

MACPAC FILMS LIMITED

CONDENSED INTERIM QUARTERLY FINANCIAL STATEMENT
(UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

COMPANY INFORMATION

Board of Directors

Mr. Naeem Munshi (Chairman)
Mr. Maqbool Elahi Shaikh (Chief Executive)
Mr. Ehtesham Maqbool Elahi (Executive Director)
Mr. Shariq Maqbool Elahi (Non-Executive Director)
Mr. Fahad Munshi (Non-Executive Director)
Mr. Mansoor Younus (Independent Director)
Mr. Muhammad Omer Sabir (Independent Director)

Audit Committee of the Board

Mr. Mansoor Younus (Committee Chairman)
Mr. Naeem Munshi
Mr. Shariq Maqbool Elahi

HR & Remuneration Committee

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

Chief Financial Officer & Company Secretary

Mr. Zohaib Yakoob

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Advisor

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

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

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 Maqbolabad,
Jinnah Cooperative Housing Society,
(J.C.H.S), Tipu Sultan Road, Karachi
Email : info@macpacfilms.com
Tel: 111-MFL(635)-111

Website:

www.macpacfilms.com

Factory

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

MACPAC FILMS LIMITED

DIRECTORS' REPORT

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

Assalam-o-Alaikum

Dear Members,

The Board of Directors of your Company is pleased to present the un-audited condensed interim financial statement of the Company for the quarter ended March 31, 2019.

Financial Reporting

During the quarter ended March 31, 2019, the Company has recorded net sales of PKR 687.856 mn a net increase of around 14.40% over corresponding quarter i.e. PKR 601.187 mn. This increase is despite of the difficult conditions of the overall economy and the industry. Gross profit (GP) dropped from 8.99% for corresponding quarter to 5.60% for the quarter under review. However, this GP of 5.60% is significantly improved if compared with GP of 1.89% for September 2018 quarter and GP of 3.00% for December 2018 quarter. Company's financing cost increased to PKR 22.383 mn (PKR 4.229 mn for quarter ended March 2018) mainly due to the financing arrangements for expansion of CPP plant and related area. The Company has during the quarter reported a net loss of PKR 14.825 mn as compared to PKR 9.279 mn profit in the same period last year mainly due to economic slowdown due to macro economic factors.

Future Outlook

Another difficult quarter for overall economy. Though Rupee showed some strength against the Dollar and no significant movement was observed on forex end, yet pressure can be observed due to delay in IMF deal and no significant improvement in exports. Discount rates, further jumped from 10% to 10.25% resulting in more pressure on cost of production. During the period, industry focus was completely on to manage the cost of doing business which was significantly increased during the previous quarter due to utility prices and rupee devaluation and also during the quarter under review due to increased raw material prices and discount rates. However, despite of all these factors, markets are now showing strength and demand wise upward momentum towards the end of quarter under review.

During the period your management strived hard to increase the efficiencies and to control the cost of production. New Cast Poly Propylene (CPP) plant has also started its commercial production which started contributing in increasing volume of the Company and this quarter has recorded highest volume of the year to date. Further, with some stability at forex, demand side of the company is consistently on increasing side. We managed to explore other regions as well to not only increasing demand but also to find out the strong customers resulting in more efficient operating cycle. With the start of commercial production of CPP, improved research and development and improved market conditions, we are confident that the company is moving on the right track in terms of efficiency and would achieve the expectation and objectives of its valuable shareholders. In Sha Allah."

Acknowledgement

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

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

On behalf of the Board

CHIEF EXECUTIVE

April 24, 2019

Karachi

میک پیک فلز لمیٹڈ ڈائریکٹر رپورٹ

محترم ممبران

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہیں۔

مالیاتی رپورٹ:

31 مارچ 2019ء کو ختم ہونے والی سہ ماہی کے دوران مجموعی فروخت مبلغ 687.856 ملین روپے رہی جبکہ رواں سہ ماہی میں تمام تر اقتصادی اور صنعتی مشکلات کے باوجود مجموعی اضافہ %14.40 یعنی مبلغ 61.187 ملین روپے ہوا ہے۔ زیر جائزہ سہ ماہی کا مجموعی منافع %8.99 سے کم ہو کر %5.60 ہوا جبکہ مجموعی منافع میں %5.60 کی بہتری آئی ہے جس کا موازنہ ستمبر 2018ء اور دسمبر 2018ء کی سہ ماہی کے مجموعی منافع %1.89 سے کیا جاسکتا ہے۔ کمپنی کے مالیاتی اخراجات میں مبلغ 22.383 ملین روپے کا اضافہ ہوا (مارچ 2018ء کو ختم ہونے والی سہ ماہی کیلئے 4.229 ملین روپے) جو کہ سی پی پی پلانٹ اور متعلقہ ایریا کی توسیع کیلئے مالیاتی انتظامات کی وجہ سے ہوا۔

مستقبل کا نظریہ:

