



MACPAC
FILMS Ltd.

MACPAC FILMS LIMITED
CONDENSED INTERIM FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED
SEPTEMBER 30, 2021

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. NAEEM ALI MUHAMMAD MUNSHI (CHAIRMAN-NON-EXECUTIVE DIRECTOR)

MR. NAJMUL HASSAN (CHIEF EXECUTIVE OFFICER)

MR. EHTESHAM MAQBOOL ELAHI (EXECUTIVE DIRECTOR)

MR. SHARIQ MAQBOOL ELAHI (NON-EXECUTIVE DIRECTOR)

MR. FAHAD MUNSHI (NON-EXECUTIVE DIRECTOR)

MR. MUHAMMAD OMER SABIR (INDEPENDENT DIRECTOR)

AUDIT COMMITTEE OF THE BOARD

MR. NAEEM ALI MUHAMMAD MUNSHI

MR. SHARIQ MAQBOOL ELAHI

HR & REMUNARATION COMMITTEE

MR. SHARIQ MAQBOOL ELAHI (COMMITTEE CHAIRMAN)

MR. EHTESHAM MAQBOOL ELAHI

MR. NAEEM ALI MUHAMMAD MUNSHI

CHIEF FINANCIAL OFFICER

SYED JAWWAD UL HAQ HAQQI

COMPANY SECRETARY

MR. MUHAMMAD SAAD KHAN

AUDITORS

KPMG TASEER HADI CHARTERED ACCOUNTANTS

LEGAL ADVISORS

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 SHARA-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)

AL BARAKA BANK

BANK AL FALAH LIMITED

BANK AL HABIB LIMITED

DUBAI ISLAMIC BANK PAKISTAN LIMITED

FAYSAL BANK LIMITED

HABIB METROPOLITAN BANK LIMITED

JS BANK LIMITED

MEEZAN BANK LIMITED

SONERI BANK LIMITED

REGISTERD OFFICE

PLOT # 21 MAQBOLABAD, JINNAH COOPERATIVE HOUSE SOCIETY (J.C.H.S.)

TIPU SULTAN ROAD, KARACHI, PAKISTAN

EMAIL: INFO@MACPACFILMS.COM

WEBSITE

WWW.MACPACFILMS.COM

FACTORY

PLOT NO. EZ/1/P-10 EASTERN INDUSTRIAL ZONE PORT QASIM AREA, KARACHI, PAKISTAN

UAN +92-21-111-MFL (635)-111

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 statements of the Company for the quarter ended September 30, 2021.

Financial Reporting

Your Company has recorded net sales of PKR 909.788 Mn during the period as compared to PKR 704.386 Mn for the same period last year (SPLY). This resulted in increase in gross profit to PKR 123.004 from PKR 111.381 Mn as compared to SPLY.

However, profit after tax decreased to PKR 28.627 Mn from PKR 40.477 Mn for the same period last year. This is primarily due to depreciation of PKR against USD resulting in Rs 25.334 Mn exchange losses.

Earnings per share for the period is PKR 0.48 as compared to PKR 0.68 per share during the SPLY

Future Outlook

During the quarter, Alhamdulillah, despite all challenges, the Company managed to increase its sales value by 29.16% as compared to corresponding period. Further, sales volume, if compared with corresponding quarter, is also increased by 15%. This indicates that Alhamdulillah Company is on its track and ready to accept future challenges.

Going forward, we believe this momentum to carry forward in next quarter as well. However, risk concerns regarding disruption in supply chain, rupee devaluations and increase in interest rates remain in place.

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


DIRECTOR


CHIEF EXECUTIVE

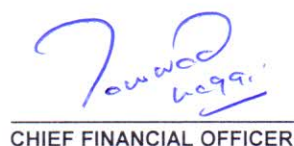
October 28, 2021

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	NOTE	September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		1,907,565,110	1,913,023,144
Intangible assets		491,555	510,708
Long-term deposits		15,095,485	15,095,485
		<u>1,923,152,150</u>	<u>1,928,629,337</u>
CURRENT ASSETS			
Stock-in-trade	5	557,512,218	608,560,160
Trade debts	6	533,349,957	432,680,148
Loans and advances		54,901,469	35,650,689
Trade deposits, short-term prepayments and other receivables		70,930,748	67,053,953
Tax refund due from Government - net		127,370,468	122,871,638
Cash and bank balances		10,579,846	15,687,101
		<u>1,354,644,706</u>	<u>1,282,503,689</u>
TOTAL ASSETS		<u><u>3,277,796,856</u></u>	<u><u>3,211,133,026</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (June 30, 2021: 70,000,000) ordinary shares of Rs.10/- each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		593,011,500	593,011,500
Capital reserve		173,566,620	173,566,620
Revenue reserve		34,070,557	5,443,251
Surplus on revaluation of property, plant and equipment		623,040,000	623,040,000
		<u>1,423,688,677</u>	<u>1,395,061,371</u>
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement		139,800,618	163,289,035
Lease liabilities		782,336	862,364
Deferred income		1,074,379	2,183,380
Deferred tax liability - net		43,265,543	43,265,543
Staff retirements benefits – staff gratuity		50,936,152	48,502,400
Other long-term liabilities		125,851,568	136,131,461
		<u>361,710,596</u>	<u>394,234,183</u>
CURRENT LIABILITIES			
Trade and other payables		1,009,182,941	852,442,340
Short-term borrowings		268,734,558	359,890,485
Accrued mark-up		8,852,382	7,737,980
Unclaimed dividend		313,308	735,322
Current portion of non-current liabilities		205,314,394	201,031,345
		<u>1,492,397,583</u>	<u>1,421,837,472</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,277,796,856</u></u>	<u><u>3,211,133,026</u></u>
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER

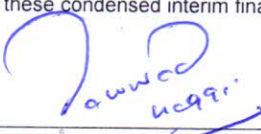

 DIRECTOR

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 2021 Rupees	September 2020 Rupees
Turnover - net	909,787,883	704,385,964
Cost of sales	(786,783,888)	(593,004,751)
Gross profit	123,003,995	111,381,213
Administrative expenses	(28,090,199)	(26,494,523)
Marketing and selling expenses	(13,742,821)	(13,745,592)
Finance costs	(17,149,060)	(24,783,010)
Other operating expenses	(27,807,624)	(238,842)
Other income	4,105,859	9,441,952
Profit before taxation	40,320,150	55,561,198
Taxation	(11,692,844)	(15,084,639)
Profit after taxation	28,627,306	40,476,559
	2021 Rupees	2020 Rupees
Earning per share - basic and diluted	0.48	0.68

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 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

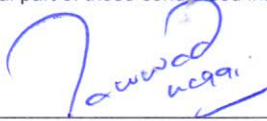
MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	September 2021 Rupees	September 2020 Rupees
Profit after taxation	28,627,306	40,476,559
Total comprehensive income for the period, net of tax	<u>28,627,306</u>	<u>40,476,559</u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



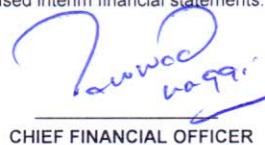
DIRECTOR

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Reserves				Total reserves	Total
	Issued, subscribed and paid-up capital	Capital reserve - share premium	Revaluation Surplus	Revenue reserve - unappropriated (losses)/profits		
 Rupees					
Balance as at July 01, 2020 - (Audited)	593,011,500	173,566,620	623,040,000	(177,791,039)	618,815,581	1,211,827,081
Profit for the period	-	-	-	40,476,559	40,476,559	40,476,559
Total comprehensive income	-	-	-	40,476,559	40,476,559	40,476,559
Balance as at September 30, 2020 (Un-audited)	<u>593,011,500</u>	<u>173,566,620</u>	<u>623,040,000</u>	<u>(137,314,480)</u>	<u>659,292,140</u>	<u>1,252,303,640</u>
Balance as at July 01, 2021 - (Audited)	593,011,500	173,566,620	623,040,000	5,443,251	802,049,871	1,395,061,371
Profit for the period	-	-	-	28,627,306	28,627,306	28,627,306
Total comprehensive income	-	-	-	28,627,306	28,627,306	28,627,306
Balance as at September 30, 2021 (Un-audited)	<u>593,011,500</u>	<u>173,566,620</u>	<u>623,040,000</u>	<u>34,070,557</u>	<u>830,677,177</u>	<u>1,423,688,677</u>

The annexed notes from 1 to 11 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30,2021

	September, 30 2021	September, 30 2020
	-----Rupees-----	
CASH FLOWS GENERATED FROM OPERATIONS		
Profit before taxation	40,320,150	55,561,198
Adjustments for non-cash and other items:		
Depreciation	27,249,271	34,129,163
Amortisation	25,536	39,900
Amortisation of deferred income	(1,109,001)	(1,102,076)
Gas infrastructure cess	-	2,581,376
Exchange loss / gain unrealised	13,405,111	(1,180,481)
Gain on sale of fixed asset	-	(3,918,304)
Provision for gratuity	4,271,992	7,398,799
Finance costs	17,149,060	24,783,010
	<u>60,991,969</u>	<u>62,731,387</u>
	101,312,119	118,292,585
Changes in working capital		
<i>Decrease / (increase) in current assets:</i>		
Stock-in-trade	51,047,942	(10,112,055)
Trade debts	(100,669,809)	(179,046,617)
Loans and advances	(19,250,780)	(3,648,952)
Trade deposits, short-term prepayments and other receivables	(3,876,795)	69,557,890
	<u>(72,749,442)</u>	<u>(123,249,734)</u>
<i>(Decrease) / increase in current liability:</i>		
Trade and other payables	145,536,464	87,702,938
	<u>72,787,022</u>	<u>(35,546,796)</u>
Cashflows generated from operations	174,099,141	82,745,789
Income tax paid - net	(19,245,208)	(8,573,352)
Gratuity paid	(1,838,240)	(6,437,048)
Finance costs paid	(16,034,658)	(25,166,380)
	<u>(37,118,106)</u>	<u>(40,176,780)</u>
Net cashflows generated from operating activities	136,981,035	42,569,009
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(20,756,435)	(17,624,383)
Proceeds from disposal of operating fixed assets	-	12,485,350
Net cashflows (used) in investing activities	(20,756,435)	(5,139,033)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of diminishing musharika - net	(23,488,417)	(23,488,416)
Repayment of lease liabilities - net	(7,109,525)	(9,294,588)
Payments of short term borrowings - net	(91,155,927)	(10,910,388)
Net cashflows used in financing activities	(121,331,855)	(43,693,392)
Net decrease in cash and cash equivalents	(5,107,255)	(6,263,416)
Cash and cash equivalents at the beginning of the period	15,687,101	18,194,200
Cash and cash equivalents at the end of the period	<u>10,579,846</u>	<u>11,930,784</u>
Cash and cash equivalents		
Cash and bank balances	10,579,846	11,930,784
	<u>10,579,846</u>	<u>11,930,784</u>

The annexed notes from 1 to 11 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30,2021

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 Plot # 21, Maqboolabad, Jinnah Cooperative Housing Society, (J.C.H.S), Tipu Sultan Road, Karachi. The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the three months ended September 30, 2021 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 under 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 the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

- 4.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2021.

	(Un-audited) September 30, 2021 Rupees	(Audited) June 30, 2021 Rupees
5 STOCK-IN-TRADE		
Raw material:		
In hand	143,112,822	178,169,034
In transit	102,817,660	172,916,453
In bonded warehouse	233,336,691	169,687,800
	<u>479,267,173</u>	<u>520,773,287</u>
Work in process	72,259,226	80,241,250
Finished goods	5,985,819	7,545,623
	<u>78,245,045</u>	<u>87,786,873</u>
	<u>557,512,218</u>	<u>608,560,160</u>

6 TRADE DEBTS

6.1 Included herein Rs. 141.5 million (June 30, 2021: Rs. 139.9 million) due from related parties.

7 CONTINGENCIES AND COMMITMENTS**7.1 Contingencies**

There has been no major change in the status of contingencies and commitments as disclosed in the annual financial statements of the Company for the year ended June 30, 2021.

	(Un-audited) September 30, 2021 Rupees	(Audited) June 30, 2021 Rupees
7.2 Commitments		
Outstanding bank guarantees	<u>11,873,412</u>	<u>11,873,412</u>
Outstanding letters of credit	7.2.1 <u>152,147,748</u>	<u>133,819,668</u>

7.2.1 The aforesaid letter of credit is secured against personal guarantee of directors.

8 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors, key management personnel and staff retirement benefit fund. All the transactions with related parties are entered into at agreed terms as approved by the Board of Directors of the Company. The related parties' status of outstanding receivables and payables, if any, as at September 30, 2021 and 30 June 2021 are disclosed in respective notes to these condensed interim financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

	(Un-audited) September 30, 2021 Rupees	(Un-audited) September 30, 2020 Rupees
Key management personnels		
Rent charged	<u>2,685,000</u>	1,500,000
Rent paid	<u>1,790,000</u>	-
Director - Salary and other benefits	<u>2,623,054</u>	3,091,376
Chief Executive Officer - Salary and other benefits	<u>3,252,382</u>	3,493,987
Executives - Salary and other benefits	<u>14,775,720</u>	13,396,624
Associated companies		
TOYO Packaging (Private) Limited		
Gross sale of goods / processing charges	45,185,258	38,636,452
Receipts against sale of goods / processing charges	<u>39,000,000</u>	<u>25,050,825</u>
Hilal Foods (Pvt) Ltd		
Gross sale of goods / processing charges	6,295,617	3,607,579
Receipts against sale of goods / processing charges	<u>9,954,092</u>	<u>3,793,014</u>
Shalimar Food Products (Private) Limited		
Gross sale of goods / processing charges	1,899,274	2,078,526
Receipts against sale of goods / processing charges	<u>900,202</u>	<u>458,099</u>

9 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on 28-10- 2021 by the Board of Directors of the Company.

10 CORRESPONDING FIGURES

Corresponding figures have been reclassified, wherever considered necessary, for the purpose of comparison and to reflect the substance of the transaction.

11 GENERAL

11.1 All figures have been rounded off to the nearest rupee, unless otherwise stated.



CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR