. With his determination and inherent passion, he developed himself in human resource management.

Mr. Mansoor Younus – Independent Director

He has done his MBA from Institute of Business Administration, Karachi in 1981 and possesses vast experience in international business, finance and marketing. Being the only Independent Director on the Board, he is also serving as the Chairman of the Audit Committee. Currently, he holds the position of Managing Partner at Oriental Sales Corporation.

Mr. Syed Wasi Haider – Non-Executive Director

He is a nominee director of Employees' Old Age Benefits Institution (EOBI).

PROFILE OF THE MANAGEMENT

Mr. Najm-ul-Hassan
Chief Operating Officer

A Member of ICMAP & MBA from IBA, Mr. Najam ul Hasan has an extensive experience of over 21 years in different sectors and has significant experience in handling corporate related matters and increasing efficiencies .

Mr. Jawed Ahmed Siddiqui
General Manager – Production

A qualified mechanical engineer from NED University of Engineering & Technology, Mr. Jawed carries with him experience of more than three decades in production engineering. He has been overseeing production at the Company's plant since the last 16 years.

Mr. M. Javid Ansari
Chief Financial Officer/ Company Secretary

Mr. Javid Ansari has been associated with Macpac Films Ltd since 2012, as Chief Financial Officer and Company Secretary. He has more than 16 years of experience and by qualification he is an associated member of ICMAP & PIPFA and fellow member of ICSP.

Mr. Faisal Javed
Regional Manager South & Export

Mr. Faisal Javed is the Regional Manager South of Macpac Films Limited since July 2012. He has completed his Masters in Business Administration (MBA) from IBA. He has an experience of over 12 years.

Mr. Salman Khan
Reginal Manager Central & Export

Mr. Salman Khan is the Regional Manager Central & Export of Macpac Films Limited since July 2015. He has completed his Masters in Business Administration (MBA). He has an experience of over 16 years.

Ms. Mehreen Shah Khalid
Human Resources

An MBA in human resource management and MA in economics, Ms. Mehreen spearheads all HR duties: conducting performance appraisal and other surveys, while ensuring a tight-knit organization. She has been associated with the Company since 2011.

DIRECTORS' REPORT TO THE SHAREHOLDERS

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 Annual Report 2017 and audited financial statements for the year ended June 30, 2017 together with the Auditors' Report thereon.

General

The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films. The operational capacity of biaxially-oriented polypropylene (BOPP) films is 15,000 metric tons. The plant is located at Eastern Industrial Zone, Port Qasim Area.

Metallizer

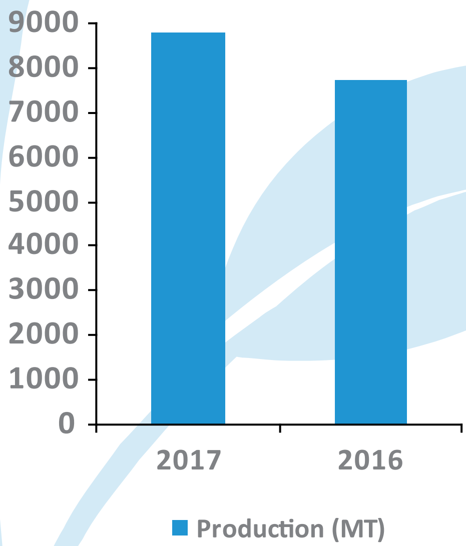
The operational capacity of General K-5000 Metallizer plant is 6,000 metric tons per annum which is being used for metallization to produce value added films as per customers' demand.

Operating and Financial Performance

Production

The Company's production during the year was 8,780 metric tons which is 58.5% of total capacity of the plant, increasing by 14% as compared to the previous year.

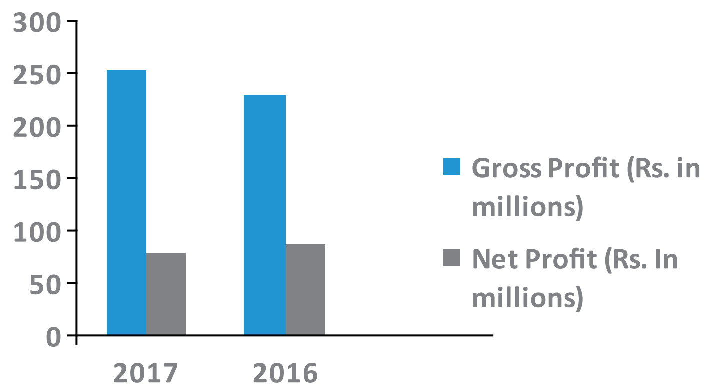
The management of the Company is continuously devoting efforts to further enhance the capacity utilization. Therefore, the main focus in the coming quarters would be enhancing capacity utilization further to yield better results.



Profitability

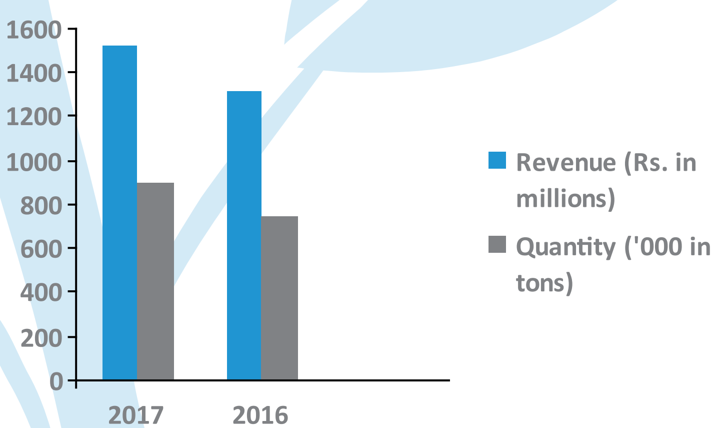
The gross profit of the Company is Rs 252.6 million for the current year as compared to Rs 229.2 million last year, a increase of 10%.

The net profit for the current year is Rs 78.2 million as compared to Rs 86.3 million in the previous year, decreased by 9% which is mainly due to prior year taxation which has been increased from 29.7 million to 47.8 million i.e. 61% as compared to previous year. Prior year taxation was increased due to tax audits during the year for Tax year 2015 and Tax year 2016 which created a charge of 1.4m and 11.8m respectively.



Sales Performance

The Company has recorded net sales of Rs 1,516 million during the year as compared to Rs 1,310 million during the previous year, thereby registering an increase of 16%.



Earnings per Share

The earnings per share for the current year is Rs.2.01 as compared to Rs. 2.22 in the previous year.

Comparative Financial Results

Broad comparative financial results of three years are given hereunder. Key performance indicators for the last six years are also summarized on page 47 of the Annual Report 2017.

	2017		2016		2015	
	Rs (millions)	% of sales	Rs (millions)	% of sales	Rs (millions)	% of sales
Sales (net)	1,516		1,310		1,343	
Gross profit	252.6	16.7%	229.2	17.5%	246.8	18.3%
Profit before tax	126.1	8.3%	116.2	8.8%	128.7	9.6%
Profit / (loss) after tax	78.2	5.2%	86.3	6.6%	61.8	4.6%
Earnings per share (rupees)	2.01		2.22		1.59	

Dividend

Allhamdulillah, with the grace of Almighty Allah, the Board of directors of your Company is pleased to announce a final cash dividend for the year ended June 30, 2017 on ordinary shares at 7% i.e. Re. 0.70 per share.

Future Outlook

The business landscape is becoming competitive every second there is an additional player entering the market whose impact is yet to be seen in the local market scenario. The international prices of raw materials have a fluctuating trend and are expected to increase in coming quarters due to expected oil prices going north in near future. The depreciating Pakistani Rupee (PKR) and inflationary trends in the economy are also a probable cause of cost increases in the future pressurizing margins in an ever-competitive market. However, the management of your Company has been putting in its best foot forward to combat the challenges for better results in the future. The economic environment of the country is likely to become encouraging, thus providing an atmosphere conducive to conduct business activities due to overall CPEC scenario and expected to support demand by increased consumption by workforce and foreign travellers. The fmcg sector is also growing noticeably and new additions and new groups coming into the conversion business, FMCG and retail business are a promising growing demand in the long run which will absorb the existing and new capacity's in coming years.

Your Company is heading towards expansions in the next fiscal year with upgrading the current facility as well as introducing new CPP line to enhance Company's product portfolio. This will add back the original portfolio of films which was part of the company in the last decade and will help serve customers and the markets with a better bundle parceling both film ranges.

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 of efficiencies and optimization.

Auditor

The present auditor, M/s EY Ford Rhodes, Chartered Accountants, are retiring and have offered themselves for reappointment for the year ending June 30, 2018 and the remuneration to be mutually agreed.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance contained in the Listing Regulations, relevant for the year ended June 30, 2017 have been adopted by the Company and have been duly complied with. A separate statement of compliance with the Code of Corporate Governance, duly signed by the Chief Executive Officer is also included in the Annual Report 2017 on page 35

Statement of Ethics and Business Practices

The Board has prepared and adopted a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

Corporate and Financial Reporting Framework

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The International Accounting Standards/International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of Corporate Governance, as detailed in the Listing Regulations.
- There is no other significant and material change from last year's operating and financial results except as explained in the Directors' Report.
- The key performance indicators for the last six years are summarized on page 47 of the Annual Report 2017.
- The system of internal control is sound in design and has been effectively implemented and monitored.

Board of Directors' Meetings

The number of Board and Audit Committee meetings held during the year and meetings attended by each director is shown hereunder:

S. No.	Name of Director	Board of Directors	Audit Committee
1.	Mr. Maqbool Elahi Shaikh	3	-
2.	Mr. Muhammad Sadiq Khan	4	-
3.	Mr. Naeem Munshi	3	3
4.	Mr. Ehtesham Maqbool Elahi	4	-
5.	Mr. Shariq Maqbool Elahi	2	-
6.	Air Marshal Azim Daudpota	3	3
7.	Mr. Mansoor Younus	4	4
8.	Mr. Fahad Munshi	2	-
9.	Mr. S. Wasi Hyder	3	-
10.	Mr. Habib Elahi	1	-

Audit Committee and Internal Control System

The management of your Company believes in good corporate governance, implemented through a well-defined and efficiently applied system of checks and balances and the provision of transparent, accurate and timely financial information. The Board of Directors has established a system of sound internal control which is effectively implemented at all levels within the Company.

The Board has formed an Audit Committee which comprises of three (3) members; all are non-executive directors including the Chairman of the Committee, who is an independent director. The Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

HR and Remuneration Committee

The Board has formed an HR and Remuneration Committee. It comprises of three (3) members, including two non-executive directors and one executive director. The Chairman of the Committee is a non-executive director.

Corporate Social Responsibility (CSR)

For a business to take responsibility for its actions, it must be fully accountable. Here at Macpac Films Limited, we have gone beyond the legal requirements to enhance transparency and credibility and strengthened our management infrastructure. All this is done to ensure that we fulfill our social responsibility as it is the least we can do.

Being socially responsible is more than just a corporate requirement for us. The Company continuously takes multifaceted initiatives to fulfill this moral obligation.

Human Capital and Employee Relations

The human capital of the Company is the driving force to integrate other resources, like equipment and technology systems, to produce the performance desired by the Company. The directors of the Company wish to record their appreciation for the dedicated hard and focused work put in by the Company's employees in achieving the performance during the year.

The need of the Company changes all the time and it is changing at a faster pace now because of the increasingly demanding business environment. Effective human resource management requires constant analysis of the pool of human assets in the Company to track any shortcoming in skills which would require training and development efforts so that the human capital can be better utilized and rewarded for their efforts.

Pattern of Shareholding

The total number of Company's shareholders as on June 30, 2017 was 972. The pattern of shareholding as on June 30, 2017, along with necessary disclosures as required under the Code of Corporate Governance, is disclosed in the Annual Report 2017.

Acknowledgement

The Directors of the Company would like to take the opportunity to thank the Securities and Exchange Commission of Pakistan, the shareholders, partners, customers, government authorities, autonomous bodies, financial institutions and bankers for their co-operation and continued support.

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

For and on behalf of the Board

MAQBOOL ELAHI SHAIKH
Chief Executive Officer

Karachi
September 28, 2017

Health, Safety and Environment

As a company and as individuals, we take great pride in contributing to the communities where we live and work.

We also care about the environment and are proud of the many ways in which our employees work to safeguard it.

As a part of our core values and business ethics, Macpac Films Ltd provides a safe and healthy working environment which ensures an atmosphere of minimal accidents and work-related illnesses. The organization is certified with ISO 9001:2008 certification.

We believe that a safe and healthy workplace is a fundamental right of every person and also a business imperative. All of our workplaces are fully equipped with modern safety gear, fire safety equipment and safety attire, as per international safety requirements.

The HSE policy has been designed to ensure compliance with applicable laws. It aims to concurrently achieve continuous performance improvement, aligned with QMS 9001.

We remain committed to providing a safe and healthy working environment to our employees and other stakeholders.

HSE Policy

It is our policy that we are committed to the health and safety of employees, subcontractors, hired personnel, customers and general public. We are also committed to safeguard our natural environment. Our health, safety and environment objectives are equal in status to our other business activities. Line management and supervision is responsible for implementing these objectives.

HSE Objectives

Remaining within the framework of the Health, Safety and Environment policy, Pakistan's legislative requirements and standards required from our customers, we progressively strive to:

- prevent all production incidents
- prevent other incidents/accidents at our business sites, machines and installations
- prevent all occupational diseases and promote the health of our employees and the people who work with us
- minimize the impact of our operation on the environment
- adopt work practices that are safe and environment-friendly
- develop systems and individual personal responsibilities for health, safety and environment
- encourage involvement of employees in health, safety and environment al affairs

PRODUCT PROFILE

Macpac produces co-extruded multiple grades of BOPP Films which conform to International Standards of quality process involving biaxial orientation of the films at high speed. We focus on various applications:

- Food (confectionery, biscuits, cookies, snacks, tea, baked products)
- Labels (opaque and transparent)
- Other Applications (overwrapping, textile bags, tobacco, decorative purpose, pharmaceutical items, adhesive tapes, etc.)

Macpac is committed to product quality leadership. To meet that commitment, the mission of its experts is to create value-added products for valuable customers and provide them with innovative and effective solutions that allow them to succeed in their businesses.

Keeping in view the needs of our customers, Transparent, Matte, Pearlized & Metallized films are produced in different varieties and thickness ranging from 10 to 60 microns. We also make specialized films having unique characteristics to suit well in specialized applications while creating a niche market. We excel in producing the following grades:

- Plain
- Sealable
- Pearlized
- Pearl white opaque
- Pearl white for labels
- Hologramable
- Overwrap
- Matte
- Metalized
- Metallizable
- Biodegradable BOPP
- Sheet Lamination

The most valuable property of our film is its versatility as a packaging carrier. We carefully craft our films to ensure good barrier properties against moisture, gas and odors. Excellent optical properties distinguish our films from the rest. Trouble free printing and sealablity makes our products, the first choice of convertors.

Packaging is the first introduction of a product to its consumer; we produce and deliver high quality films in the market having following key features:

- Excellent Optic (High Gloss & Clarity)
- Improved Stiffness
- Good Dimension Stability and Flatness
- Excellent resistance to UV light
- High Tensile Strength
- Biodegradable
- Low Electrostatic Charge
- Recyclable and Reusable
- Good Barrier to Water Vapor
- Excellent Performance on High Speed Machines
- Good Scuff Resistance and Great Acid Resistance
- Not affected by moisture and does not wrinkle or shrink with environmental changes
- Good puncture and flex-crack resistance over a wide range of temperatures
- Excellent Chemical and Abrasion Resistance

Upcoming Additions

The company is in the process of CPP Products.

For further details, please visit www.macpacfilms.com

TEA

BEVERAGES

TEXTILES

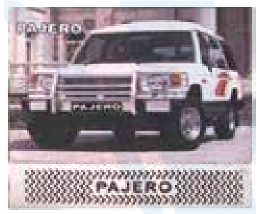
CONFECTIONARY ITEMS

CHIPS & SNAKS

ICE CREAM

OVERWRAPPING

SHEET LAMINATION



MATCH

WE ALSO MANUFACTURE CUSTOMIZED PRODUCTS AS PER CUSTOMER REQUIREMENTS

CUSTOMIZE

Product Categories

Metalized Films

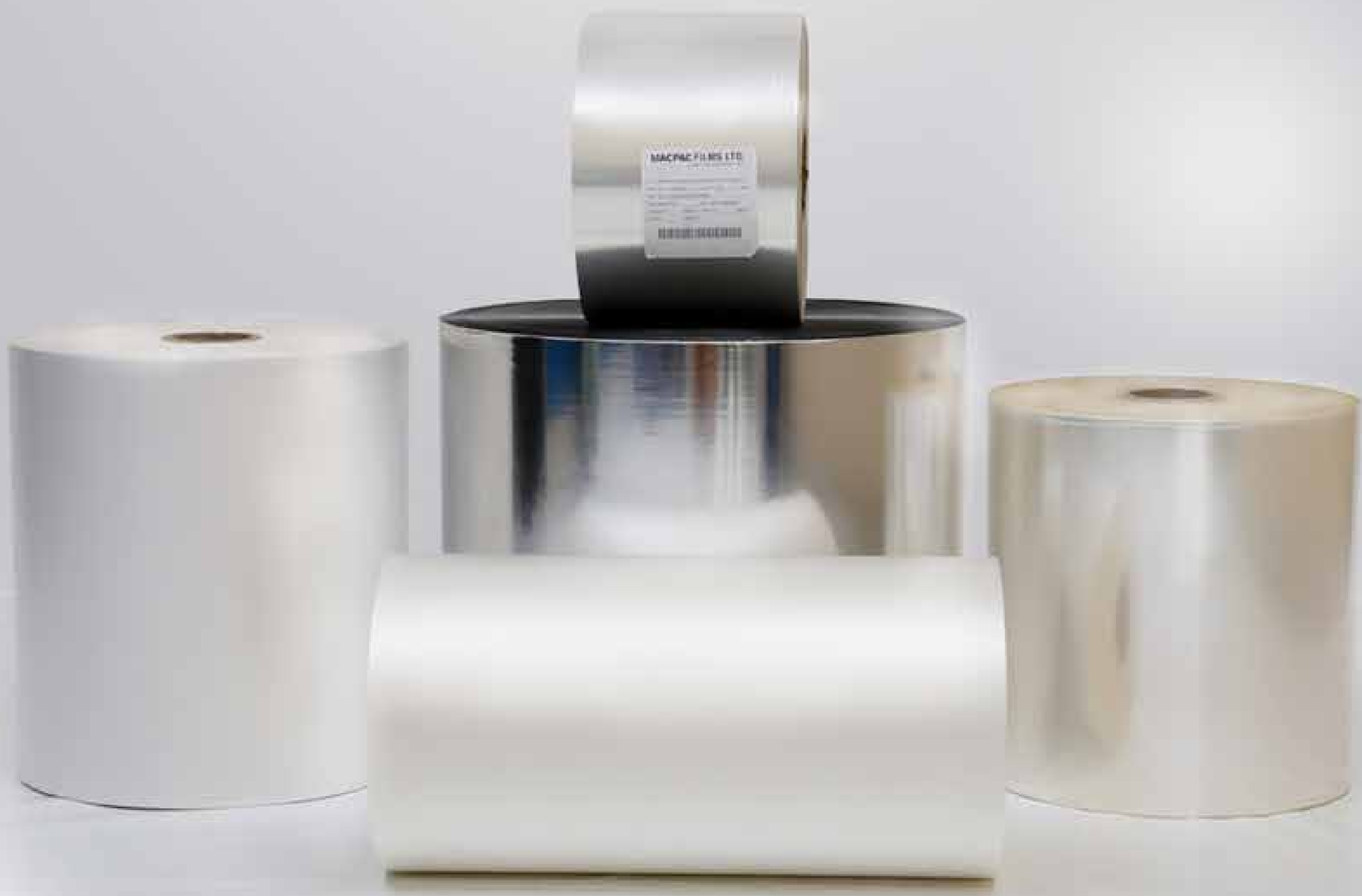
Sealable Films

Plain Films

White Film

Matte Film

Pearlized Films



BOARD COMMITTEES

HR & REMUNERATION COMMITTEE

Mr. Naeem Munshi (Committee Chairman)
Mr. Ehtesham Maqbool Elahi (Executive Director)
Mr. Shariq Maqbool Elahi (Non-Executive Director)

PURPOSE

The HR & Remuneration Committee is appointed by the Board to assist the Board in fulfilling its responsibilities relating to leadership development and compensation of the Company's directors, executive officers and other key management personnel.

COMPOSITION

The HR & Remuneration Committee shall have at least three members comprising a majority of non-executive directors.

COMPOSITION

The HR & Remuneration Committee shall have at least three members comprising a majority of non-executive directors.

RESPONSIBILITIES

The HR & Remuneration Committee has the following responsibilities:

- Recommend significant human resource management policies to the Board
- Recommend to the Board, the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO
- Recommend to the Board, the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit
- Consider and approve, on recommendation of the CEO, matters regarding key management positions which report directly to the CEO or COO
- Consider and approve recommendations of the HR Executive Committee
- Report regularly to the Board following meetings of the Committee

MEETINGS

The Committee shall meet on a needs basis or when directed by the Board.

The Company Secretary sets the agenda, time, date and venue of the meeting in consultation with the Chairman of the Committee.

The Secretary of the Committee shall submit the minutes of the meeting duly signed by its Chairman to the Company Secretary. These minutes are then circulated within the Board.

AUDIT COMMITTEE

- Mr. Mansoor Younus
  (Committee Chairman & Independent Director)
- Mr. Naeem Munshi
  (Non-Executive Director)
- Mr. Shariq Maqbool Elahi
  (Non-Executive Director)

Purpose

To assist the Board of Directors in fulfilling its oversight responsibilities for the:

1. integrity of the Company's financial statements
2. Company's compliance with legal and regulatory requirements
3. independent auditor's qualifications and independence
4. performance of the Company's internal audit function and independent auditors

Authority

The Audit Committee has the authority to conduct or authorize investigations into any matter within its scope of responsibility. It is empowered to:

- recommend to the Board the appointment of external auditors, their removal, audit fees, the provision by external auditors of any service to the Company in addition to audit of the financial statements.
- resolve any disagreements between management and the external auditors regarding financial reporting.
- meet with Company officers, external auditors, or outside counsel, as necessary.
- seek any information it requires from any employee (and all employees are directed to cooperate with any request made by the Audit Committee) and external parties.
- obtain outside legal or other professional advice.

Meetings

The Audit Committee shall meet at least once every quarter of the financial year. The provisions of the Code of Corporate Governance 2013 shall be complied with in this regard.

Responsibilities

In the absence of strong grounds to proceed otherwise, the Board of Directors acts in accordance with the recommendations of the Audit Committee in the following matters:

- determination of appropriate measures to safeguard the Company’s assets
- review of preliminary announcements of results prior to publication
- review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
- major judgmental areas
- significant adjustments resulting from the audit
- the going concern assumption
- any change in accounting policies and practices
- compliance with applicable accounting standards
- compliance with listing regulations and other statutory and regulatory requirements
- facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary)
- review of Management Letter issued by external auditors and management’s response thereto
- ensuring coordination between the internal and external auditors of the Company
- review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company
- consideration of major findings of internal investigations and management’s response thereto
- ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective
- review of the Company’s statement on internal control systems prior to endorsement by the Board of Directors
- instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body
- determination of compliance with relevant statutory requirements
- monitoring compliance with the best practices of corporate governance and identification of significant violations thereof

Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource Development

The human capital of the company is the driving force to integrate the company's other vital resources, e.g., equipment, technology and systems to produce the desired performance.

Our human assets and their ability to achieve and enhance our organization's success are our pride. We hire staff with the right personal attitude and professional skills enabling them to develop a long-term relationship with the company. Our main focus is to nurture and further improve our teams by our exemplary HR policies, development programs and Compensation Packages.

Recruitment & Selection

We are an equal opportunity employer and strictly prohibit discrimination on any ground - religion, cast, color, creed or gender. We hire individuals through a process that is professional and consistent; one that reflects the company's commitment to the principles of hiring the best possible candidates and ensuring employment equity. Selection is made on the basis of merit in view of the job requirements and on a salary which is competitive and in line with the compensation structure of the company.

Training & Development

Learning is part of the company culture and training and development is an integral part of our HR policy. Each employee, at all levels, is conscious of the need to upgrade continuously his/her knowledge and skills. The willingness to learn is therefore a non-negotiable condition. The company imparts focused training and development to enhance the competency of its employees. Motivational drills and corporate retreats are also a regular feature of our HR policy.

Performance Appraisals

Annual appraisals are aimed to align employee skills with the company's strategic objectives. A benchmark has been set to compare the performance of each employee and feedback is then provided to improve the overall efficiency. Employees are rewarded on the basis of their performance and attitude towards work.

Succession Planning

Succession planning is considered to be an HR priority for key positions to ensure employees' development and a sustainable leadership model.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation no 5.19 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

he Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:

CATEGORY	NAMES
Independent Directors	1. Mr. Mansoor Younus
Executive Directors	1. Mr. Maqbool Elahi Shaikh 2. Mr. Mohammad Sadiq Khan 3. Mr. Ehtesham Maqbool Elahi
Non-Executive Directors	1. Mr. Naeem Munshi 2. Mr. Habib Elahi 3. Mr. Shariq Maqbool Elahi 4. Mr. Fahad Munshi 5. Mr. Wasi Haider

The independent director meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution. None of them are members of any stock exchange.

4. A casual vacancy occurred on the Board of Directors on April 4, 2017 which was filled by the Board of Directors within 35 days.

5. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies, along with the dates on which they were approved or amended, has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) and other executive and non-executive directors, have been taken by the Board.

8. During the period, four Board meetings were held which were all presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were also circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified in clause (xi) of the Code, one director of the company is duly certified, whereas four are exempted from the requirement of Director's Training Program. All the directors are fully conversant with their duties and responsibilities as directors of corporate bodies. The three directors are under process of acquiring courses and will be completed before the June 30, 2018.

10. No new appointment of Head of Internal Audit, CFO and Company Secretary has been made during the year.

11. The Directors' Report has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and the CFO, before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the Pattern of Shareholding. During the year, instance was observed where one of the director sold the shares of the Company and was not disclosed to the regulatory authority within statutory time. The issue was raised by the regulatory authority and was complied within the year.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of three (3) members, of whom two (2) are non-executive directors and the Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the Committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises of three (3) members, two of whom are non-executive directors, including the Chairman of the Committee.

18. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children, do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price-sensitive information has been disseminated among all market participants at once through stock exchanges.

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

We confirm that all other material principles as contained in the Code have been complied with except 13.

On behalf of the Board of Directors

MAQBOOL ELAHI SHAIKH
Chief Executive Officer
September 28, 2017

E Y Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

Review report to the members on statement of compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of MACPAC Films Limited (the Company) for the year ended 30 June 2017 to comply with the requirements of Chapter 5, Clause 5.19 of the Code of Corporate Governance of Rule Book of Pakistan Stock Exchange Limited, where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm‘s length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

Further, we draw attention to clauses 13 and 24 of the Statement of compliance which explains the trading of shares by one of the director of the Company.

Chartered Accountants
Date: 28 September 2017
Place: Karachi

E Y Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS

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

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

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

a) In our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;

b) In our opinion:

   i) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 40.1 to the accompanying financial statements with which we concur;

   ii) The expenditure incurred during the year was for the purpose of the Company's business; and

   iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

d) In our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Chartered Accountants
Audit Engagement Partner: Arif Nazeer
Date: 28 September 2017
Karachi

SHAREHOLDERS' INFORMATION

Registered Office

Plot # 21, Maqboolabad, Jinnah Cooperative Housing Society (J.C.H.S.) , Tipu Sultan Road, Karachi
Tel: 021-34305811-13
Fax: 021-34305810
Email: info@macpacfilms.com

Shares Registrar

Central Depository Company Pakistan Limited
CDC House, 99–B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400
Tel: Customer Support Services (Toll Free)
0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Listing on Stock Exchanges

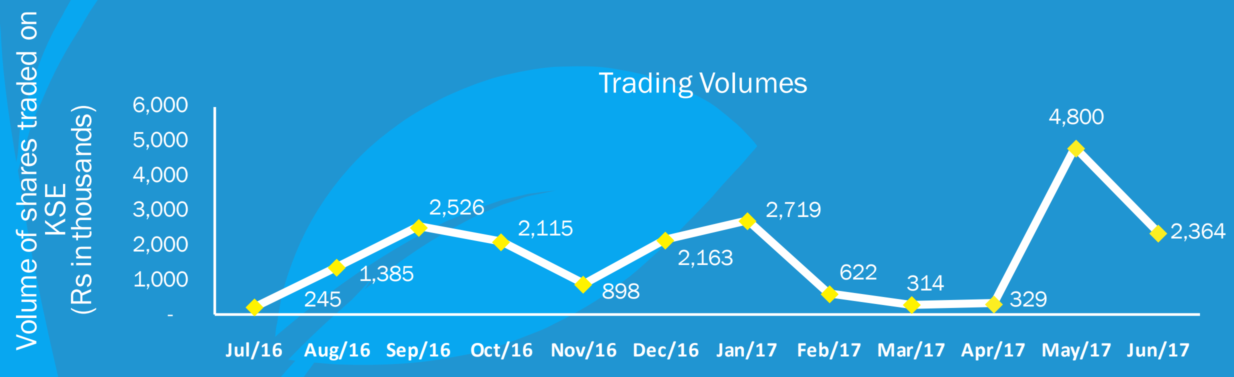
Shares of Macpac Films Limited are listed on Pakistan Stock Exchange.

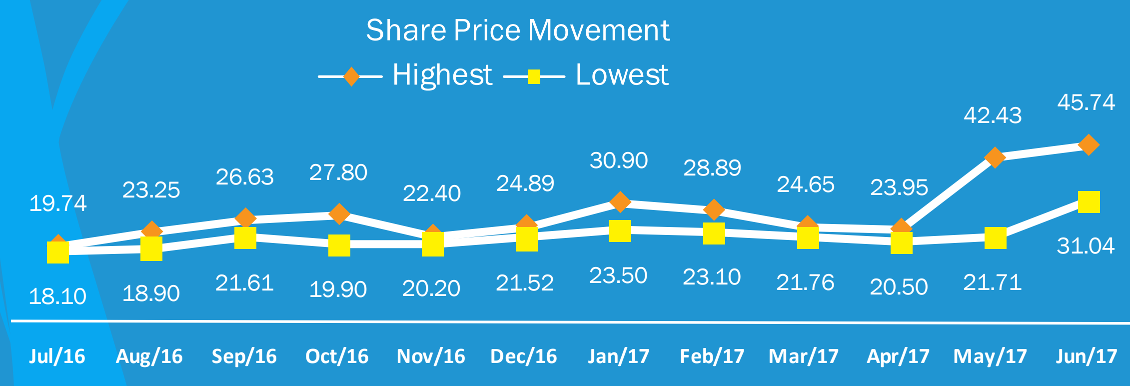
Stock Code

The stock code for dealing in equity shares of Macpac Films limited at PSX is 'MACFL'.

Contact Person

Mr. M. Javid Ansari
Company Secretary
Email: javid.ansari@macpacfilms.com
Tel: +92-21-111-MFL-111





Pattern of Shareholding

No. of Shareholders	Shareholdings'Slab			Total Shares Held
137	1	to	100	1,796
433	101	to	500	213,970
134	501	to	1000	132,636
156	1001	to	5000	425,318
30	5001	to	10000	244,000
21	10001	to	15000	263,500
15	15001	to	20000	290,928
4	20001	to	25000	97,000
4	35001	to	40000	153,000
5	40001	to	45000	213,650
5	50001	to	55000	270,000
1	55001	to	60000	58,500
2	60001	to	65000	122,715
1	65001	to	70000	69,500
1	75001	to	80000	80,000
1	100001	to	105000	103,500
1	105001	to	110000	105,500
2	135001	to	140000	279,500
1	160001	to	165000	165,000
1	170001	to	175000	174,000
1	180001	to	185000	182,143
1	190001	to	195000	194,500
1	219001	to	220000	218,000
1	245001	to	250000	250,000
1	295001	to	300000	300,000
1	365001	to	370000	369,750
1	490001	to	495000	495,000
3	495001	to	500000	1,500,000
1	730001	to	735000	732,143
1	855001	to	860000	859,129
1	1170001	to	1175000	1,171,500
1	1450001	to	1455000	1,451,193
1	4665001	to	4670000	4,666,000
1	5725001	to	5730000	5,727,235
1	17305001	to	17310000	17,305,394
TOTALS 972				38,886,000

Categories of Shareholders

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan			
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1	4,666,000	12.00
Directors and their spouse(s) and minor children			
MR. MAQBOOL ELAHI	3	18,096,037	46.54
MR. NAEEM ALI MOHAMMAD MUNSHI	1	5,727,235	14.73
MR. MOHAMMAD SADIQ KHAN	2	1,453,693	3.74
MR. HABIB ELAHI	1	500,000	1.29
MR. SHARIQ MAQBOOL	2	482,143	1.24
MR. EHTESHAM MAQBOOL ELAHI	2	258,650	0.67
MR. MANSOOR YOUNUS	1	7,000	0.02
MR. FAHAD MUNSHI	1	500	0.00
Associated Companies, undertakings and related parties	-	-	-
Executives	-	-	
Public Sector Companies and Corporations	-	-	-
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	-	-	-
Mutual Funds			
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	1	174,000	0.45
ADAM SECURITIES LTD. - MF	1	54,000	0.14
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	250,000	0.64
GOLDEN ARROW SELECTED STOCKS FUND LIMITED	1	859,129	2.21
INTERMARKET SECURITIES LIMITED - MF	1	54,000	0.14
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES(P)LTD - MF	1	140,000	0.36
General Public			
a.Local	952	6,163,613	15.85
b. Foreign Investors	-	-	-
Others	-	-	-
Totals	972	38,886,000	100.0

Share holders holding 5% or more

MR. MAQBOOL ELAHI	18,096,037	46.54
MR. NAEEM ALI MOHAMMAD MUNSHI	5,727,235	14.73
EMPLOYEES OLD AGE BENEFITS INSTITUTION	4,666,000	12.00

NOTICE OF 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of Macpac Films Limited will be held on Thursday, October 26, 2017 at 06:00pm, at the registered office of the Company: Plot No. 21, Maqboolabad, J.C.H.S, Karachi, to transact the following ordinary businesses:

1. To confirm the minutes of the Extra Ordinary General Meeting held on June 22, 2017.

2. To receive, consider and adopt the annual audited accounts of the Company for the year ended June 30, 2017, together with the auditor's Directors' Report thereon.

3. To appoint an auditor of the Company for the year ending June 30, 2018 and fix the remuneration. The retiring auditor, EY Ford Rhodes, being eligible, offered themselves for reappointment. The Audit Committee and Board of Directors have also recommended their name for reappointment.

4. To transact any other business with the permission of the Chair.

By order of the Board

M. JAVID ANSARI
Company Secretary

Karachi
October 05, 2017

NOTES:

1. The share transfer books of the Company will remain closed from October 20, 2017 to October 26, 2017 (both days inclusive). Transfers received at the Company's share registrar: M/s Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99–B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, at the close of business on October 19, 2017 will be treated in time.

2. Members are requested to notify any change of address immediately to our share registrar.

3. A member entitled to attend and vote at the meeting shall be entitled to appoint another person, as his/her proxy to attend, demand, join in demanding a poll, speak and vote instead of him/her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. Proxies, in order to be valid, must be deposited at the Company's share registrar's office not less than 48 hours before the meeting. A proxy must be a member of the Company.

4. CDC shareholders or their proxies must bring their Computerized National Identity Card (CNIC)/passport along with CDC Participant ID and account number at the meeting venue for identification purposes. In case of a representative of a corporate member, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).

Notice to the Members who have not provided CNIC copies

5. As directed by the SECP vide it circulation No. EMD/D-II/Misc./2009-1342 dated April 04, 2013, dividend warrants cannot be issued without valid CNICs. In the absence of a member's valid CNIC, the Company will be constrained to withhold dispatch of dividend warrants. All such member are hereby advised to submit attested copies of their CNIC along with their folio numbers to the Company's Share Registrar, M/s. M/s. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

6. This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, please provide information as requested earlier vide letter no. CDC/RTA/MACPAC /Letter/17 dated September 25, 2017 by Company Share Registrar, (if not provided).

   *For further clarification please contact Company Share Registrar

Horizontal Analysis

Rs. In '000	2017 Rs.	2017 %	2016 Rs.	2016 %	2015 Rs.	2015 %	2014 Rs.	2014 %	2013 Rs.	2013 %	201 Rs.
Balance Sheet											
Property, Plant and Equipment	808,213,675	1.10	799,407,426	(3.53)	828,644,006	8.9	760,901,866	13.0	673,500,047	24.5	540,839,060
Intangible assets	1,134,294	-13.4	1,309,534	38.2	947,828	145.1	386,660	126.3	170,824	(20.0)	213,528
Other non-current assets	9,981,451	-19.7	12,428,500	93.3	6,428,500	(89.6)	61,551,921	7.2	57,398,421	(44.1)	102,751,636
Current assets	741,461,399	-0.3	743,619,885	38.4	537,326,144	16.9	459,610,413	(7.6)	497,657,526	17.7	422,961,530
Total assets	1,560,790,819	0.3	1,556,765,345	13.4	1,373,346,478	7.1	1,282,450,860	4.4	1,228,726,818	15.2	1,066,765,754
Share capital	388,860,000	-	388,860,000	-	388,860,000	-	388,860,000	-	388,860,000	-	388,860,000
Reserves	79,930,000	-	79,930,000	-	79,930,000	-	79,930,000	-	79,930,000	-	79,930,000
Unappropriated profits / (losses)	124,687,909	(46.5)	85,095,494	(119.9)	38,700,327	274.3	(22,201,851)	(1,101.7)	2,216,318	(101.5)	(152,185,409)
Non-current liabilities	168,233,792	(12.3)	191,739,067	(17.5)	232,400,985	57.9	147,195,166	266.7	40,142,526	(70.5)	135,915,613
Current liabilities	799,079,118	-1.5	811,140,784	28.1	633,455,166	(8.0)	688,667,545	(4.0)	717,577,974	16.8	614,245,550
Total equity and liabilities	1,560,790,819	0.3	1,556,765,345	13.4	1,373,346,478	7.1	1,282,450,860	4.4	1,228,726,818	15.2	1,066,765,754
Operating Results											
Net sales Rs.	1,515,691,745	15.71	1,309,860,044	(2.45)	1,342,753,084	12.4	1,195,122,436	(18.2)	1,461,754,914	22.3	1,195,444,744
Cost of sales	(1,263,002,642)	16.88	(1,080,579,539)	(1.40)	(1,095,950,647)	1.7	(1,077,139,093)	(10.5)	(1,203,582,681)	32.8	(906,076,912)
Gross profit / (loss)	252,689,103	10.21	229,280,505	(7.10)	246,802,437	109.2	117,983,343	(54.3)	258,172,233	(10.8)	289,367,832
Marketing and selling expenses	(22,678,984)	0.28	(22,615,359)	70.32	(13,277,804)	37.3	(9,669,009)	(4.1)	(10,081,774)	70.2	(5,922,481)
Administrative expenses	(71,102,447)	25.33	(56,734,135)	16.13	(48,855,135)	17.9	(41,449,140)	0.7	(41,179,723)	61.9	(25,442,364)
Operating profit / (loss)	158,907,672	5.99	149,931,011	(18.81)	184,669,498	176.2	66,865,194	(67.7)	206,910,736	(19.8)	258,002,987
Finance Costs	(26,643,492)	14.71	(23,226,828)	(37.27)	(37,027,629)	79.2	(20,667,414)	183.1	(7,301,190)	209.7	(2,357,184)
Other income	6,267,715	(3.85)	6,518,626	280.32	1,714,007	(3.3)	1,772,529	(98.6)	127,261,284	209.8	41,084,859
Other expenses	(12,438,732)	(27.12)	(17,066,515)	(17.36)	(20,650,522)	24.3	(16,607,661)	(48.2)	(32,038,157)	20.7	(26,540,224)
Profit / (loss) before taxation	126,093,163	8.55	116,156,294	(9.75)	128,705,354	310.4	31,362,648	(89.4)	294,832,673	9.1	270,190,438
Taxation	(47,821,598)	60.56	(29,784,267)	(55.47)	(66,882,013)	20.0	(55,714,220)	(31.7)	(81,631,810)	582.9	(11,954,447)
Net profit / (loss) for the year	78,271,565	(9.38)	86,372,027	39.71	61,823,341	353.9	(24,351,572)	(111.4)	213,200,863	(17.4)	258,235,991

VERTICAL ANALYSIS

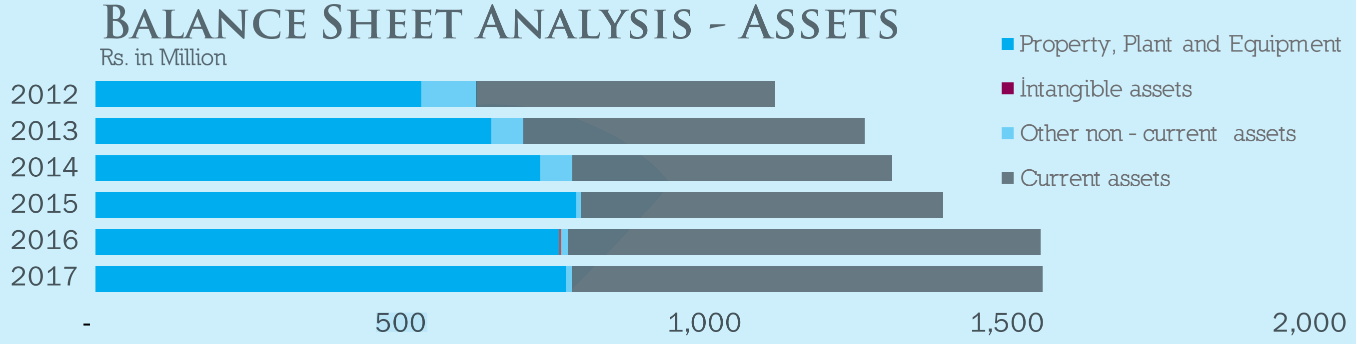
Rs. In '000	2017 Rs.	2017 %	2016 Rs.	2016 %	2015 Rs.	2015 %	2014 Rs.	2014 %	2013 Rs.	2013 %	201 Rs.
BALANCE SHEET											
Property, Plant and Equipment	808,213,675	51.8	799,407,426	51.4	828,644,006	60.3	760,901,866	59.3	673,500,047	54.8	540,839,060
Intangible assets	1,134,294	0.1	1,309,534	0.1	947,828	0.1	386,660	0.03	170,824	0.0	213,528
Other non-current assets	9,981,451	0.6	12,428,500	0.8	6,428,500	0.5	61,551,921	4.8	57,398,421	4.7	102,751,636
Current assets	41,461,399	47.5	743,619,885	47.8	537,326,144	39.1	459,610,413	35.8	497,657,526	40.5	422,961,530
Total assets	1,560,790,819	100.0	1,556,765,345	100.0	1,373,346,478	100.0	1,282,450,860	100.0	1,228,726,818	100.0	1,066,765,754
Share capital	388,860,000	24.9	388,860,000	25.0	388,860,000	28.3	388,860,000	30.3	388,860,000	31.6	388,860,000
Reserves	79,930,000	5.1	79,930,000	5.1	79,930,000	5.8	79,930,000	6.2	79,930,000	6.5	79,930,000
Unappropriated profits / (losses)	124,687,909	8.0	85,095,494	5.5	38,700,327	2.8	(22,201,851)	(1.7)	2,216,318	0.2	(152,185,409)
Non-current liabilities	168,233,792	10.8	191,739,067	12.3	232,400,985	16.9	147,195,166	11.5	40,142,526	3.3	135,915,613
Current liabilities	799,079,118	51.2	811,140,784	52.1	633,455,166	46.1	688,667,545	53.7	717,577,974	58.4	614,245,550
Total equity and liabilities	1,560,790,819	100.0	1,556,765,345	100.0	1,373,346,478	100.0	1,282,450,860	100.0	1,228,726,818	100.0	1,066,765,754
OPERATING RESULTS											
Net sales	1,515,691,745	100.0	1,309,860,044	100.0	1,342,753,084	100.0	1,195,122,436	100.0	1,461,754,914	100.0	1,195,444,744
Cost of sales	(1,263,002,642)	(83.3)	(1,080,579,539)	(82.5)	(1,095,950,647)	(81.6)	(1,077,139,093)	(90.1)	(1,203,582,681)	(82.3)	(906,076,912)
Gross profit / (loss)	252,689,103	16.7	229,280,505	17.5	246,802,437	18.4	117,983,343	9.9	258,172,233	17.7	289,367,832
Marketing and selling expenses	(22,678,984)	(1.5)	(22,615,359)	(1.7)	(13,277,804)	(1.0)	(9,669,009)	(0.8)	(10,081,774)	(0.7)	(5,922,481)
Administrative expenses	(71,102,447)	(4.7)	(56,734,135)	(4.3)	(48,855,135)	(3.6)	(41,449,140)	(3.5)	(41,179,723)	(2.8)	(25,442,364)
Operating profit / (loss)	158,907,672	10.5	149,931,011	11.4	184,669,498	13.8	66,865,194	5.6	206,910,736	14.2	258,002,987
Finance Costs	(26,643,492)	(1.8)	(23,226,828)	(1.8)	(37,027,629)	(2.8)	(20,667,414)	(1.7)	(7,301,190)	(0.5)	(2,357,184)
Other income	6,267,715	0.4	6,518,626	0.5	1,714,007	0.1	1,772,529	0.1	127,261,284	8.7	41,084,859
Other expenses	(12,438,732)	(0.8)	(17,066,515)	(1.3)	(20,650,522)	(1.5)	(16,607,661)	(1.4)	(32,038,157)	(2.2)	(26,540,224)
Profit / (loss) before taxation	126,093,163	8.3	116,156,294	8.9	128,705,354	9.6	31,362,648	2.6	294,832,673	20.2	270,190,438
Taxation	(47,821,598)	(3.2)	(29,784,267)	(2.3)	(66,882,013)	(5.0)	(55,714,220)	(4.7)	(81,631,810)	(5.6)	(11,954,447)
Net profit / (loss) for the year	78,271,565	5.2	86,372,027	6.6	61,823,341	4.6	(24,351,572)	(2.0)	213,200,863	14.6	258,235,991

Balance Sheet Assets

	2017	2016	2015	2014	2013	2012
Property, Plant and Equipment	808,213,675	799,407,426	828,644,006	760,901,866	673,500,047	540,839,060
Intangible assets	1,134,294	1,309,534	947,828	386,660	170,824	213,528
Other non-current assets	9,981,450	12,428,500	6,428,500	61,551,921	57,398,421	102,751,636
Current assets	741,461,399	743,619,885	537,326,144	459,610,413	497,657,526	422,961,530

Balance Sheet Analysis - Assets

Rs. in Million

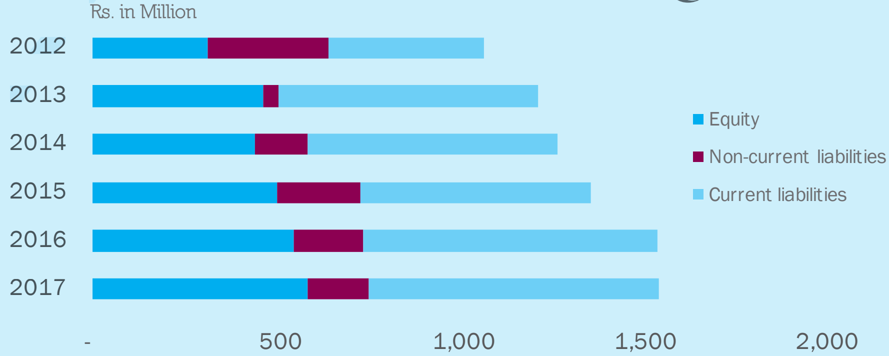


Equity and Liabilities

	2017	2016	2015	2014	2013	2012
Equity	593,477,909	553,885,494	507,490,327	446,588,149	471,006,318	316,604,591
Non-current liabilities	168,233,792	191,739,067	232,400,985	147,195,166	40,142,526	135,915,613
Current liabilities	799,079,118	811,140,784	633,455,166	688,667,545	717,577,974	614,245,550

Balance Sheet Analysis - Equity and Liabilities

Rs. in Million

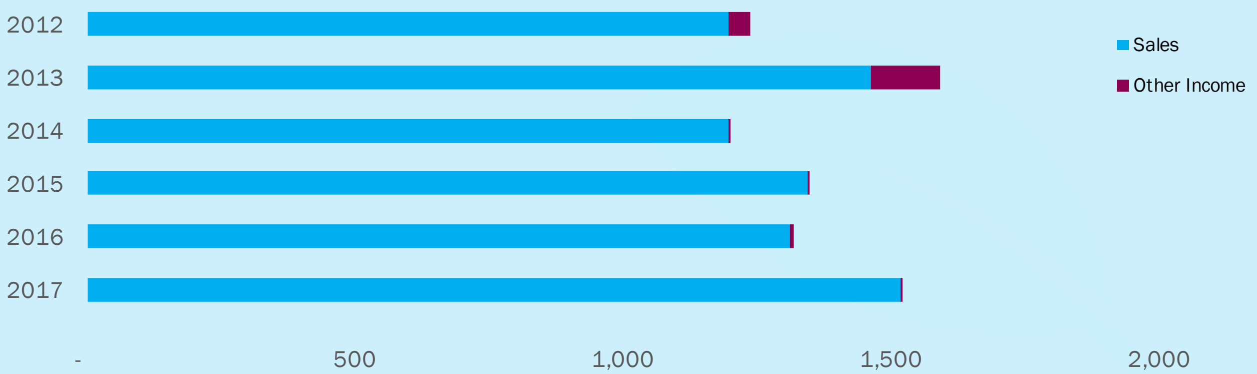


Profit & Loss Income

	2017	2016	2015	2014	2013	2012
Sales	1,515,691,745	1,309,860,044	1,342,753,084	1,195,122,436	1,461,754,914	1,195,444,744
Other Income	6,267,715	6,518,626	1,714,007	1,772,529	127,261,284	41,084,859

Profit & Loss Analysis - Income

Rs. in Million

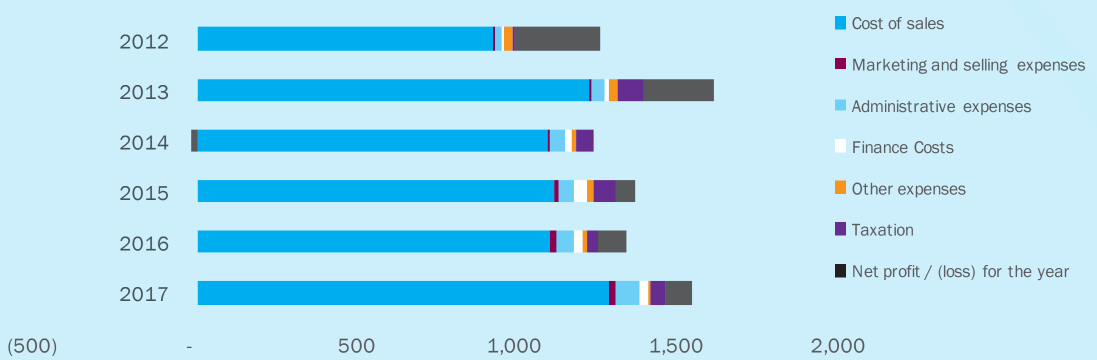


Profit & Loss Expenses

	2017	2016	2015	2014	2013	2012
Cost of sales	1,263,002,642	1,080,579,539	1,095,950,647	1,077,139,093	1,203,582,681	906,076,912
Marketing and selling expenses	22,678,984	22,615,359	13,277,804	9,669,009	10,081,774	5,922,481
Administrative expenses	71,102,447	56,734,135	48,855,135	41,449,140	41,179,723	25,442,364
Finance Costs	26,643,492	23,226,828	37,027,629	20,667,414	7,301,190	2,357,184
Other expenses	12,438,732	17,066,515	20,650,522	16,607,661	32,038,157	26,540,224
Taxation	47,821,598	29,784,267	66,882,013	55,714,220	81,631,810	11,954,447
Net profit / (loss) for the year	78,271,564	86,372,027	61,823,341	(24,351,572)	213,200,863	258,235,991

Profit & Loss Analysis-Expenses

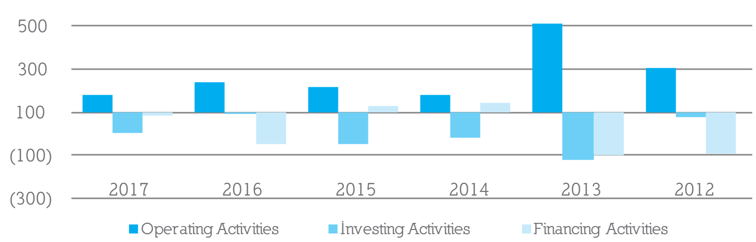
Rs. In Millions



Key Performance Indicators
Six Years at a Glance

		2017	2016	2015	2014	2013	2012
Profitibility Ratios							
Gross Profit to Sales	%	17%	18%	18%	10%	18%	24%
Operating Profit to Sales	%	10%	11%	14%	6%	14%	22%
Net Profit to Sales	%	5%	7%	5%	-2%	15%	22%
EBITDA Margin to Sales	%	15%	17%	18%	10%	18%	26%
Operating leverage ratio	times	0.38	7.68	14.26	3.71	-0.89	1.72
Return on Equity	%	13%	16%	12%	-5%	45%	82%
Return on Capital employed	%	13%	14%	11%	-5%	54%	108%
Return on Fixed Assets	%	10%	11%	7%	-3%	32%	48%
Liquidity Ratios							
Current ratio	times	0.93	0.92	0.85	0.67	0.69	0.68
Quick ratio	times	0.37	0.34	0.46	0.31	0.36	0.33
Cash to Current Liabilities	times	0.01	0.02	0.02	0.02	0.01	0.00
Cash to Current Assets	%	0.75%	1.78%	2.72%	2.47%	0.98%	0.38%
Cash flow from Operations to Sales	%	10%	14%	6%	5%	26%	17%
Turnover/Management Efficiency Ratios							
Inventory turnover ratio	times	2.78	3.05	4.45	4.42	5.32	4.90
No. of Days in Inventory	days	130	118	81	81	68	73
Debtor turnover ratio	times	5.85	4.83	5.77	6.34	7.91	10.25
No. of Days in Receivables	days	62	74	62	57	46	35
Creditor turnover ratio	times	2.81	2.64	3.02	2.47	3.45	4.24
No. of Days in Creditors	days	128	137	119	146	104	85
Operating Cycle	days	191	193	143	138	113	109
Cash conversion Cycle	days	63	56	24	-8	9	24
Total Assets turnover ratio	times	0.97	0.84	0.98	0.93	1.19	1.12
Fixed Assets turnover ratio	times	1.88	1.64	1.62	1.57	2.17	2.21
Market Ratios							
Earnings per share (EPS)	Rs.	2.01	2.22	1.59	-0.63	5.48	6.64
Price Earnings ratio	times	15.42	8.55	11.51	-27.02	4.16	2.57
Price to Book ratio	times	0.77	0.47	0.52	0.51	0.72	0.62
Break-up value per share	Rs.	15.26	14.24	13.05	11.48	12.11	8.14
Debt to Equity ratio	times	0.03	0.08	0.18	0.14	0.00	0.00
Capital Structure Ratios							
Net Assets per share	Rs.	15.26	14.24	13.05	11.48	12.11	8.14
Financial leverage ratio (Total Debt)	times	0.09	0.21	0.29	0.18	0.01	0.35
Debt to Equity ratio (Long Term Debt)	times	0.03	0.08	0.18	0.14	0.00	0.00

SUMMARY OF CASH FLOWS	2017	2016	2015	2014	2013	2012
			Rupees			
Cash & cash equivalents - Opening	13,243,508	14,632,523	11,336,312	4,869,753	1,624,860	6,273,718
Net cash flows from Operating activities	70,634,958	121,048,030	102,017,520	68,701,417	349,187,704	171,330,777
Net cash flows used in Investing activities	(79,308,674)	(3,694,750)	(124,014,305)	(98,064,341)	(183,536,696)	(17,186,532)
Net cash flows (used in) generated from Financing activities	(9,007,637)	(118,742,295)	25,292,996	35,829,483	(162,406,115)	(158,793,103)
Changes in cash & cash equivalents	(17,681,353)	(1,389,015)	3,296,211	6,466,559	3,244,893	(4,648,858)
Cash & cash equivalents - Closing	(4,437,845)	13,243,508	14,632,523	11,336,312	4,869,753	1,624,860



FINANCIAL STATEMENTS

Balance Sheet

As at June 30, 2017

	Note	2017	2016
		-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	808,213,675	799,407,426
Intangible assets	6	1,134,294	1,309,534
Long-term deposits	7	9,981,451	12,428,500
		819,329,420	813,145,460
CURRENT ASSETS			
Stock-in-trade	8	443,967,763	465,317,624
Trade debts -unsecured	9	239,828,158	232,860,113
Loans and advances	10	3,686,643	5,371,687
Trade deposit and short term prepayments	11	12,641,083	5,520,854
Tax refund due from Government - net	12	35,775,702	21,306,099
Cash and bank balances	13	5,562,050	13,243,508
		741,461,399	743,619,885
TOTAL ASSETS		1,560,790,819	1,556,765,345
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (2016:50,000,000) ordinary shares of Rs.10/- each		700,000,000	500,000,000
Issued, subscribed and paid-up capital	14	388,860,000	388,860,000
Reserves	15	204,617,909	165,025,494
		593,477,909	553,885,494
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases	16	17,062,927	46,275,908
Deferred taxation	17	130,938,856	125,684,898
Staff retirements benefits – staff gratuity	18	20,232,009	19,778,261
		168,233,792	191,739,067
CURRENT LIABILITIES			
Trade and other payables	19	507,193,814	595,705,014
Accrued mark-up	20	771,195	527,658
Short term borrowings	21	109,999,896	100,000
Loan from related parties	22	143,260,457	143,260,457
Current portion of non-current liabilities	23	37,853,756	71,547,655
		799,079,118	811,140,784
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		1,560,790,819	1,556,765,345

The annexed notes 1 to 45 form an integral part of these financial statements.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

Profit and Loss Account

For the year ended June 30, 2017

	Note	2017	2016
		-----Rupees-----	
Turnover - net	25	1,515,691,745	1,309,860,044
Cost of sales	26	(1,263,002,642)	(1,080,579,539)
Gross profit		252,689,103	229,280,505
Administrative expenses	27	(71,102,447)	(56,734,135)
Marketing and selling expenses	28	(22,678,984)	(22,615,359)
		(93,781,431)	(79,349,494)
Finance costs	29	(26,643,492)	(23,226,828)
Other operating expenses	30	(12,438,732)	(17,066,515)
Other Income	31	6,267,715	6,518,626
		(32,814,509)	(33,774,717)
Profit before taxation		126,093,163	116,156,294
Taxation	32	(47,821,598)	(29,784,267)
Profit after taxation		78,271,565	86,372,027
Earnings per share - basic and diluted	33	2.01	2.22

The annexed notes 1 to 45 form an integral part of these financial statements.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

Statement of Comprehensive Income

For the year ended June 30, 2017

	Note	2017	2016
		-----Rupees-----	
Profit after taxation		**78,271,565**	86,372,027
Other comprehensive income / (loss)			
Other comprehensive loss not to be reclassified to profit and loss account in subsequent periods			
Re-measurement gain / (loss) on defined benefit plan		**295,500**	(1,580,956)
Income tax effect		**(88,650)**	490,096
Net comprehensive gain / (loss) not to be reclassified to profit and loss accounts in subsequent periods		**206,850**	(1,090,860)
Total comprehensive income for the year (net of tax)		**78,478,415**	85,281,167

The annexed notes 1 to 45 form an integral part of these financial statements.

DIRECTOR   CHIEF FINANCIAL OFFICER   DIRECTOR

Cash Flow Statement

For the year ended June 30, 2017

	Note	2017	2016
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**149,306,333**	189,549,902
Long term deposit received / (paid)		**2,447,050**	(4,000,000)
Income tax paid	12.1	**(49,022,596)**	(33,317,118)
Gratuity paid	18.2	**(6,323,101)**	(5,019,606)
WPPF paid		**(514,000)**	-
Zakat paid on dividend		**(127,988)**	(130,436)
Finance costs paid		**(25,130,739)**	(16,196,373)
Sales tax-net		**-**	(9,838,339)
		(78,671,374)	(68,501,872)
Net cash generated from operating activities		**70,634,959**	121,048,030
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed asset expenditure		**(79,208,674)**	(45,192,250)
Proceeds from disposal of fixed assets		**-**	1,900,000
Proceeds from sale and lease back		**-**	40,000,000
Additions in intangibles		**(100,000)**	(402,500)
Net cash used in investing activities		**(79,308,674)**	(3,694,750)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of musharaka arrangement		**(15,532,951)**	(15,532,952)
(Repayment of) / proceeds from finance lease-net		**(54,928,900)**	(55,050,558)
Proceeds from / (repayments of) short term loan-net		**100,000,000**	(8,900,000)
Proceeds from loan from director		**7,500,000**	-
Repayment of loan from a director		**(7,600,000)**	(5,000,000)
Dividends paid		**(38,445,788)**	(34,258,785)
Net cash used in financing activities		**(9,007,639)**	(118,742,295)
Net decrease in cash and cash equivalents		**(17,681,354)**	(1,389,015)
Cash and cash equivalents at the beginning of the year		**13,243,508**	14,632,523
Cash and cash equivalents at the end of the year	42	**(4,437,846)**	13,243,508

The annexed notes 1 to 45 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Issued, subscribed and paid - up capital	Reserves			Total
		Capital reserve - share premium	Revenue reserves-Unappropriated profit	Total	
	(Rupees in '000)				
Balance as at July 01, 2015	388,860,000	79,930,000	38,700,327	118,630,327	507,490,327
Final dividend @ Rs. 1/ ordinary share for the year ended June 30, 2015	-	-	(38,886,000)	(38,886,000)	(38,886,000)
Profit for the year	-	-	86,372,027	86,372,027	86,372,027
Other comprehensive loss-net of tax	-	-	(1,090,860)	(1,090,860)	(1,090,860)
Total comprehensive income for the year-net of tax	-	-	85,281,167	85,281,167	85,281,167
Balance as at June 30, 2016	388,860,000	79,930,000	85,095,494	165,025,494	553,885,494
Balance as at July 01, 2016	388,860,000	79,930,000	85,095,494	165,025,494	553,885,494
Final dividend @ Rs. 1/ ordinary share for the year ended June 30, 2016	-	-	(38,886,000)	(38,886,000)	(38,886,000)
Profit for the year	-	-	78,271,565	78,271,565	78,271,565
Other comprehensive income-net of tax	-	-	206,850	206,850	206,850
Total comprehensive income for the year-net of tax	-	-	78,478,415	78,478,415	78,478,415
Balance as at June 30, 2017	**388,860,000**	**79,930,000**	**124,687,909**	**204,617,909**	**593,477,909**

The annexed notes 1 to 45 form an integral part of these financial statements.

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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 repealed Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Plot # 21, Maqboolabad, Jinnah Cooperative Housing Society, (J.C.H.S), Tipu Sultan Road, Karachi.The factory of the Company is situated at Plot # EZ /1 / P-10 Eastern Industrial Zone, Port Qasim.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Basis of preparation

The preparation of financial statements have been prepared under "historical cost" convention except defined benefit obligation (gratuity) which is carried at present value in accordance with employees benefit "Employees benefit " under IAS-19.

2.3 These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

2.4 Property, plant and equipment

2.4.1 Owned

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, which is stated at cost.

Depreciation is charged to profit and loss account using the reducing balance method at the rates specified in note 5 to the financial statements. Depreciation on additions are charged from the month the assets are available for use while no depreciation is charged for the month in which the asset is derecognised.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Assets residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit are expected to arise from continued use of asset. Gain or losses on disposal or retirement of an asset represent the difference between the sale proceed and the carrying amount is charged to profit and loss amount.

2.4.2 Leased

Finance leases which transfers to the company, all the risks and benefits incidental to ownership of leased items are capitalised at the inception of the lease. Assets subject to finance lease are initially recorded at lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback, if any, is deffered and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to Profit and Loss account. Leased asset are depreciated on a diminishing balance basis at the same rate as Company's owned assets as disclosed in note 5 to financial Statements.

2.4.3 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of fixed assets in the course of their erection, acquisition and installation.The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

2.5 Intangible assets

Intangible assets are measured on initial recognition at cost. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefit beyond one year are recognised as intangible assets. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation on additions is charged from the month in which the assets are put to use while no amortisation is charged in the month in which the assets are disposed off.

Assets residual values, useful lives and method of amortisation are reviewed and adjusted prospectively, if appropriate at each balance sheet date.

3. Stock-in-Trade

These are stated at the lower of net realizable value (NRV) and cost of the inventory which is determined using weighted average cost method.

Weighted average cost in relation to work in process and finished goods constitute average manufacturing cost including direct material, labour and proportionate share of related direct overheads.

Notes to the Financial Statements
For the year ended 30 June 2017

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the balance sheet date.

4. Trade debts and other receivable

Trade debts originated by the Company are recognised and carried at original invoice amount less provision for impairment. Other receivables are carried at cost less provision for impairment. Provision for impairment is based on management's assessment of customers outstanding, and credit worthiness. Bad debts are written off as and when identified.

4.1 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under normal tax regime after taking into account tax credits and tax rebates available, if any. The charge for current tax includes adjustments to charge for prior years, if any. The tax charge as calculated above is compared with turnover tax under Section 113 and Alternate Coporate Tax under Section 113C of the Income Tax Ordinance, 2001 and whichever is higher is provided in the financial statements.

Deferred

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised directly in the other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit and loss account.

4.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and are defined as cash in hand and cash at bank. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank and short term borrowings.

4.3 Impairment

Financial Assets

Financial Assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss has occured after the initial recognition of the asset, and the loss has negative effect on the estimated cash flows of that financial assets are impaired may include default or deliquency of a debtor, indication that a debtor or issuer will enter bankruptcy.

All individullay significant receivables are assessed for specific impairment. All individually significant receivables found not be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.4 Staff retirement benefits

Defined benefit plan

The Company operated gratuity scheme for management and non-management staff which are unfunded. The gratuity plans are final salary plans. The contributions to the unfunded gratuity scheme are made in accordance with the independent acturial valuation. The Company recognises expense in accordance with IAS 19 "Employee Benefits".

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

An actuarial valuation of defined benefit scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

4.5 Trade and other payables

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

4.6 Operating lease and Ijarah

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases (net of any incentives received from the lessor) and Ijarah contracts are charged to the profit and loss account on a straight-line basis over the period of the lease and ijarah.

4.7 Provisions

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

4.8 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistani Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported using the exchange rate as of the balance sheet date, except where forward exchange purchases have been made for payment of liabilities, in that case the contracted rates are applied. Exchange gains and losses are included in profit and loss account in the year in which it occurs.

4.9 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet when there is a legal enforceable right to set-off the transactions is available and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income and expenditure, if any, are also netted of and reported on a net basis in the profit and loss account.

4.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangement. The following are the specific recognition criteria that must be met before revenue is recognised.

Sales are recorded when risks and rewards are transfered to customers which generally coincide with the dispatch of goods to customers and in case of exports when the goods are shipped.

Other income is recognized on accrual basis.

4.11 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the financial statements.

	Note	2017	2016
		-----Rupees-----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**754,165,350**	750,254,139
Capital work in progress	5.3	**54,048,325**	49,153,287
		808,213,675	799,407,426

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

5.1 Operating fixed assets

	OWNED											LEASED			
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixture	Electric installation	Refrigeration and air conditioning	Generator	Office equipment	Computers	Motor vehicles	Sub total	Plant and machinery leased*	Generator and fittings leased**	Motor vehicles leased***	Total
Net carrying value basis															
Opening net book value (NBV)															
as at July 01, 2016	21,200,000	54,549,714	386,293,251	3,617,498	138,836	3,055,299	1,477,342	1,634,346	1,441,852	13,455,698	486,863,836	156,564,177	106,826,126	-	750,254,139
Additions/ transfers (at cost) ***	-	8,589,568	49,094,511	1,086,125	278,249	852,201	-	8,339,490	770,991	5,323,500	74,334,635	-	-	3,830,335	78,164,970
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(21,000)	(21,000)	-	-		(21,000)
Depreciation charge Note 5.2	-	(2,989,275)	(39,588,032)	(439,481)	(27,029)	(540,016)	(141,251)	(1,531,384)	(450,429)	(3,278,861)	(48,985,758)	(14,969,342)	(10,213,819)	(63,840)	(74,232,759)
Net book value (NBV)															
as at June 30, 2017	**21,200,000**	**60,150,007**	**395,799,730**	**4,264,142**	**390,056**	**3,367,484**	**1,336,091**	**8,442,452**	**1,762,414**	**15,479,337**	**512,191,713**	**141,594,835**	**96,612,307**	**3,766,495**	**754,165,350**
Gross carrying value basis															
Cost	21,200,000	86,356,597	1,003,671,303	7,493,642	443,894	5,221,985	5,423,642	11,082,746	4,721,061	37,385,906	1,183,000,776	182,686,625	163,951,562	3,830,335	1,533,469,298
Accumulated depreciation	-	(26,206,590)	(607,871,573)	(3,229,500)	(53,838)	(1,854,501)	(4,087,551)	(2,640,294)	(2,958,647)	(21,906,569)	(670,809,063)	(41,091,790)	(67,339,255)	(63,840)	(779,303,948)
Net book value (NBV)															
as at June 30, 2017	**21,200,000**	**60,150,007**	**395,799,730**	**4,264,142**	**390,056**	**3,367,484**	**1,336,091**	**8,442,452**	**1,762,414**	**15,479,337**	**512,191,713**	**141,594,835**	**96,612,307**	**3,766,495**	**754,165,350**
Rate of depreciation		**5%**	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**25%**	**20%**		**10%**	**10%**		

* This includes assets against which the lease liability has been fully paid. However, the leasing companies have not yet transferred the same in the name of the Company due to documentation formalities.

** Represents assets against which the lease liability has been fully paid. However, the leasing companies have not yet transferred the same in the name of the Company due to their late payment penalty. The Company has shown these late payment charges as contingencies (note 24.1.4). The management is of the view that a substantial portion of these charges will be waived off by the leasing companies.

***Additions to plant and machinery, buildings and motor vehicles include transfer from capital work-in-progress.

	OWNED											LEASED			
	Leasehold land	Buildings on leasehold land	Plant and machinery	Furniture and fixture	Electric installation	Refrigeration and air conditioning	Generator	Office equipment	Computers	Motor vehicles*	Sub total	Plant and machinery leased**	Generator and fittings leased***	Motor vehicles leased****	Total
Net carrying value basis															
Opening net book value (NBV)															
as at July 01, 2015	21,200,000	57,355,548	426,573,194	3,797,511	64,996	1,452,552	1,633,747	1,382,645	1,203,285	11,960,103	526,623,581	173,141,735	76,417,737	-	776,183,053
Additions/ transfers (at cost) ***	-	-	599,100	198,800	82,500	1,778,697	-	411,399	593,150	4,772,870	8,436,516	-	40,000,000	-	48,436,516
Disposals (at NBV)	-	-	-	-	-	-	-	-	-	(1,048,354)	(1,048,354)	-	-	-	(1,048,354)
Depreciation charge	-	(2,805,834)	(40,879,043)	(378,813)	(8,660)	(175,950)	(156,405)	(159,698)	(354,583)	(2,228,921)	(47,147,907)	(16,577,558)	(9,591,611)	-	(73,317,076)
Net book value (NBV)															
as at June 30, 2016	21,200,000	54,549,714	386,293,251	3,617,498	138,836	3,055,299	1,477,342	1,634,346	1,441,852	13,455,698	486,863,836	156,564,177	106,826,126	-	750,254,139
Gross carrying value basis															
Cost	21,200,000	77,767,029	954,576,792	6,407,517	165,645	4,369,784	5,423,642	2,743,256	3,950,070	32,083,406	1,108,687,141	182,686,625	163,951,562	-	1,455,325,328
Accumulated depreciation	-	(23,217,315)	(568,283,541)	(2,790,019)	(26,809)	(1,314,485)	(3,946,300)	(1,108,910)	(2,508,218)	(18,627,708)	(621,823,305)	(26,122,448)	(57,125,436)	-	(705,071,189)
Net book value (NBV)															
as at June 30, 2016	21,200,000	54,549,714	386,293,251	3,617,498	138,836	3,055,299	1,477,342	1,634,346	1,441,852	13,455,698	486,863,836	156,564,177	106,826,126	-	750,254,139
Rate of depreciation		5%	10%	10%	10%	10%	10%	10%	25%	20%		10%	10%		

* This includes a vehicle held in the name of a director of the company amounting to Rs. 2.302 million. The Legal formalities regarding the transfer of ownership in the name of the Company are in process.

** This includes assets against which the lease liability has been fully paid. However, the leasing companies have not yet transferred the same in the name of the Company due to documentation formalities.

*** Represents assets against which the lease liability has been fully paid. However, the leasing companies have not yet transferred the same in the name of the Company due to their late payment penalty. The Company has shown these late payment charges as contingencies (note 24.1.4). The management is of the view that a substantial portion of these charges will be waived off by the leasing companies.

****Additions to plant and machinery, buildings and motor vehicles include transfer from capital work-in-progress.

	Note	2017	2016
		-----Rupees-----	
5.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	26	70,925,848	71,391,213
Administrative expenses	27	2,874,400	1,414,175
Marketing and selling expenses	28	432,511	511,686
		74,232,759	73,317,074

5.3 Capital Work in Progress	Opening Balance	Addition	Transfers	Closing Balance
	Rupees			
Building and civil works	16,712,199	2,392,459	8,026,026	11,078,632
Plant and machinery	32,441,088	57,684,062	52,762,457	37,362,693
Advance for purchase of vehicles	-	9,437,335	3,830,335	5,607,000
	49,153,287	69,513,856	64,618,818	54,048,325

	Note	2017	2016
		-----Rupees-----	
6. INTANGIBLE ASSETS			
Computer software	6.1	1,134,294	189,534
Capital work-in-progress		-	1,120,000
		1,134,294	1,309,534
6.1 Computer software			
Net carrying value basis			
NBV as on July 01		189,534	185,328
Additions / transfer from Capital work-in-progress		1,220,000	45,000
Amortization charge [20% (2016:20%)]	6.2	(275,240)	(40,794)
NBV as at June 30		1,134,294	189,534
Gross carrying value basis			
Cost		1,913,700	693,700
Accumulated amortization		(779,406)	(504,166)
NBV as at June 30		1,134,294	189,534

6.2 Amortisation charge for the year has been allocated to administrative expenses.

	Note	2017	2016
		-----Rupees-----	
7. LONG-TERM DEPOSITS			
Security deposits			
Leased assets		4,929,900	8,153,500
Margin against bank guarantee	7.1	2,175,000	2,175,000
Other deposits		2,876,551	2,100,000
	7.2	9,981,451	12,428,500

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

7.1 This represents 30% cash margin against guarantee issued by Faysal Bank Limited in favour of Sui Southern Gas Company Limited.

7.2 These are non-interest bearing and generally on a term of more than a year.

	Note	2017	2016
		-----Rupees-----	
8. STOCK-IN-TRADE			
Raw material:			
In hand		95,769,783	72,426,832
In transit		105,880,892	93,091,062
In bonded warehouse		11,169,250	97,435,790
		212,819,925	262,953,684
Work in process		160,614,530	91,853,720
Finished goods		70,533,308	110,510,220
		231,147,838	202,363,940
		443,967,763	465,317,624
9. TRADE DEBTS – unsecured			
Considered good			
- Related parties		46,901,918	46,660,973
- Others		192,926,240	186,199,140
		239,828,158	232,860,113
Considered doubtful		22,908,950	22,908,950
		262,737,108	255,769,063
Less: Provision for doubtful debts		(22,908,950)	(22,908,950)
	37.1.1	239,828,158	232,860,113
10. LOANS AND ADVANCES			
Loans - unsecured, considered good			
Employees	10.1	366,751	328,396
Advances - unsecured, considered good			
- Suppliers and contractors		2,569,516	4,216,869
- Employees	10.2	750,376	826,422
		3,319,892	5,043,291
	10.3	3,686,643	5,371,687

10.1 Represents interest free loans given to the employees in accordance with the Company's policy.

10.2 Includes advances given to meet business expenses and are settled as and when the expenses are incurred.

10.3 These are non-interest bearing and generally on an average term of 1 to 6 months.

	Note	2017	2016
		-----Rupees-----	
11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits - unsecured, considered good			
- Containers		8,942,687	4,518,398
- Nazir High Court		2,339,038	-
- Others		304,608	247,706
		11,586,333	4,766,104
Short term prepayments		1,054,750	754,750
	11.1	12,641,083	5,520,854

11.1 These are non-interest bearing and generally on an average term of 1 to 6 months.

	Note	2017	2016
		-----Rupees-----	
12. TAX REFUND DUE FROM GOVERNMENT– net			
Income tax refundable	12.1	34,152,816	27,786,510
Sales tax refundable		1,622,886	(6,480,411)
		35,775,702	21,306,099
12.1 Income tax refundable			
As at July 2016		27,786,510	24,061,343
Provision for current year tax	32	(29,349,415)	(33,393,229)
Provision for prior year	12.2	(13,306,875)	3,801,278
Advance tax paid during the year		49,022,596	33,317,118
As at June 2017		34,152,816	27,786,510

12.2 Included herein a provision of prior years of Rs. 1.442 million and Rs. 11.864 million for the tax year 2015 and 2016 respectively in respect of income tax demand arose due to the assessments carried out by the Federal Board of Revenue (FBR) under the Income Tax Ordinance, 2001.

	Note	2017	2016
		-----Rupees-----	
13. CASH AND BANK BALANCES			
Cash in hand		16,157	119,685
Cash at banks – current accounts		5,545,893	13,123,823
		5,562,050	13,243,508
14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
25,986,000 (2016: 25,986,000) ordinary shares of Rs. 10/- each fully paid in cash		259,860,000	259,860,000
12,900,000 (2016: 12,900,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares		129,000,000	129,000,000
		388,860,000	388,860,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

14.1 Mr. Maqbool Elahi Shaikh, being a director of the Company, held 18,096,037 (2016: 18,096,037) ordinary shares of Rs. 10/- each in the Company representing 46.50% (2016: 46.50%) of the share capital as of the balance sheet date.

	Note	2017	2016
		-----Rupees-----	
15. RESERVES			
Capital reserve			
Share premium on issue of ordinary shares		79,930,000	79,930,000
Revenue reserve			
Unappropriated profit		124,687,909	85,095,494
		204,617,909	165,025,494

16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

16.1 The Company has entered into a finance lease agreement with financial institutions in respect of gas generator and metalizer. The rate of returns used as the discounting factor ranges from is 6 months KIBOR plus 2.95 percent to 3 months KIBOR plus 2 percent. Overdue rental payments are subject to additional charge upto 3 percent per month. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the lease period.

16.2 During the year, the Company has entered into a finance lease agreement with financial institutions in respect of motor vehicles. The rate of returns used as the discounting factor ranges from is 12 months KIBOR plus 3 Percent. Purchase option can be exercised by the lessee at the expiry of the lease period. The amount of future lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	Note	2017		2016	
		Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
		(Rupees)			
Within one year		40,226,040	37,853,756	62,039,150	56,014,709
After one year but not more than five years		17,745,919	17,062,927	48,080,665	46,275,903
Total minimum lease payments		57,971,959	54,916,683	110,119,815	102,290,612
Less: Finance charges		(3,055,276)	-	(7,829,203)	-
Present value of minimum lease payments		54,916,683	54,916,683	102,290,612	102,290,612
Less: Current portion	23	(37,853,756)	(37,853,756)	(56,014,704)	(56,014,704)
		17,062,927	17,062,927	46,275,908	46,275,908

16.3 Includes overdue rentals amounting to Rs. 3,643,048 (2016: Rs. 1,095,409)

	Note	2017	2016
		-----Rupees-----	
17. DEFFERED TAXATION			
Taxable temporary differences arising due to:			
- accelerated tax depreciation		86,059,137	88,583,627
- accelerated tax amortisation		22,821	393,401
- assets subject to finance leases		72,592,091	81,650,994
		158,674,049	170,628,022
Deductible temporary differences arising due to:			
- liabilities against assets subject to finance leases		(14,792,905)	(31,710,089)
- provision for staff retirement benefits – gratuity		(6,069,603)	(6,131,261)
- provision for doubtful debts		(6,872,685)	(7,101,774)
		(27,735,193)	(44,943,124)
		130,938,856	125,684,898

18. STAFF RETIREMENT BENEFITS - GRATUITY

18.1 The amount recognised in the balance sheet is as follows:

	Note	2017	2016
Present value of defined benefit obligation	18.2	20,232,009	19,778,261

18.2 Changes in the present value of defined benefit obligation are as follows:

	Note	2017	2016
As at July 01		19,778,261	17,305,686
Charge for the period	18.3	7,072,349	5,911,225
Re-measurement gain/ (loss) recognised in other comprehensive income		(295,500)	1,580,956
Payments made during the period		(6,323,101)	(5,019,606)
As at June 30		20,232,009	19,778,261

18.3 Charge for the year recognised in the profit and loss account is as follows:

	Note	2017	2016
Current Service Cost		5,576,845	4,468,626
Interest Cost		1,495,504	1,442,599
		7,072,349	5,911,225

18.4 The Charge for the year has been allocated as follows:

	Note	2017	2016
Cost of sales	26.1	5,059,575	4,315,194
Administrative expenses	27.1	1,250,372	945,796
Marketing and selling expenses	28.1	762,402	650,235
		7,072,349	5,911,225

18.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2017 using the 'Projected Unit Credit' menthod are as follows:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	2017	2016
		-----Rupees-----	
Expected rate of increase in salary level		9.25% p.a	9.00% p.a
Discount rate		9.25% p.a	9.00% p.a

18.6 Impact of changes in assumption on defined benefit scheme is as follows:

Assumption	1% increase	1% decrease
Discount rate	17,938,646	23,012,667
Salary increase	22,984,906	17,919,409

18.7 Maturity profile of the defined benefit obligation:

	2017	2016
Weighted average duration - in number of years	4.11	3.94

18.8 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Mortality risks– The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks– The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

18.9 Comparison of five years:

As at June 30	2017	2016	2015	2014	2013
		(Rupees)			
Present value of defined benefit obligation	20,232,009	19,778,261	17,305,686	13,534,377	11,427,149
Deficit	20,232,009	19,778,261	17,305,686	13,534,377	11,427,149

19. TRADE AND OTHER PAYABLES

	Note	2017	2016
		-----Rupees-----	
Trade creditors		38,501,725	35,091,070
Import bills for goods and fixed asset		252,346,241	365,173,154
Accrued liabilities		48,242,303	43,101,063
Advances from customers		12,883,617	14,705,285
Workers' Profits Participation Fund	19.1	113,211,868	101,433,177
Workers' Welfare Fund		14,850,169	12,271,891
Witholding tax payable		23,411,039	23,144,843
Unclaimed dividend		822,521	382,307
Others	19.2	2,924,331	402,224
		507,193,814	595,705,014

	Note	2017	2016
		-----Rupees-----	
19.1 Workers' Profits Participation Fund			
Balance at the beginning of the period		101,433,177	87,424,885
Interest on Workers' Profits Participation Fund	29	5,520,770	7,763,330
		106,953,947	95,188,215
Payments during the year		(514,000)	-
Allocation during the year	30	6,771,921	6,244,962
Balance at the end of the year		113,211,868	101,433,177

19.2 Includes payable to excise and taxation amounting to Rs. 2.7 million in respect of property tax.

	Note	2017	2016
		-----Rupees-----	
20. ACCRUED MARK-UP			
Musharaka arrangement		-	213,206
Liabilities against assets subject to finance leases		240,972	314,452
others		6,442	-
Istisna arrangement		523,781	-
		771,195	527,658
21. SHORT-TERM BORROWING			
Loan from director	21.1	-	100,000
Running finance under markup arrangement	21.2	9,999,896	-
Istisna Loan	21.3	100,000,000	-
		109,999,896	100,000

21.1 The highest amount outstanding during the year was Rs. 3 million.

21.2 During the year the Company has availed facility amounting to Rs. 10 million which is payable on demand carrying 4 months KIBOR plus 2% per annum secured against Joint Pari Passu charge on current assets.

21.3 During the year, the Company availed Islamic financing facility of amount 100 million which is payable in three months carrying interest rate 3 months KIBOR plus 1.75% secured against Joint Pari passu against current assets, plant & machinery and land & building.

	Note	2017	2016
		-----Rupees-----	
22. LOAN FROM RELATED PARTIES			
	Note		
Director	22.1	83,498,800	83,498,800
Associated company	22.2	59,761,657	59,761,657
		143,260,457	143,260,457

22.1 Mr. Maqbool Elahi Shaikh, being a director of the Company, has provided interest free loan to meet the working capital requirement of the Company, repayable on demand.

22.2 This represents interest free loan from M/s. National Management Consultancy Services (Private) Limited, a related party, to meet the working capital requirement of the Company, repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	2017	2016
		-----Rupees-----	
23. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Musharaka arrangement		-	15,532,951
Liabilities against assets subject to finance leases	16	37,853,756	56,014,704
		37,853,756	71,547,655

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 The Company was allowed tax holiday under Clause 118-C to the Second Schedule of the Income Tax Ordinance, 1979 for a period of eight years from the assessment year 1995-96 i.e. 1st July 1995. The Company claimed tax holiday up to December 2003. The Deputy Commissioner of Income Tax reopened the assessment initially for the assessment year 1995-96 alleging that the Company was not entitled to the Tax Holiday earlier allowed under the above clause. Being aggrieved by the notice under section 65 of the Income Tax Ordinance, 1979, the Company filed a writ petition before the Honorable High Court of Sindh which was dismissed allegedly on account of non-maintainability. A petition for leave to appeal was filed against the dismissal of the writ petition which has been granted by the Honorable Supreme Court of Pakistan, the Honorable Supreme Court of Pakistan has also suspended the judgment of the Honorable High Court of Sindh and ordered maintenance of status quo.

The Deputy Commissioner of Income Tax then reopened the cases for the assessment years 1996-97 to 1998-99 and proceeded to finalize the assessment for the assessment year 1999-2000 under Section 62 of the Income Tax Ordinance, 1979. The writ against these notices was dismissed by the Honorable High Court of Sindh whereas the civil petition for leave has been granted by the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has also stayed the proceedings for these years.

Although the Honorable Supreme Court of Pakistan has accepted the petition for leave to appeal and the Company's lawyers are very hopeful that the tax holiday will be restored. While finalizing the orders the assessing officers have made various mistakes, for which rectification applications have been made. Subject to appeal and assuming that the Deputy Commissioner of income tax does not make any other addition for these years, a liability of Rs.67,938,844 will arise for which no provision has been made by the Company in these financial statements. As at year end, these civil appeals were at the stage of final arguments and were still pending before the Supreme Court of Pakistan. As per the opinion of the legal advisor of the Company, the Company has a reasonable probability of success in these petitions. Accordingly the management of the Company is confident of favourable outcome, therefore no provision is made in these financial statements.

24.1.2 An Income Tax Appeal is pending before the High Court of Sindh for the assessment of tax year 1996-1997 filed by the Commissioner of Income Tax Appeal on the question whether the sale of goods to the leasing company is not a supply and the provision of Section 80C of the Income Tax Ordinance, 1979 are not attracted in the case. Accordingly, the management of the Company is confident of favourable outcome, therefore, no provision is made in these financial statements.

24.1.3 An order was issued by the taxation officer for the tax year 2013 were in demand of Rs. 14,028,361/-including WWF against the above demand Rs. 5,585,251/- was undisputed and had been adjusted against the available tax credits at the time of filling of Income Tax returns 2013. The appeal is pending before the relevant court of law and based on the favourable outcome of the case, no provision against the possible liability has been made in these financial statements.

24.1.4 NIB Bank Limited, formally PICIC Commercial Bank Limited has claimed Rs.1.3 million against termination of lease finance facility on account of all delayed rentals / late payment charges. The Company's management is confident that the dues will be settled amicably and accordingly, no provision has been made in these financial statements.

24.1.5 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 of Pakistan on the subject, where it upheld that earlier introduction of GIDC Act of 2011 was constitutional and ultravires on the grounds that GIDC was a fee and not a tax.
The Company has filed a suit against the above Ordinance in Sindh High Court on the plea that the Honorable Supreme Court of Pakistan has already given its judgment on the subject. Accordingly, the Company has not accounted for GIDC amounting to Rs. 63.851 million in these financial statements as the Company is confident that the decision of the case will be in its favour.

24.1.6 Suit No. 2419 of 2015 was also filed against SSGC and OGRA challenging the increase in tariff being done without completing the required formalities for such enhancement. A large number of consumer had filed similar suits which were decided by a common judgment dated 18 May 2016 in favour of the consumers and all the suits were decreed. Against the said order High Court Appeal has been filed by SSGC which was still pending as on 30 June 2017.
Accordingly the management of the Company is confident of favourable outcome, therfore, no provision is made in these financial statements.

24.1.7 In December 2015, High Court of Sindh impugned the insertion of Tariff Heading 9830.0000 in the second schedule to the Sindh Sales Tax on Services Act 2011, through the Finance Act 2013. and subsequent show cause notice issued by the Sindh Revenue Board as "Services provided in the matter of manufacturing or processing for others on toll basis.

The Company filed a suit before the Honorable High Court of Sindh and court granted an ad interim order in favour of Company, which is still in Operation, The suit is still pending before the High Court of Sindh and Company has reasonable probability of success in this suit.

Accordingly, the management of the Company is confident of favourable outcome,therfore no provision is made in these financial statements.

24.1.8 As per the legal advice ,Suit Nos. 2493 & 2494 of 2016 before the High Court of Sindh and the Federal Board of Revenue's Show Cause Notices dated 22 August 2016 to the company under Section 122(5A) of the Income Tax Ordinance, 2001 for the Tax Years 2011 and 2012 with regard to the treatment of its Toll Manufacturing receipts as the provision of a service under Section 153(1)(c) of the Income Tax Ordinance, 2001 rather than the supply of goods under Section 153(1)(a). The High Court of Sindh granted an ad interim order in favour of the company, which is still in operation. The suit is still pending before the High Court of Sindh and the company has a reasonable probability of success in this suit. Accordingly, no provision has been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

24.1.9 An appeal against order passed under section 11(4) & 25 of the Sales Tax Act, 1990 for tax year 2011 is pending with the Commissioner Inland Revenue – Appeals against demand of Rs. 753,219/-. We are expecting a favourable result of this appeal.

24.1.10 The sales tax audit for tax year 2015 of the Company were selected during the year. Subsequent to the balance sheet date, an order was passed by the deputy commissioner inland revenue dated July 19, 2017 and a demand of Rs. 27,309,758 has been raised against the company. An appeal against the above order has been filed before the Commissioner Inland Revenue- Appeals II. The hearing of appeal is yet to be fixed. On the basis of factual and legal grounds, the management of the Company anticipate a favorable outcome of such appeal and hence no such provision is required to be made in the financial statements.

The Commissioner has selected the case for audit for the tax year 2014. The proceedings are yet to be finalised.

	Note	2017	2016
		-----Rupees-----	
24.2 COMMITMENTS			
24.2.1 Outstanding bank guarantees		**7,250,000**	7,250,000
24.2.2 Outstanding letters of credit- facility availed		**77,113,975**	66,109,887

24.2.3 The aforesaid letter of credit is secured against personal gurantee of directors.

	Note	2017	2016
		-----Rupees-----	
25. TURNOVER- net			
Gross Sales		**1,834,460,151**	1,588,708,919
Less: Sales tax		**(272,139,834)**	(232,298,442)
Sales returns		**(46,628,572)**	(46,550,433)
		1,515,691,745	1,309,860,044

	Note	2017	2016
		-----Rupees-----	
26. COST OF SALES			
Opening stock of raw material		72,426,832	39,545,679
Purchases during the year		971,183,409	868,014,671
		1,043,610,241	907,560,350
Closing stock of raw material	8	(95,769,783)	(72,426,832)
Raw material consumed		947,840,458	835,133,518
Manufacturing expenses			
Salaries, wages and other benefits	26.1	72,320,049	57,043,276
Oil and lubricants / diesel		5,834,799	3,870,499
Packing material consumed		34,034,443	26,763,782
Consumable stores		3,546,722	2,652,857
Water charges		1,532,406	697,000
Repairs and maintenance		11,124,456	14,332,082
Vehicle running and maintenance		1,820,965	1,768,435
Utilities		91,829,145	81,351,803
Insurance		7,794,849	7,147,766
Telephone		726,832	787,876
Cartage and octroi		17,700,407	14,993,726
Consultancy charges		5,243,479	4,866,750
Staff welfare		2,937,404	1,573,267
Security charges		2,385,699	1,827,150
Depreciation	5.2	70,925,848	71,391,213
Transportation		7,399,268	5,696,037
Rent, rates and taxes		4,371,320	1,426,970
Others		2,417,991	2,885,025
		343,946,082	301,075,514
		1,291,786,540	1,136,209,032
Opening work in process		91,853,720	88,457,808
		1,383,640,260	1,224,666,840
Closing work in process	8	(160,614,530)	(91,853,720)
Cost of goods manufactured		1,223,025,730	1,132,813,120
Finished goods			
Opening stock		110,510,220	58,276,639
Closing stock	8	(70,533,308)	(110,510,220)
		39,976,912	(52,233,581)
		1,263,002,642	1,080,579,539

26.1 Salaries, wages and other benefits includes staff retirement benefits (gratuity) amounting to Rs. 5.059 million (2016: Rs. 4.315 million).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	2017	2016
		-----Rupees-----	
27. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	27.1	24,137,775	16,691,405
Directors' remuneration		19,516,456	16,627,234
Vehicle maintenance		2,207,185	1,496,321
Legal and professional		3,256,863	2,845,722
Traveling and accommodation		2,051,928	2,107,283
Insurance		404,836	661,545
Fees and subscription		1,825,595	1,414,340
Rent, rates and taxes		4,182,400	3,915,700
Advertisement		1,301,146	197,761
Postage and stationery		1,057,481	1,211,942
Donation	27.2	500,000	300,000
Consultancy		915,000	885,000
Telephone		553,354	529,669
Newspaper and periodicals		11,284	11,544
Amortisation		275,240	40,794
Fuel and power		1,173,598	1,196,537
Auditors' remuneration	27.3	997,600	865,000
Depreciation	5.2	2,874,400	1,414,175
Repair and maintenance		1,175,832	980,467
Staff welfare		1,228,340	1,686,001
Security		762,220	919,017
Water		54,520	23,271
Penalty and fine		-	30,000
Others		639,394	683,407
		71,102,447	56,734,135

27.1 Salaries, wages and other benefits includes staff retirement benefits (gratuity) amounting to Rs. 1.250 million (2016: Rs. 0.945 million).

27.2 Recipient of donation donot include any donee in which our director or spouse had any interest.

	Note	2017	2016
		-----Rupees-----	
27.3 Auditors' remuneration			
Audit fee		800,000	700,000
Fee for review of half yearly		80,000	80,000
Fee for review of code of corporate governance		35,000	35,000
Out of pocket expenses		82,600	50,000
		997,600	865,000

	Note	2017	2016
		-----Rupees-----	
28. MARKETING AND SELLING EXPENSES			
Salaries, wages and other benefits	28.1	13,067,079	12,259,409
Vehicle running and maintenance		1,356,687	1,508,091
Travelling and accommodation		710,247	452,978
Rent, rates and taxes		530,548	482,313
Postage and stationery		198,925	188,258
Consultancy		2,884,200	4,534,200
Telephone		231,033	217,567
Power / electricity		48,053	50,997
Staff welfare		123,680	54,118
Sales promotion		2,420,196	2,071,861
Depreciation	5.2	432,511	511,686
Insurance		202,986	107,406
Others		472,839	176,475
		22,678,984	22,615,359

28.1 Salaries, wages and other benefits includes staff retirement benefits (gratuity) amounting to Rs. 0.762 million (2016: Rs. 0.650 million).

	Note	2017	2016
		-----Rupees-----	
29. FINANCE COSTS			
Mark-up on:			
- Diminishing musharaka		577,102	1,970,925
- Liabilities against asset subject ot finance lease		5,960,296	10,159,366
- Letter of credit		13,172,241	2,607,654
- Short-term finance		877,984	334,118
		20,587,623	15,072,063
Interest on Workers' Profits Participation Fund	19.1	5,520,770	7,763,330
Bank guarantee commission		34,000	49,790
Bank charges		501,099	341,645
		6,055,869	8,154,765
		26,643,492	23,226,828
30. OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	19.1	6,771,921	6,244,962
Workers' Welfare Fund		2,573,330	2,497,985
Exchange loss - net		6,025	5,526,122
Surcharge on annual maintenance charges		3,087,456	2,797,446
		12,438,732	17,066,516
31. OTHER INCOME			
Income from non-financial assets:			
Scrap sales		6,267,715	5,583,636
Gain on sale of operating fixed assets		-	851,646
Other		-	83,344
		6,267,715	6,518,626

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

	Note	2017	2016
		-----Rupees-----	
32. TAXATION			
Current		29,349,415	33,393,229
Prior		13,306,875	(3,801,278)
Deferred		5,165,308	192,316
		47,821,598	29,784,267

32.1 The income tax assessment of the Company has been finalised up to tax year 2016.

	Note	2017	2016
		-----Rupees-----	
32.2 Relationship between accounting profit and tax expense			
Profit before taxation		126,093,163	116,156,294
Applicable tax rate		31%	32%
Tax at the above rate		39,088,881	37,170,014
Tax effect of income / expenses that are not chargeable / allowable for tax purposes		2,798,953	1,923,183
Prior year adjustments		13,306,875	(3,801,278)
Tax effect of rebates under Section 65B		(5,064,451)	(155,910)
Tax effect of change in tax rate		(4,054,352)	(3,936,958)
Others		1,745,692	(1,414,784)
Tax expense for the year		47,821,598	29,784,267
Effective tax rate		37.93%	25.64%
33. BASIC AND DILUTED EARNING PER SHARE			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit after taxation		78,271,565	86,372,027
Weighted average number of ordinary shares		38,886,000	38,886,000
Earnings per share		2.01	2.22

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for the period in respect of remuneration and benefits to the chief executive, directors and executives of the Company were as follows:

	Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
	— Rupees —		— Rupees —		— Rupees —	
Remuneration	6,600,000	6,600,000	11,010,000	9,480,000	21,146,064	14,615,511
Medical allowance	1,623,472	388,885	282,985	158,349	909,666	1,131,371
Other perquisites (Motor vehicle maintenance etc.)	64,148	220,541	366,830	536,726	2,700,507	2,138,563
	8,287,620	7,209,426	11,659,815	10,175,075	24,756,237	17,885,445
Number of person(s)	1	1	3	3	18	11

In addition, the Chief Executive, directors and certain executives are also provided with free use of the Company's maintained cars and other benefits in accordance with their terms of employment.

Aggregate amount charged in the financial statements for remuneration (Salary/fee,other benefits) to one Non Executive director is 900,000 (2016: 1,146,500).

35. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors and key management personnel and companies in which directors of the Company hold directorship. Transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Note	2017	2016
		-----Rupees-----	
Director (Key management personnel)			
Loan to the Company			
Loan acquired during the year		7,500,000	10,000,000
Loan repaid during the year		7,600,000	23,900,000
Balance as at 30 June		83,498,800	83,598,800
Associated Companies:			
TOYO Packaging (Private) Limited			
Trade debt			
Sale of goods / processing charges		125,107,434	122,178,398
Balance as at 30 June		41,763,209	43,237,927
Hilal Foods (Private) Limited			
Trade debt			
Sale of goods		10,168,715	10,367,396
Balance as at 30 June		107,695	106,409

NOTES TO THE FINANCIAL STATEMENTS
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	Note	2017	2016
		-----Rupees-----	
Shalimar Food Products			
Trade debt			
Sale of goods		17,991,762	15,432,771
Balance as at 30 June		4,398,364	2,683,987
Kings Food (Private) Limited			
Trade debt			
Balance as at 30 June		632,650	632,650

36. CASH FLOWS FROM OPERATIONS

	Note	2017	2016
Profit before taxation		126,093,163	116,156,293
Adjustments for non-cash and other items:			
Depreciation	5.2	74,232,759	73,317,074
Amortisation of software	6.1	275,240	40,794
Provision for gratuity	18.3	7,072,349	5,911,225
Finance costs	29	26,643,492	23,226,828
Workers' Welfare Fund	30	2,573,330	2,497,985
Workers' Profit Participation Fund	30	6,771,921	6,244,962
Exchange Loss - net	30	6,025	5,526,122
Other Income	31	-	(83,344)
Gain on disposal of operating fixed assets	31	-	(851,646)
		117,575,116	115,830,000
		243,668,279	231,986,293
Working capital changes	36.1	(94,361,946)	(42,436,392)
		149,306,333	189,549,902

36.1 Working capital changes

	2017	2016
Decrease / (increase) in current assets		
Stock-in-trade	21,349,861	(221,273,614)
Trade debts	(6,968,045)	30,560,919
Loans and advances	1,685,044	(2,657,194)
Trade deposits and short-term prepayments	(7,120,423)	(2,749,361)
	8,946,437	(196,119,250)
(Decrease) / increase in current liabilities		
Trade and other payables	(103,308,383)	153,682,858
	(94,361,946)	(42,436,392)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments.

37.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral.

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

The Company believes that it is not exposed to major concentration of credit risk as the exposure is spread over a number of counter parties. To manage exposure to credit risk, Company applies credit limit to its customers and recoverability is continuosly monitored, financial assets which are subject to credit risk are as follows:

	Note	2017	2016
		-----Rupees-----	
Long-term deposits		5,051,551	4,275,000
Trade debts	9	239,828,158	232,860,113
Loans and advances		2,936,267	4,545,265
Trade deposits	11	11,586,333	4,766,104
Bank balances	13	5,545,893	13,123,823
		264,948,202	259,570,305

Due to the Company's long standing relations with the counterparties, the management does not expects non-performance by these counterparties on their obligations to the Company. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful for recovery.

37.1.1 Ageing of trade debts as at the balance sheet date is as under:

			Past due but not impaired			
	Total	Neither past due nor impaired	> 30 days upto 60 days	> 60 days upto90 days	>90 days upto180 days	>180
			(Rupees)			
Related parties	46,901,918	14,012,903	11,985,875	14,896,369	6,006,771	-
Other than related parties	192,926,240	84,986,736	59,678,539	17,858,568	18,911,269	11,491,128
2017	239,828,158	98,999,639	71,664,414	32,754,937	24,918,040	11,491,128
Related parties	46,660,973	7,259,776	15,801,498	9,001,024	13,966,025	632,650
Other than related parties	186,199,140	108,074,238	52,822,703	4,700,096	5,747,833	14,854,270
2016	232,860,113	115,334,014	68,624,201	13,701,120	19,713,858	15,486,920

Notes to the Financial Statements
For the year ended 30 June 2017

37.1.2 The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:

	Note	2017	2016
		-----Rupees-----	
Rating agency			
A1+ PACRA		2,892,338	10,003,010
A-1+ JCR-VIS		2,444,992	3,085,201
A1 PACRA		208,563	35,612
		5,545,893	13,123,823

37.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures with an acceptable range.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk in respect of Company's long-term and short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's (loss) / profit before tax (through impact on floating rate borrowings).This analysis excludes the impact of movement in market variables on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

		Increase / decrease in basis points	Effect on profit / (loss) before tax (Rupees)
2017	+	100	1,649,166
	-	100	(1,649,166)
2016	+	100	1,178,236
	-	100	(1,178,236)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates primarily relates to the Company's operating activities. The Company manages its currency risk by effective fund management and timely repayment of its current liabilities. The Company, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	2017 (US Dollars)	2016 (US Dollars)
Trade and other payables	2,090,745	3,317,125

	2017 (EUR Euros)	2016 (EUR Euros)
Trade and other payables	156,180	149,125

Following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all currencies applied to assets and liabilities as at June 30, 2017 represented in foreign currencies, with all other variables held constant, of the Company's profit before tax.

	2017	2016
Change in exchange rate	10%	10%
Effect on profit / (loss) before tax (Rupees)	23,794,254	36,464,772

(iii) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Company is not exposed to other price risk as the Company does not have any investment in equity shares.

37.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's liquidity risk management implies maintaining sufficient cash and also involves projecting cash flows and considering the level of liquid assets necessary to meet these. As of June 30, 2017 the Company's current liabilities exceed its current assets by Rs. 57.62 million, but the Company based on its future plans is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

Table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equals to their carrying balances as the impact of discounting is not significant.

	On demand	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
June 30, 2017		Rupees				
Loan from related parties	143,260,457	-	-	-	-	143,260,457
Liabilities against assets subject to finance lease	-	28,007,354	28,007,355	17,062,927	-	73,077,636
Trade and other payables	-	365,451,839	822,521	-	-	366,274,360
Accrued mark-up	771,195	-	-	-	-	771,195
Short-term borrowings	9,999,896	100,000,000	-	-	-	109,999,896
	154,031,548	493,459,193	28,829,876	17,062,927	-	693,383,544
June 30, 2016						
Loan from related parties	-	-	-	143,260,457	-	143,260,457
Musharaka arrangement	-	7,766,476	7,766,476	-	-	15,532,952
Liabilities against assets subject to finance lease	-	28,007,354	28,007,355	38,122,294	-	94,137,003
Trade and other payables	-	466,912,354	382,307	-	-	467,294,661
Accrued mark-up	527,658	-	-	-	-	527,658
Short-term borrowings	100,000	-	-	-	-	100,000
	627,658	502,686,184	36,156,138	181,382,751	-	720,852,731

Effective interest / yield rates for the financial liabilities are mentioned in the respective notes to the financial statements.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

39. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves. The gearing ratio as at June 30, 2017 and 2016 are as follows:

	Note	2017	2016
		-----Rupees-----	
Loan from related parties		143,260,457	143,260,457
Musharaka arrangement		-	15,532,951
Liabilities against assets subject to finance lease		54,916,683	102,290,612
Staff retirement benefits - gratuity		20,232,009	19,778,261
Trade and other payables		507,193,814	595,705,014
Accrued mark-up		771,195	527,658
Short-term borrowing		109,999,896	100,000
Total debts		836,374,054	877,194,953
Less: Cash and bank balances		(5,562,050)	(13,243,508)
Net debt		830,812,004	863,951,445
Share capital		388,860,000	388,860,000
Reserves		204,617,909	165,025,494
Total equity		593,477,909	553,885,494
Total Capital		1,424,289,913	1,417,836,939
Gearing ratio		58.33%	60.93%

40. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

(a) determining the impairment, residual values, useful lives, method of depreciation of property, plant and equipment and intangible assets (notes 4.3, 5 & 6);
(b) provision for doubtful debts (notes 4.3 and 9);
(c) accounting for staff retirement benefits (notes 4.4 and 18);
(d) recognition of taxation and deferred tax (notes 4.1, 12 and 17);
(e) estimation of net realisable value of stock in trade (notes 3 and 8);
(f) provision and contingencies (notes 4.7 and 24).

40.1 Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as follows :

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

40.1.1 New standards

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IFRS 10 -	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 -	Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
IFRS 1 -	Presentation of Financial Statements: Disclosure Initiative (Amendment)
IAS 16 -	Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16 -	Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS27 -	Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

Annual improvements to IFRSs 2012-2014 Cycle

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

The adoption of the above revised standards, amendments and improvements does not have any material effect on these financial statements.

Standards, amendments and improvements to approved accounting standards that are not yet effective

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2 –	Classification and Measurement of Share Based Payment Transactions (Amendment)	January 01, 2018
IFRS 10 -	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Yet not finalised
IAS 7 -	Statement of Cashflows: Disclosures - Disclosure Initiative (Amendment)	01 January 2017
IAS 12 –	Income Taxes – Recognition of DeferredTax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 -	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRIC 22 -	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 -	Uncertainty over Income tax treatment	January 01, 2019

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

40.2 Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan. The Company is currently assessing the impact of the above standards on the initial application of the following standards:

Standard or Interpretation	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

41. CAPACITY AND PRODUCTION

	2017		2016	
Operational capacity	Rated Capacity	Actual production	Rated Capacity	Actual production
	Metric Tons			
BOPP – Port Qasim	15,000	8,780	15,000	7,719

41.1 Plant capacity was utilised to the extent of orders received from customers.

	Note	2017	2016
		-----Rupees-----	
42. CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	5,562,050	13,243,508
Running finance under mark-up arrangements	21	(9,999,896)	-
		(4,437,846)	13,243,508

43. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on 19th July 2017, have propsed a right issue of 20,415,510 shares at the rate of Rs.15 per share.

The Board of Directors of the Company in their meeting held on September 28, 2017 have recommended cash dividend @ 7% amounting to Rs. 41,510,805 (2016: 10%) for approval of the shareholders in the annual general meeting to be held on October 26, 2017.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 28, 2017 by the Board of Directors of the Company.

45. GENERAL

45.1 Certain prior year figures has been rearranged for better presentation wherever necessary. However, there are no material reclassifications to report.

45.2 The number of employees at the year-end was 114 (2016: 101) and average number of employees during the year was 101 (2016: 96).

45.3 Figures have been rounded off to the nearest rupee, unless otherwise stated.

DIRECTOR   CHIEF FINANCIAL OFFICER   DIRECTOR

Strength and growth come only through continuous effort and struggle.

“Napoleon Hill”

PROXY FORM

Macpac Films Ltd

22nd Annual General Meeting

I/We, ______________________________ of __________________ , being member(s) of Macpac Films Ltd, holding ______________ ordinary shares, hereby appoint _____________ of _____________________ or failing him/her _______________________ of ______________ , who is/are also member(s) of Macpac Films Ltd, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the company to be held at 06:00pm on 26th October 2017 at the registered office of the company: Plot #21 Maqboolabad, Jinnah Cooperative Housing Society (J.C.H.S.), Tipu Sultan Road, Karachi-75400, Pakistan, and at any adjournment thereof.

Witness my/our hand(s) this __________ day of _____________, 2017

Signed by the said ____

Witnesses:

1. Signature __________________________
   Name ______________________________
   Address ____________________________

CNIC or Passport No. ___________________

1. Signature __________________________
   Name ______________________________
   Address ____________________________

CNIC or Passport No. ___________________

Folio/CDC Account No.

Signature

Note:

1. This Proxy Form must be deposited at the Company's share registrar office as soon as possible but not later than 48 hours before the time of holding of meeting. Failing to do so would render the Proxy Form invalid.

2. No person shall act as a proxy unless he/she is a member of the Company.

MACPAC FILMS LTD.

AFFIX
CORRECT
POSTAGE

MACPAC FILMS LIMITED

Registrar:

Central Depository Company of Pakistan,
Share Registrar Department, CDC
House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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میک پیک فلمز لمیٹڈ

پراکسی فارم

میں مسمّٰی / مسمّاۃ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ساکن۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

ضلع۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔بحیثیت ممبر میک پیک فلمز لمیٹڈ، مسمّٰی مسمّاۃ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔ساکن۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔کو

بطورِ مختار (پراکسی) مقرر کرتا ہوں تا کہ وہ میری طرف سے کمپنی کو اجلاسِ عام / سالانہ/ غیر معمولی اجلاسِ (یا دبھی صورتِ حال ہو) جو بتاریخ 26 اکتوبر 2017 بروز جمعرات بوقت شام 6:00 بجے منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

نوٹ

1۔ یہ پراکسی فارم کمپنی کے شیئرز رجسٹرار آفس کو میٹنگ کے کم از کم 48 گھنٹوں پہلے جمع کرانا لازمی ہے۔بصورت دیگر یہ پراکسی فارم قابل قبول نہ ہوگا۔

2۔ کسی غیر ممبر کو پراکسی کے طور پر نامزد نہیں کیا جاسکتا ہے۔

۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

دستخط

MACPAC FILMS LTD.

AFFIX
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MACPAC FILMS LIMITED

Registrar:

Central Depository Company of Pakistan,
Share Registrar Department, CDC
House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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انسانی سرمایہ اور ملازمین کے ساتھ تعلقات

کمپنی کا انسانی سرمایہ دیگر وسائل، جیسے سامان اور ٹیکنالوجی، کو ضم کرنے کے لیے ایک چلانے والی قوت ہے، تاکہ کمپنی کی مطلوبہ کارگردگی حاصل کی جاسکے۔ رواں سال میں کمپنی کے ملازمین کی حاصل کردہ کارگردگی کے لیے کمپنی ڈائریکٹرز ملازمین کے انتھک محنت اور توجہ سے کام کرنے پر ان کی تعریف کرتیے ہیں۔ کمپنی کی ضروریات ہر وقت بدلتی رہتی ہے اور اس وقت زیادہ تیزی سے بدل رہی ہے جسکی وجہ کاروبار کی بڑھتی ہوئی ضروریات ہیں۔ موثر انسانی وسائل کے انتظام کے لیے انسانی اثاثوں کے کیپ کے مسلسل تجزیے کی ضرورت ہوتی ہے تاکہ مہارتوں میں کسی بھی ایسی کمی کو جانچا جاسکے جسے تربیت اور ترقی کی ضرورت ہوتا کہ انسانی سرمایہ کو بہتر استعمال کیا جاسکے اور ان کی محنت کا معاوضہ دیا جاسکے۔

شیئر ہولڈنگ کا طریقہ

30 جون 2017 کو کمپنی کے کل شیئر ہولڈرز کی تعداد 972 تھی۔ 30 جون 2016 کو کمپنی کے شیئر ہولڈنگ کا طریقہ اور اجتماعی عملداری کے ضابطے کے تحت مطلوبہ اضافی معلومات سالانہ رپورٹ میں دی گئی ہیں۔

توثیقی بیان

ڈائریکٹرز اس موقع پر سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، شیئر ہولڈرز، شراکتدار، گاہک، سرکاری حکام، خودمختار ادارے، مالیاتی ادارے اور بینکوں کے تعاون اور مسلسل حمایت کا شکریہ ادا کرتے ہیں۔
ڈائریکٹرز کمپنی کے عملے کی طرف سے فراہم کردہ قیمتی اور غیر معمولی کوششوں اور خدمات کی تعریف کرتے ہوئے خوش ہیں۔

کراچی: 28 ستمبر 2017

بحکمِ بورڈ

مقبول الٰہی شیخ

چیف ایگزیکیوٹیو آفیسر

بورڈ میٹنگز

رواں سال کے دوران بورڈ اور آڈٹ کمیٹی کی میٹنگز کی تعداد اور حاضری مندرجہ زیل ہیں:

شمارہ نمبر	ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی
1	جناب مقبول الہی شیخ	3	-
2	جناب محمد صادق خان	4	-
3	جناب نعیم منشی	3	3
4	جناب احتشام مقبول الہی	4	-
5	جناب شارق مقبول الہی	2	-
6	ایئر مارشل عظیم داؤد پوتا	3	3
7	جناب منصور یونس	4	4
8	جناب فہاد منشی	2	-
9	جناب ایس وصی حیدر	3	-
10	جناب حبیب الہی	1	-

آڈٹ کمیٹی اور اندرونی کنٹرول کے سسٹم

آ پکی کمپنی مینیجمینٹ اچھے اجتماعی عملداری پر یقین رکھتی ہے، جو کہ چیک اور بیلنس کی ایک اچھی طرح سے مقرر اور موئثر طریقے سے وضح کیا گیا نظام کے ذریعہ لاگو کیا گیا ہو، اور شفاف، درست اور بروقت مالی معلومات کی فراہمی دیتا ہو۔ بورڈ آف ڈائریکٹرز نے مظبوط اندرونی کنٹرول کا نظام قائم کیا ہے جو موئثر طریقے سے کمپنی کے ہر درجے پہ لاگو ہے۔

ُبورڈ نے ایک آڈٹ کمیٹی بنائی ہے جس کے 2 ارکان ہیں، تمام ڈائریکٹرز نان ایگزیکوٹیو ہیں جن میں ایک چیئر مین ہے جو کہ خودمختار ڈائریکٹر ہے۔ کمیٹی کیوا لے کے اپنے ضوابط ہیں جو بورڈ نے لسٹنگ ریگولیشن کی ہدایات کے مطابق طے کیے ہیں۔

ایچ آر اور معاوضے کی کمیٹی

بورڈ نے ایک ایچ آر اور معاوضے کی کمیٹی بنائی ہے۔ جو تین ارکان پر مشتمل ہے، جن میں دو نان ایگزیکٹیو اور ایک ایگزیکٹیو ڈائریکٹر ہیں۔ کمیٹی کا چیئرمین نان ایگزیکوٹیو ہے۔

کارپوریٹ سماجی ذمہ داری

کسی بھی کاروبار کے لیے اپنے اعمال کی ذمہ داری لینے کے لیے، اسے مکمل طور پر جوابدہ ہونا ضروری ہے۔ ہم شفافیت اور اعتماد بڑھانے کے لیے قانونی ضروریات سے بھی آگے چلے گئے ہیں اور اپنے انتظامی ڈھانچے کو مظبوط بنالیا ہے۔ یہ سب اس بات کو یقینی بنانے لیے کیا جاتا ہے کہ ہم اپنی سماجی ذمہ داری کو پورا کریں ہم کم از کم یہ کر سکتے ہیں۔

سماجی طور پر ذمہ دار ہونا ہمارے لیے صرف ایک کارپوریٹ ضرورت سے بڑھ کر ہے۔ اس ذمہ داری کو پورا کرنے کے لیے کمپنی مسلسل کثیر پہل لیتی رہتی ہے۔

مستقبل کا نقطہ نظر

کاروباری ماحول مسابقتی ہوتا جارہا ہے ہر گزرتے لمحے ایک اضافی کھلاڑی مارکیٹ میں داخل ہورہا ہے جس کا اثر مارکیٹ پر اب تک نہیں دیکھا گیا۔ خام مال کے مین الاقوامی قیمتوں میں ملا جلا رجحان ہے اور توقع کیا جارہا ہے کہ مستقبل میں شمال میں متوقع تیل کی قیمتوں کی وجہ سے آنے والی سہ ماہیوں میں اضافہ ہوگا۔ پاکستانی روپیہ کی قدر میں کمی اور معیشت میں افراط زر کے رجحانات مستقبل کی لاگت میں اضافہ کی ممکنہ وجوہات ہیں اس مسابقتی مارکیٹ میں۔ تاہم، آپکی کمپنی منیجمنٹ مشکلات سے لڑنے کے لیے بہترین قدم لے رہی ہے تاکہ مستقبل میں بہتر نتائج حاصل کیے جاسکیں۔ ملک کے اقتصادی ماحول کے صحت افزا ہونے کا امکان ہے، اسطرح کاروباری سرگرمیوں کو فعال بنانے کا ماحول فراہم ہوگا۔ ملک کے امن وامان میں بہتری آئی ہے جو مزید سرمایہ کاری کو فروغ دے گی مجموعی طور پر CPEC کے منظر نامے کی وجہ سے توقع کیا جارہا ہے کہ مزدوروں اور غیر ملکی مسافروں کی کھپت میں اضافے کی وجہ سے طلب کو تقویت ملے گی، FMCG شعبے میں بھی نمایاں اضافہ ہوا ہے اور نئے اضافے اور نئے گروپ بھی شامل ہورہے ہیں، FMCG اور پرچون کے کاروبار سے بھی توقع ہے کے لمبے مدت میں طلب بڑھے گی لہذا نئی اور موجودہ صلاحیتوں کو آنے والے سالوں میں جزب کرلے گی۔

کمپنی کی پیداواری پورٹ فولیو کو بڑھانے کے لیے آپکی کمپنی موجودہ سہولت کو بہتر بنانے کے ساتھ ساتھ نئی سی پی پی (CPP) لائن متعارف کرنے کے ساتھ اگلے مالی سال میں توسیع کی طرف بڑھ رہی ہے۔ اس کی وجہ سے فلوں کی اصل پورٹ فولیو واپس آجائیگی جو پچھلے دہائی میں کمپنی کا حصہ تھا اور گاہک اور مارکیٹ کی خدمت کے لیے ایک بہتر بنڈل ہوگا جس میں دونوں فلم موجود ہونگے۔

ہمیں یقین ہے کہ آپکی کمپنی مارکیٹ میں اپنی پوزیشن اور موجودہ توجہ کو برقرار رکھتے ہوئے تمام تر مشکلات کا سامنا کرسکتی ہے۔

آڈیٹرز

موجودہ آڈیٹر، ایم ایس ای وائے فورڈ روھڈز، ریٹائر ہورہے ہیں اور خود کو مالی سال 30 جون 2018 کے لیے دوبارہ مقرر کرنے کے لئے پیش کرچکے ہیں اور معاوضہ باہمی طور پر اتفاق پائے گا۔

کوڈ آف کورپوریٹ گورنینس کی تعمیل

30 جون 2017 کو ختم ہونے والے سال سے تعلق رکھنے والے لسٹنگ لیگولیشن کے کوڈ آف کورپوریٹ گورنینس کے اصولوں کو کمپنی نے اپنایا ہے اور انکی مکمل تعمیل کی ہے۔ علیحدہ سے کوڈ آف کورپوریٹ گورنینس کے تعمیل کا بیان، جو کہ چیف ایگزیکٹیو نے قانونی طور پر دستخط بھی کیا ہے سالانہ رپورٹ کے صفحہ نمبر 35 پر دیا گیا ہے۔

اخلاقیات اور بہترین طریقوں کا بیان

بورڈ نے ایک ضابطہ اخلاق بنایا اور اسے اپنایا ہے اور اسکو پوری کمپنی میں اسکی معاون پالیسیوں اور طریقہ کار کے ساتھ تقسیم کے لیے موزوں اقدام لینے کو یقینی بنایا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

- منیجمنٹ کے بنائے ہوئے مالیاتی گوشوارے اور اسکے ساتھ نوٹس کمپنیز آرڈیننس 1984 کے تحت بنائے گئے ہیں۔ ان گوشواروں میں کمپنی کے معمولات، آپریشنز کے نتائج، کیش فلو اور اقویٹی میں تبدیلیوں کو شفاف طریقے سے پیش کیا گیا ہے۔
- کمپنی کی جانب سے کھاتے کی موزوں کتابوں کا استعمال کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں موزوں اکاوئنٹنگ کی پالیسیوں کا مستقل انداز میں نفاذ کیا گیا ہے اور اکاوئنٹنگ کے تخمینوں کا دارومدار معقول اور محتاط فیصلے پر مبنی ہے۔
- مالیاتی گوشواروں کی تیاری میں جن بین الاقوامی معیار کا اطلاق پاکستان میں رائج ہے، ان کی مالیاتی گوشواروں کی تیاری مناسب انداز میں تعمیل کی گئی ہے۔
- اندرونی کنٹرول کے سسٹم کا ڈیزائن عمدہ اور اس کا نفاذ اور نگرانی موئثر ہے۔
- کمپنی کا کاروبار جاری رکھنے کی صلاحیت پر کوئی بڑے شبہات موجود نہیں ہیں۔
- کارپوریٹ گورنینس کی بہترین طریقوں میں کسی قسم کا انحراف نہیں ہے جس کی تفصیل لسٹنگ کے قواعدہ ضوابط میں ہے۔
- ڈائریکٹرز رپورٹ میں وضاحت شدہ کے علاوہ گزشتہ برس سے آپریٹنگ اور مالیاتین نتائج میں کوئی اہم اور مادی تبدیلی نہیں ہے۔
- آپریٹنگ اور مالیاتی ڈیٹا کا پچھلے سال کا خلاصہ منسلک کیا گیا ہے۔
- گزشتہ چھ سالوں کے اہم کارکردگی کے اشاروں کا سالانہ رپورٹ کے صفحہ نمبر 47 پر خلاصہ کئے گئے ہیں۔

ڈائریکٹرز کا جائزہ

عزیز شئیر ہولڈرز،

30 جون 2017 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرنے میں آپ کے کمپنی ڈائریکٹرز خوشی محسوس کرتے ہیں۔

عام

پلاسٹک پیکیجنگ بنانا، پیدا کرنا، خریدنا اور فروخت کرنا کمپنی کی اصل سرگرمی ہے۔ باگزیلی اورینٹڈ پولیپروپیلین (BOPP) فلمز کا آپریشنل حجم 15,000 میٹرک ٹن ہے۔ پلانٹ مشرقی انڈسٹریل زون، پورٹ قاسم میں واقع ہے۔

میٹلائزر

جنرل K-5000 میٹلائزر پلانٹ کا سالانہ آپریشنل حجم 6,000 میٹرک ٹن ہے۔ جو کہ میٹلائزیشن کے لیئے استعمال ہو رہا ہے تاکہ گاہک کے طلب کے مطابق ویلیو ایڈ فلم بنائے جاسکیں۔

آپریٹنگ اور معاشی کارکردگی

پیداوار

رواں سال کمپنی کی پیداوار 8,780 ٹن تھی جو کہ پلانٹ کے مجموعی حجم کا 58.5% ہے، اور پچھلے سال کے مقابلے میں 14% اضافی ہے۔

کمپنی انتظامیہ حجم صرف کرنے کو مزید بڑھانے کے لیے مسلسل کوشش وقف کر رہی ہے۔ لہذا آنے والے سہ ماہیوں میں حجم صرف کرنے کو مزید بڑھانے پر مرکزی توجہ مرکوز کی جائیگی تاکہ بہتر نتائج حاصل کیے جاسکیں۔

فروخت کی کارکردگی

رواں سال میں کمپنی نے Rs 1.516 ارب کا خالص فروخت ریکارڈ کیا ہے جو کہ پچھلے سال Rs 1.31 ارب تھی اسطرح 16% کا اضافہ ہوا۔

منافع کا حال

کمپنی کا مجموعی منافع 10% سے بڑھ کر 25.26 کروڑ ہے جو پچھلے سال 22.92 کروڑ تھا۔

رواں سال کے دوران 9% کی کمی کے ساتھ خالص منافع Rs 7.82 کروڑ ہے جو پچھلے سال Rs 8.63 تھا جس کی مرکزی وجہ 62% بڑھتا ہوا ٹیکس جو 2.96 کروڑ سے بڑھ کر 4.78 کروڑ رہا۔

پچھلے سال کے ٹیکس میں اضافہ آیا ہے جس کی وجہ رواں سال میں ٹیکس سال 2015 اور 2016 کے ٹیکس آڈٹ کے نتیجہ میں 14 لاکھ اور 1 کروڑ 18 لاکھ بالترتیب خرچے میں اضافہ آیا۔

فی شئیر کمائی

موجودہ سال فی شئیر کمائی Rs 2.01 ہے جو پچھلے سال Rs 2.22 تھی۔

معاشی نتائج کا موازنہ

تین سالوں کے وسیع نتائج کا موازنہ مندرجہ زیل ہے۔ پچھلے 6 سالوں کی کارکردگی کے مخصوص اشاروں کا خلاصہ سالانہ رپورٹ کے صفحہ نمبر 47 پر دیا گیا ہے۔

ڈیویڈنڈ

الحمدللہ، اللہ تعالی کے فضل سے، آپکے کمپنی ڈائریکٹرز 30 جون 2017 کو ختم ہونے والے سال کے لیے 7% یعنی کہ 0.70 روپیہ فی شئیر کے حتمی کیش ڈیویڈنڈ کا اعلان کرتے ہوئے خوشی محسوس کرتے ہیں۔

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