اقتصادی حوالہ سے یہ ایک اور مشکل سہ ماہی ہے ڈالر کے مقابلے میں روپے کی قدر میں کچھ بہتری ہوئی لیکن فوریکس پر کوئی تحریک نظر آئی، اس کے علاوہ آئی ایم ایف کے پروگرام میں تاخیر کے سبب اب بھی یہ دباؤ دیکھا جاسکتا ہے اسی وجہ سے برآمدات میں کوئی بہتری نہیں ہوئی، ڈس کاؤنٹ ریٹس میں پیداواری اخراجات پر زیادہ دباؤ کے نتیجے میں یہ تناسب %10 سے بڑھ کر %10.25 ہو گیا۔ دوران مدت صنعت نے کاروباری اخراجات کو منظم کرنے پر مکمل توجہ دی جس میں گزشتہ سہ ماہی کے دوران یوٹیلٹی کی قیمتوں اور روپے کی قدر میں کمی کی وجہ سے اضافہ ہوا تھا۔ علاوہ ازیں دوران سہ ماہی خام مال کی قیمتوں اور ڈس کاؤنٹ ریٹس میں کمی ہوئی۔ ان تمام عوامل کے باوجود مارکیٹ میں بہتری نظر آرہی ہے اور زیر جائزہ سہ ماہی کے آخر تک طلب میں اضافہ ہوگا۔

اس مدت کے دوران آپ کی انتظامیہ نے اپنی کارکردگی میں مزید بہتری پیدا کی اور پیداواری قیمت پر قابو پایا۔ نئی کاسٹ پولی پروپیلین (سی پی پی) پلانٹ نے بھی اپنی تجارتی پیداواری عمل شروع کیا اور کمپنی کے والیوم کے اضافہ میں اپنا کردار ادا کیا۔ اس طرح اس سہ ماہی میں سال کی زیادہ والیوم کو ریکارڈ کیا تھا۔ مزید یہ کہ فوریکس مستحکم ہوا اور کمپنی کی طلب میں مسلسل اضافہ ہو رہا ہے۔ ہم نے دیگر ریجن کو منظم کیا جس سے نہ صرف طلب میں اضافہ ہوا بلکہ کسٹمز کی تلاش پر بھی اپنی نظر مرکوز رکھی جسکے سبب کام زیادہ بہتر طریقہ سے ہونے لگا۔ سی پی پی کا تجارتی پیداواری عمل شروع ہونے کے ساتھ تحقیق اور ترقی میں بھی بہتری ہوئی اور مارکیٹ کو بھی تقویت حاصل ہوئی۔

ہم امید کرتے ہیں کہ کمپنی کارکردگی کے حوالے سے صحیح سمت میں رواں دواں ہے اور معزز کسٹمز کے مقاصد حاصل کریں گی۔

اظہار تشکر:

اس موقع پر کمپنی کے ڈائریکٹرز ایس ای سی پی، شیئر ہولڈرز، شراکت داران، کسٹمز، سرکاری اداروں، خود مختار باڈیز، مالیاتی اداروں اور بینکرز کے تعاون اور مستقل سپورٹ پر ان کے شکر گزار ہیں۔

ڈائریکٹرز کمپنی کے اسٹاف کی انتھک کوششوں اور ان کی خدمات پر بھی اظہار تشکر پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

24 اپریل 2019

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,339,105,371	1,177,261,267
Intangible assets		843,357	907,435
Long-term deposits		21,461,218	10,118,273
		1,361,409,946	1,188,286,975
CURRENT ASSETS			
Stock-in-trade	6	297,242,037	491,245,840
Trade debts		489,485,396	398,482,218
Loans and advances		21,087,841	16,950,759
Trade deposits, prepayments and other receivables		26,953,018	16,604,521
Tax refund due from Government - net		148,074,524	86,815,395
Cash and bank balances		8,096,011	33,835,307
		990,938,827	1,043,934,040
TOTAL ASSETS		2,352,348,773	2,232,221,015
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		700,000,000	700,000,000
Issues, subscribed and paid-up capital		593,011,500	593,011,500
Reserves		203,635,378	312,091,568
		796,646,878	905,103,068
NON-CURRENT LIABILITIES			
Diminishing Musharika		208,215,239	-
Liabilities against asset subject to finance lease		57,410,611	3,623,788
Deferred Income		11,949,343	-
Deferred taxation		68,879,410	120,749,918
Staff retirement benefits - Staff gratuity		24,073,466	25,343,572
		370,528,069	149,717,278
CURRENT LIABILITIES			
Trade and other payables		761,010,728	892,469,652
Accrued mark-up		5,915,696	3,036,745
Short-term borrowing		327,607,593	267,583,462
Unclaimed Dividend		1,189,421	870,316
Current portion of non-current liabilities		89,450,388	13,440,494
		1,185,173,826	1,177,400,669
TOTAL EQUITY AND LIABILITIES		2,352,348,773	2,232,221,015
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

MACPAC FILMS LIMITED
 CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees-----			
Turnover - Net	1,783,908,080	1,581,441,549	687,856,121	601,187,401
Cost of Sales	(1,717,322,531)	(1,400,561,052)	(649,408,067)	(547,124,021)
GROSS PROFIT	66,585,549	180,880,497	38,448,054	54,063,380
Administrative expenses	(69,941,720)	(60,665,893)	(26,511,320)	(19,027,931)
Marketing and selling expenses	(21,849,570)	(19,564,769)	(7,708,028)	(6,894,604)
	(91,791,290)	(80,230,662)	(34,219,347)	(25,922,535)
OPERATING PROFIT / (LOSS)	(25,205,741)	100,649,835	4,228,706	28,140,845
Finance costs	(56,527,582)	(14,247,843)	(22,382,516)	(4,229,318)
Other operating expenses	(53,014,480)	(33,090,659)	(7,191,839)	(8,116,131)
Other operating income	9,285,407	3,181,463	7,846,278	998,371
	(100,256,655)	(44,157,039)	(21,728,078)	(11,347,078)
PROFIT/ (LOSS) BEFORE TAXATION	(125,462,396)	56,492,796	(17,499,372)	16,793,767
Taxation	28,866,436	(18,243,500)	2,674,195	(7,514,843)
PROFIT / (LOSS) AFTER TAXATION	(96,595,960)	38,249,296	(14,825,177)	9,278,924
(LOSS) / EARNINGS PER SHARE (Rupees)	(1.63)	0.68	(0.25)	0.16

The annexed notes from 1 - 10 form an integral part of these condensed interim financial Statements.


 CHIEF EXECUTIVE

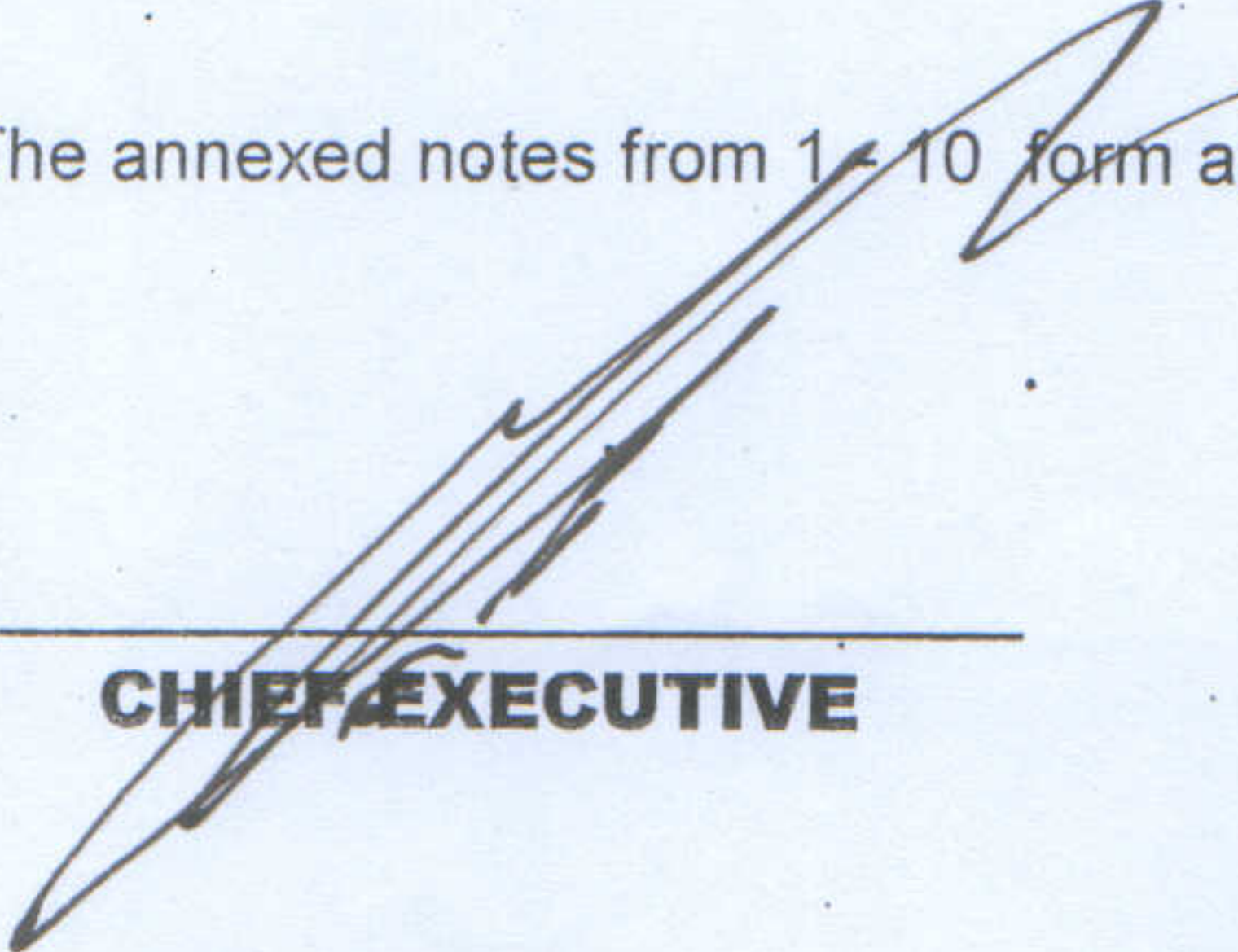

 CHIEF FINANCIAL OFFICER


 DIRECTOR

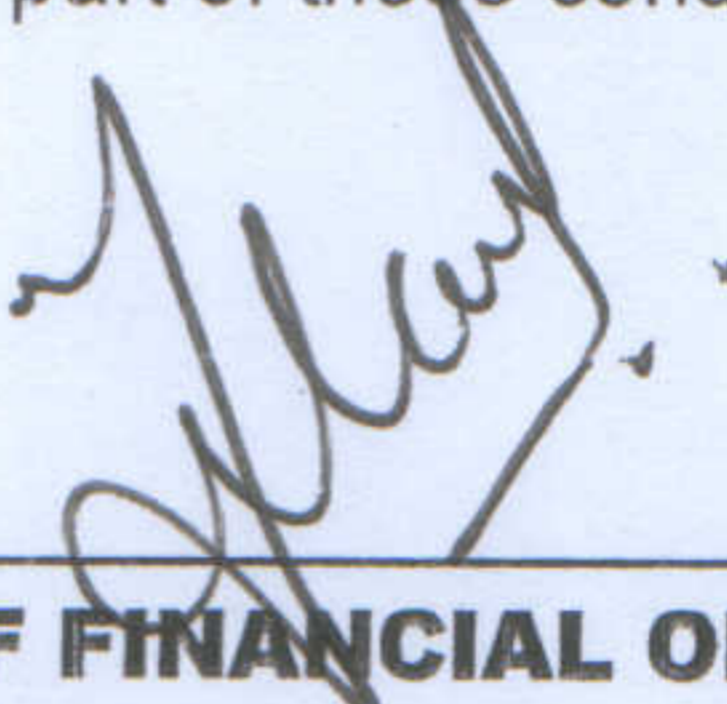
MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended	
	March 31 2019 <u>(Un-audited)</u>	March 31 2018 <u>(Un-audited)</u>
Rupees.....	
Profit/ (Loss) after taxation	(96,595,960)	38,249,296
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(96,595,960)</u>	<u>38,249,296</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

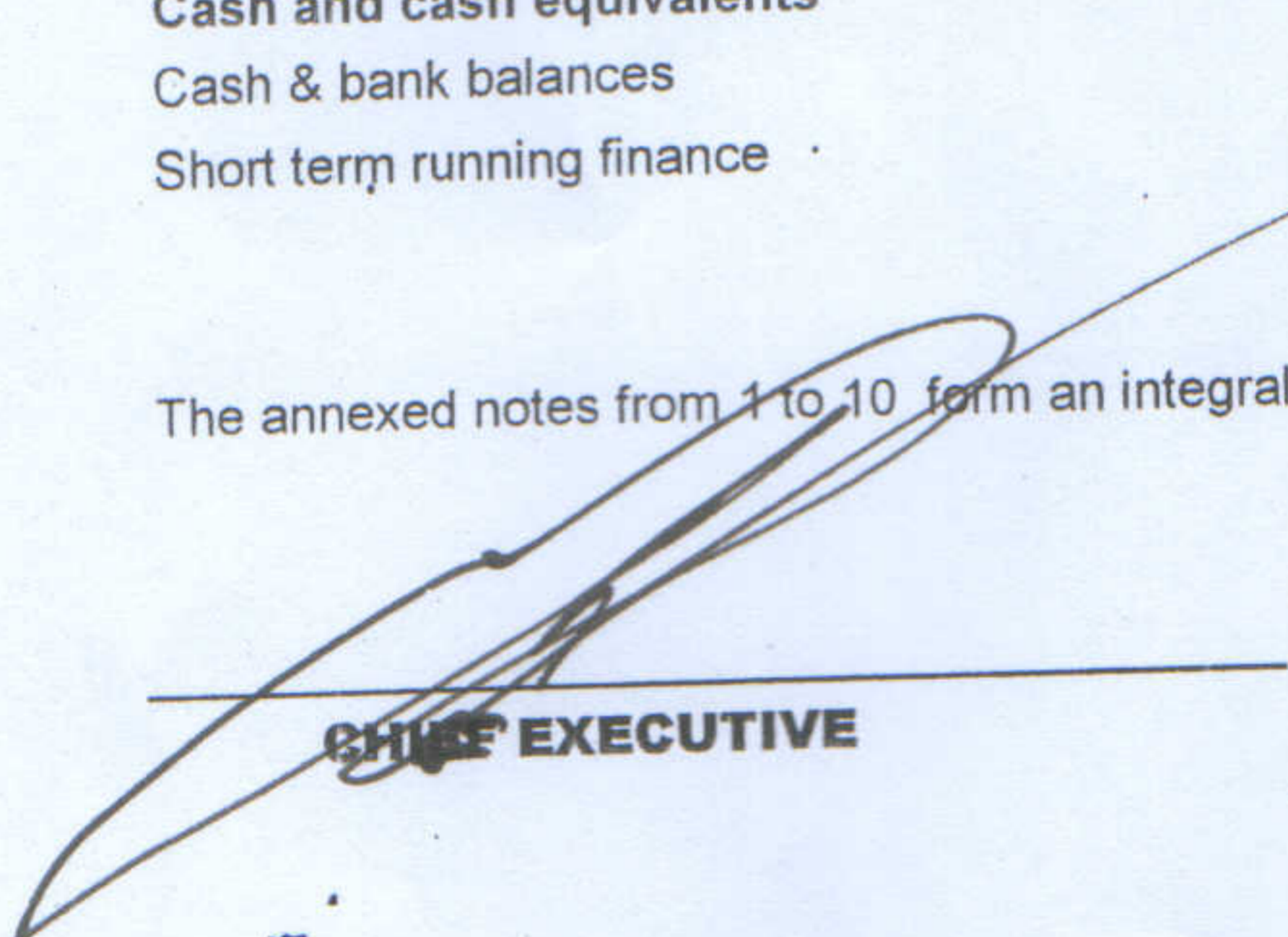


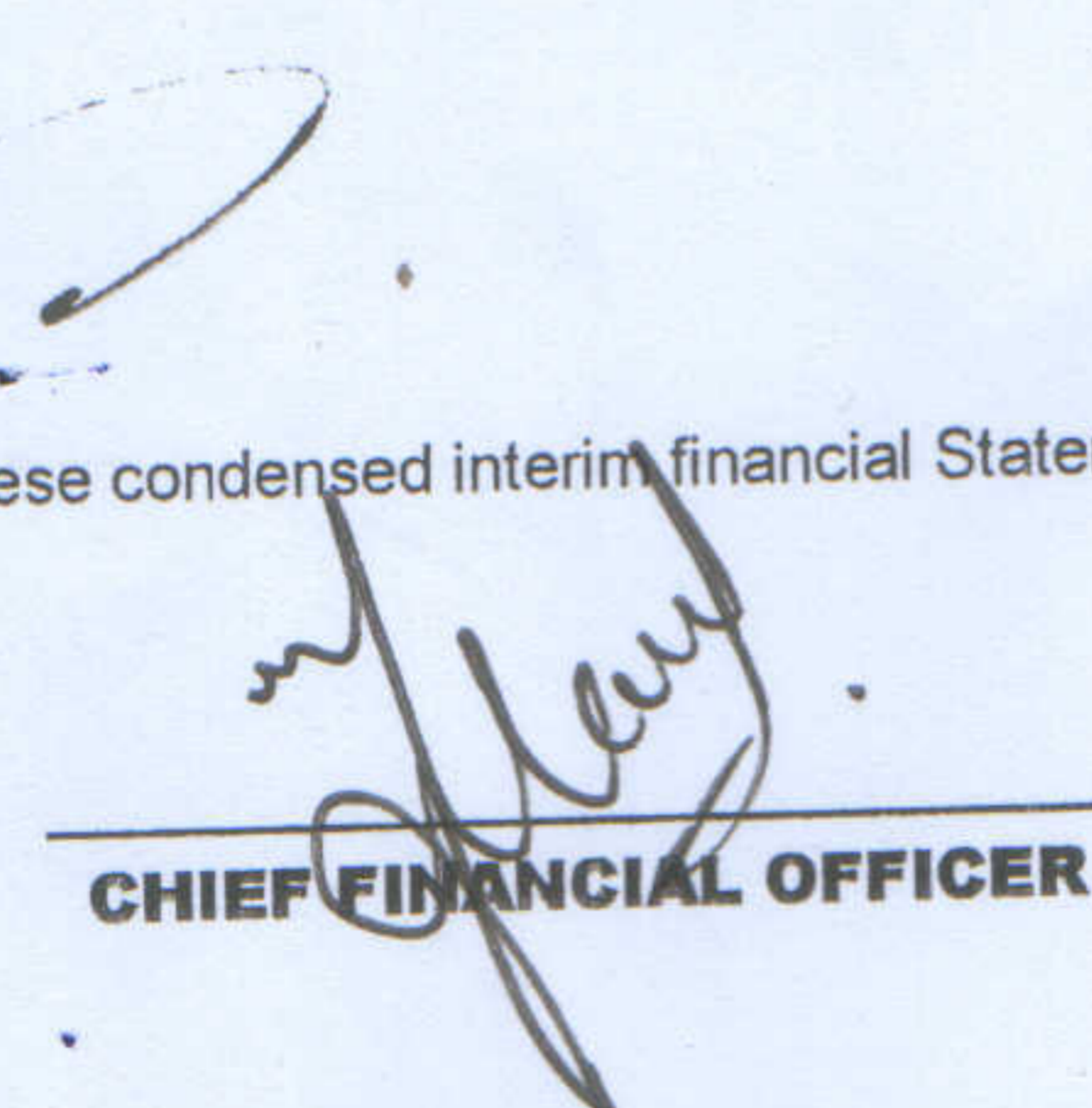
DIRECTOR

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	March 31 2019	March 31 2018
	-----Rupees-----	
CASH GENERATED FROM OPERATIONS	(125,462,396)	56,492,794
Profit / (Loss) before taxation		
Adjustments for non-cash and other items:		
Depreciation	59,366,131	57,216,509
Amortization	136,116	164,473
Exchange loss-unrealized	6,118,697	27,816,231
Gain on sale of fixed asset-net	(4,866,528)	(778,612)
Workers' Welfare Fund	-	799,297
Workers' Profit Participation Fund	7,418,181	1,998,241
Provision for gratuity	56,527,582	6,349,869
Finance costs	124,700,179	14,247,843
	<u>(762,217)</u>	<u>107,813,851</u>
		<u>164,306,645</u>
Changes in working capital		
Decrease / (Increase) in current assets:		
Stock-in-trade	194,003,803	(127,835,546)
Trade debts	(91,003,178)	(118,462,977)
Loans and advances	(4,137,082)	(10,673,986)
Trade deposits, short-term prepayments and other receivables	(10,348,497)	(2,337,307)
	<u>88,515,046</u>	<u>(259,309,816)</u>
(Decrease) / Increase in current liabilities:		
Trade and other payables	(137,577,621)	216,181,130
	<u>(49,062,574)</u>	<u>(43,128,686)</u>
	<u>(49,824,792)</u>	<u>121,177,959</u>
Cash (used in)/ generated from operation	(84,263,201)	(59,843,771)
Income tax paid- net	(8,688,287)	(2,711,357)
Gratuity paid	(53,648,631)	(12,802,813)
Finance costs paid	(146,600,119)	(75,357,941)
	<u>(196,424,911)</u>	<u>45,820,018</u>
Net cash (used in) /generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(148,039,266)	(65,408,407)
Proceeds from sales & lease back	84,473,059	-
Long term deposits paid	(11,342,945)	(161,822)
Proceeds from disposal of fixed assets	5,365,000	5,994,000
Net cash (used) in investing activities	(69,544,152)	(59,576,229)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of / proceeds from short term borrowings-net	59,933,445	(162,260,457)
Proceeds from musharika financing-net	208,215,239	19,000,000
Proceeds from loan from director	-	297,792,013
Proceeds from Right issue of shares	(11,541,125)	(41,796,824)
Dividends paid	(16,468,478)	(32,793,744)
Repayment of finance lease	240,139,081	79,940,988
Net cash generated from financing activities	(25,829,981)	66,184,777
Net (decrease) / increase in cash and cash equivalents	24,284,004	5,562,050
Cash and cash equivalents at the beginning of the period	(1,545,977)	71,746,827
Cash and cash equivalents at the end of the period		
Cash and cash equivalents		
Cash & bank balances	8,096,011	81,298,130
Short term running finance	(9,641,988)	(9,551,303)
	<u>(1,545,978)</u>	<u>71,746,827</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial Statements.


CHIEF EXECUTIVE

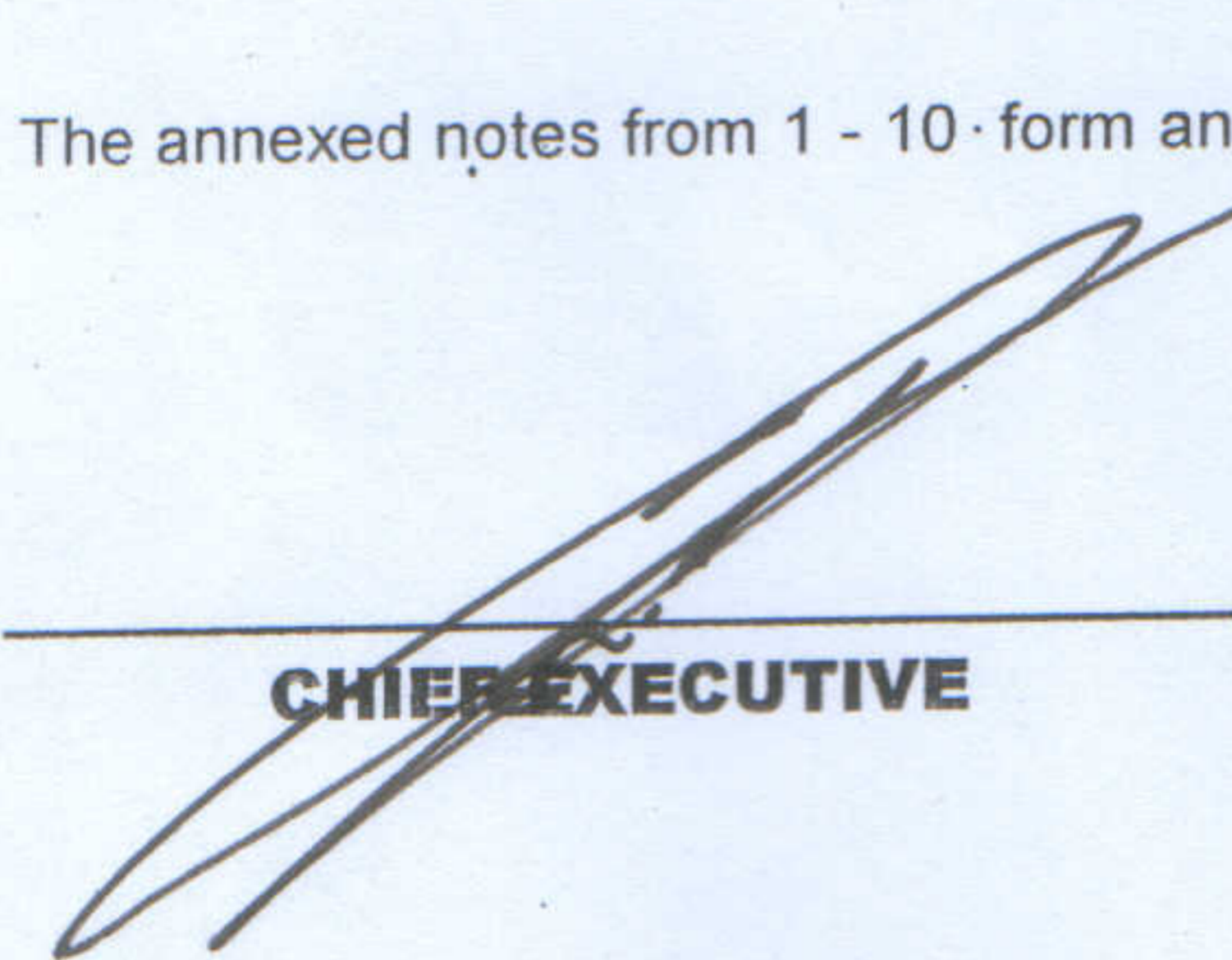

CHIEF FINANCIAL OFFICER

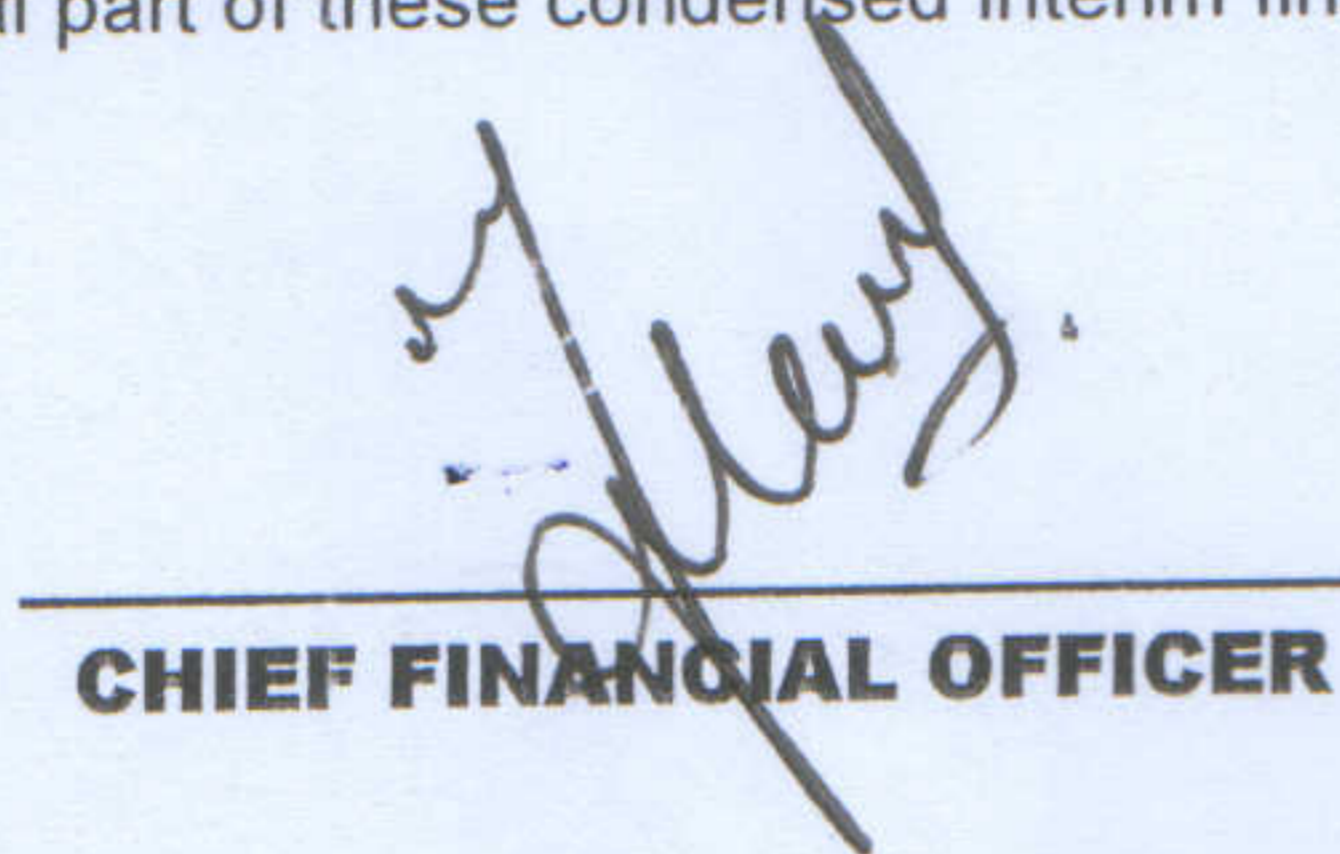

DIRECTOR

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Issued, subscribed & paid-up capital	Reserves			Total
		Capital reserve- share premium	Unappropriate d profits	Total Reserves	
..... Rupees					
Balance as at July 1, 2017	388,860,000	79,930,000	124,687,909	204,617,909	593,477,909
Final Dividend @ Re. 1 / ordinary share for the year ended June 30, 2017	-	-	(41,510,805)	(41,510,805)	(41,510,805)
Issue of further 20,415,150 ordinary shares at premium of Rs 5 per share	204,151,500	102,075,750	-	102,075,750	306,227,250
Share issuance cost	-	(8,437,184)	-	(8,437,184)	(8,437,184)
Profit for the period	-	-	38,249,295	38,249,295	38,249,295
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	38,249,295	38,249,295	38,249,295
Balance as at March 31, 2018	<u>593,011,500</u>	<u>173,568,566</u>	<u>121,426,399</u>	<u>294,994,965</u>	<u>888,006,464</u>
Balance as at July 1, 2018	593,011,500	173,566,620	138,524,948	312,091,568	905,103,068
Final Dividend @ Re. 0.2/ordinary share for the year ended June 30, 2018	-	-	(11,860,230)	(11,860,230)	(11,860,230)
Profit for the period	-	-	(96,595,960)	(96,595,960)	(96,595,960)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(96,595,960)	(96,595,960)	(96,595,960)
Balance as at March 31, 2019	<u>593,011,500</u>	<u>173,566,620</u>	<u>30,068,758</u>	<u>203,635,378</u>	<u>796,646,878</u>

The annexed notes from 1 - 10 form an integral part of these condensed interim financial Statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

MACPAC FILMS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

1. STATUS AND NATURE OF THE COMPANY

Macpac Films Limited (the Company) was incorporated on August 19, 1993, in Pakistan as a limited liability company under the repealed Companies Ordinance, 1984 [now Companies Act, 2017 (the Act)] and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at F/2, A – F, S.I.T.E, Karachi, Pakistan and city office is at Plot # 21, Maqboolabad, Jinnah Cooperative Housing Society,

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

2 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

3 Basis of preparation

3.1 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2018.

3.2 Initial application of standards, amendments or an interpretation to existing standards.

- a) Standards, interpretations and amendments to published approved accounting and reporting standards that became effective during the period

The following accounting standard became effective during the period as applicable in Pakistan for the first time for the period ended December 31, 2018 and are relevant to the Company.

IFRS 9 - 'Financial instruments'

This standard addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss (P&L). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model of IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

The Company's financial assets mainly include long term investments, trade debts, advances, deposits, other receivables and bank balances held with commercial banks.

However, Securities and Exchange Commission of Pakistan through its letter S.R.O 229 (I) /2019 dated February 14, 2019 has modified the effective date for application of IFRS 9 to 'Reporting period / year ending on or after June 30, 2019.

IFRS 15 - 'Revenue from contracts with customers'

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company is engaged in manufacturing, producing, buying and selling plastic packaging films. The Company has assessed that significant performance obligation in contracts with customers is to deliver the products and is discharged at one point of time. Based on the above, the Company considers that its existing accounting policies are substantially in compliance with the requirements of IFRS 15.

b) Standards, interpretations and amendments to published approved accounting and reporting standards that became effective during the period but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 01, 2018 are considered not to be relevant for the Company's condensed interim financial statements and hence have not been presented here.

3.3 The preparation of these condensed interim financial statements, in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

3.4 During the preparation of these condensed interim financial statements, changes in the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty from those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2018 do not have any material impact.

These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency and all interim financial information presented has been rounded off to the nearest rupees unless otherwise stated.

4. Accounting policies

The accounting policies and method of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2018 except for the following:

4.1 Revenue Recognition

The Company recognises revenue when the goods are transferred to the customer and when performance obligations are fulfilled. Goods are considered to be transferred when the control is transferred to the customer.

4.2 Deferred Income

The Company recognises the gain / (loss) on sale and lease back when the sales proceeds exceeds the carrying amount of the asset. The gain / (loss) is recognised over the leased term of the leased assets.

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	1,259,942,862	749,944,910
	Capital work-in-progress	79,162,509	427,316,357
		<u>1,339,105,371</u>	<u>1,177,261,267</u>
5.1	Operating fixed assets		
	Opening book value	749,944,910	754,165,350
	Additions during period / year	574,617,775	75,232,392
		<u>1,324,562,685</u>	<u>829,397,742</u>
	Disposal during the period / year at book value	(5,253,691)	(5,215,388)
	Depreciation during the period / year	(59,366,131)	(74,237,445)
		<u>(64,619,822)</u>	<u>(79,452,833)</u>
		<u>1,259,942,863</u>	<u>749,944,910</u>
5.2	Following are the additions made during the period / year:		
	Building	92,527,546	11,078,631
	Plant and machinery	394,911,035	47,335,894
	Generators	73,000,000	-
	Furniture and fixtures	289,314	1,270,888
	Electrical installations	2,722,799	350,635
	Refrigeration and air conditioning	372,145	1,121,607
	Office equipment	2,066,818	662,576
	Computers	152,700	404,443
	Motor vehicles	8,575,418	13,007,718
		<u>574,617,775</u>	<u>75,232,392</u>
6	STOCK IN TRADE		
	Raw material		
	- In hand	90,936,448	76,518,701
	- In bond	17,720,233	49,039,940
	- In transit	102,963,929	68,240,365
		<u>211,620,610</u>	<u>193,799,006</u>
	Work-in-process	38,444,164	184,546,594
	Finished goods	47,177,263	112,900,240
		<u>297,242,037</u>	<u>491,245,840</u>
7	CONTINGENCIES & COMMITMENTS		
7.1	Contingencies		
	There has been no change in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2018		
		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
7.2	Commitments		
	Outstanding bank guarantees	7,250,000	7,250,000
	Outstanding letters of credit	182,277,149	142,191,556

8 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited) March 31, 2019 Rupees	(Un-audited) March 31, 2018 Rupees
Director (Key management personnel)		
Loan to the Company		
Loan acquired during the year	-	19,000,000
Loan repaid during the year	-	162,571,720
Salary, fee and other employment benefits	<u>15,256,958</u>	<u>9,849,662</u>
Chief Executive		
Salary, fee and other employment benefits	<u>6,781,488</u>	<u>5,740,896</u>
Executives		
Salary, fee and other employment benefits	<u>47,105,815</u>	<u>33,906,464</u>
Associated Companies		
TOYO Packaging (Private) Limited		
Sale of goods / processing charges	<u>193,489,649</u>	<u>121,380,303</u>
Hilal Foods (Pvt) Ltd		
Sale of goods	<u>24,441,942</u>	<u>17,061,638</u>
Shalimar Food Products (Private) Limited		
Sale of goods	<u>3,986,531</u>	<u>12,094,280</u>

There were no transactions with the key management personnel other than under their terms of employment

9 DATE OF ISSUE

These condensed interim financial statements were authorized for issue on April XX, 2019 by the Board of Directors of the Company.

10 GENERAL

Figures have been rounded to the nearest rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR