



MACPAC  
FILMS<sub>INC.</sub>

MACPAC FILMS LIMITED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
MARCH 31, 2022

## **MACPAC FILMS LIMITED**

### **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 & Remuneration Committee**

MR. SHARIQ MAQBOOL ELAHI (COMMITTEE CHAIRMAN)  
MR. EHTESHAM MAQBOOL ELAHI (EXECUTIVE DIRECTOR)  
MR. NAEEM ALI MUHAMMAD MUNSHI

#### **Auditors**

KMPG TASEER HADI 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 Shakra-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)

AL BARAKA BANK  
BANK ALFALAH LIMITED  
BANK AL HABIB LIMITED  
DUBAI ISLAMIC BANK LIMITED  
FAYSAL BANK LIMITED  
HABIB METRO BANK LIMITED  
JS BANK LIMITED  
MEEZAN BANK LIMITED  
SONERI BANK LIMITED

#### **Registered Office**

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

#### **Website:**

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

#### **Factory**

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

## **DIRECTORS' REPORT**

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

As'salam-o-Alaikum

Dear Members,

The Board of Directors of your Company are pleased to present the un-audited financial statement of the Company for the nine-month ended March 31, 2022.

### **Financial Performance**

Your Company recorded Net Sales of PKR 2,991.297 Mn during the period under review as compared to PKR 2,224.028 Mn for the same period last year. This translated into Gross Profit of PKR 437.485 Mn during the period, representing a growth of 16.0% with corresponding period to PKR 377.016 Mn.

Accordingly, the Company achieved after tax profit of PKR 172.901 Mn during the period as compared to PKR 155.437 Mn for the same period last year. The increase in Net Profit is attributed to effective business operations even after absorbing the adverse impact of Pak rupee depreciation against USD, resulting to PKR 32.209 Mn in exchange losses during the period under review.

The earnings per share of your Company for the nine-month ended March 31, 2022 was PKR 2.92 as compared to PKR 2.62 during the same period last year.

### **Future Outlook**

Alhamdulillah, despite all challenges, your Company managed to increase its sale revenues by 34.5% during the period as compared to same period last year. Further, sale revenues for the third quarter increased by 37.3% when compared with corresponding quarter. This indicates that your Company is on its path to continual success and is ready to embrace future challenges.

Currency devaluation, increase in policy rate, inflationary trend in global commodity prices along with high freight cost has increased the near-term challenge for the businesses. Going forward, the management of your Company believes that with increased demand, improvement in economic indicators including stability in Pak rupee against USD and reduced finance costs along with effective business strategies, your Company will be able to achieve growth and profitability and also the expectation of its stakeholders in times to come. Insha'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, Bankers and all the stakeholders for their co-operation, trust and continued support.

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

On behalf of the Board



**CHIEF EXECUTIVE**



**DIRECTOR**

April 26, 2022



**MACPAC FILMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

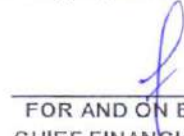
	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
-----Rupees-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,948,476,243	1,913,023,144
Intangible assets		1,715,976	510,708
Long-term deposits		19,446,325	15,095,485
		<u>1,969,638,544</u>	<u>1,928,629,337</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	5	890,907,061	608,560,160
Trade debts	6	492,558,789	432,680,148
Loans and advances		50,617,786	35,650,689
Trade deposits, short-term prepayments and other receivables		132,151,861	67,053,953
Tax refund due from Government - net		130,757,865	122,871,638
Cash and bank balances		34,934,169	15,687,101
		<u>1,731,927,531</u>	<u>1,282,503,689</u>
<b>TOTAL ASSETS</b>		<u><u>3,701,566,075</u></u>	<u><u>3,211,133,026</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		178,343,801	5,443,251
Surplus on revaluation of property, plant and equipment		623,040,000	623,040,000
		<u>1,567,961,921</u>	<u>1,395,061,371</u>
<b>NON-CURRENT LIABILITIES</b>			
Diminishing musharika arrangement		92,823,785	163,289,035
Lease liabilities		-	862,364
Deferred income		-	2,183,380
Deferred tax liability - net		49,136,130	43,265,543
Deferred gratuity		59,918,611	48,502,400
Other long-term liabilities		75,125,957	136,131,461
		<u>277,004,483</u>	<u>394,234,183</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,081,339,357	852,442,340
Short-term borrowings		519,384,632	359,890,485
Accrued mark-up		10,021,655	7,737,980
Unclaimed dividend		735,322	735,322
Current portion of non-current liabilities		245,118,705	201,031,345
		<u>1,856,599,671</u>	<u>1,421,837,472</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,701,566,075</u></u>	<u><u>3,211,133,026</u></u>

**CONTINGENCIES AND COMMITMENTS**

7

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

  
 CHIEF EXECUTIVE

  
 FOR AND ON BEHALF OF  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR

**MACPAC FILMS LIMITED**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**

**FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	Nine Months Ended		For the quarter ended	
	March, 31 2022	March, 31 2021	March, 31 2022	March, 31 2021
	-----Rupees-----			
Local	2,939,181,240	2,192,841,988	1,060,855,562	760,776,525
Export	52,116,232	31,186,354	13,185,030	21,559,421
<b>Turnover - net</b>	<b>2,991,297,472</b>	<b>2,224,028,342</b>	<b>1,074,040,592</b>	<b>782,335,946</b>
Cost of sales	(2,553,812,086)	(1,847,012,661)	(907,752,128)	(654,058,992)
<b>Gross profit</b>	<b>437,485,386</b>	<b>377,015,681</b>	<b>166,288,464</b>	<b>128,276,954</b>
Administrative expenses	(106,034,019)	(85,106,986)	(40,293,899)	(28,519,857)
Marketing and selling expenses	(51,412,350)	(45,624,458)	(18,909,550)	(15,528,071)
Finance costs	(62,005,527)	(66,629,921)	(26,888,457)	(18,579,997)
Other operating expenses	(63,409,297)	(13,605,582)	(28,955,131)	(5,317,495)
Other income	70,459,662	61,386,223	58,371,764	35,775,173
<b>Profit before taxation</b>	<b>225,083,855</b>	<b>227,434,957</b>	<b>109,613,191</b>	<b>96,106,707</b>
Taxation	(52,183,306)	(71,997,624)	(22,085,771)	(32,747,886)
<b>Profit for the period</b>	<b>172,900,549</b>	<b>155,437,333</b>	<b>87,527,420</b>	<b>63,358,821</b>
<b>Earning per share - basic and diluted</b>	<b>2.92</b>	<b>2.62</b>	<b>1.48</b>	<b>1.07</b>

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

  
CHIEF EXECUTIVE

  
FOR AND ON BEHALF OF  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**MACPAC FILMS LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

**FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	For nine months ended		For the quarter ended	
	March, 31 2022	March, 31 2021	March, 31 2022	March, 31 2021
	-----Rupees-----			
Profit for the period	172,900,549	155,437,333	87,527,420	63,358,821
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	<u>172,900,549</u>	<u>155,437,333</u>	<u>87,527,420</u>	<u>63,358,821</u>

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

  
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CHIEF EXECUTIVE

  
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FOR AND ON BEHALF OF  
CHIEF FINANCIAL OFFICER


  
\_\_\_\_\_  
DIRECTOR

**MACPAC FILMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	Reserves				Total reserves	Total
	Issued, subscribed and paid-up capital	Capital reserve - share premium	Revaluation Surplus	Revenue reserve - unappropriated profits / (losses)		
	-----Rupees-----					
Balance as at July 01, 2020 - (Audited)	593,011,500	173,566,620	-	(177,791,039)	618,815,581	1,211,827,081
Profit for the period	-	-	-	155,437,333	155,437,333	155,437,333
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	155,437,333	155,437,333	155,437,333
Balance as at March 31, 2021 (Un-audited)	593,011,500	173,566,620	-	(22,353,706)	774,252,914	1,367,264,414
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	-	-	-	172,900,550	172,900,550	172,900,550
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	172,900,550	172,900,550	172,900,550
Balance as at March 31, 2022 (Un-audited)	593,011,500	173,566,620	623,040,000	178,343,801	974,950,421	1,567,961,921

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

  
 CHIEF EXECUTIVE

  
 FOR AND ON BEHALF OF  
 CHIEF FINANCIAL OFFICER

  
 DIRECTOR



**MACPAC FILMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	March, 31 2022	March, 31 2021
	-----Rupees-----	
<b>CASH FLOWS GENERATED FROM OPERATIONS</b>		
Profit before taxation	225,083,856	227,434,957
Adjustments for non-cash and other items:		
Depreciation	90,395,469	96,396,173
Amortisation	119,107	92,566
Gain on discount of Gas Infrastructure Development Cess (GIDC)	(3,093,340)	(4,015,813)
Amortisation of deferred income	(2,183,380)	(3,270,836)
Exchange loss / (gain) - unrealised	4,251,054	(10,913,132)
(Gain) on sale of fixed asset	-	(5,455,382)
Provision for gratuity	16,981,752	13,396,401
Finance costs	62,005,527	66,629,921
	<u>168,476,189</u>	<u>152,859,898</u>
	<b>393,560,045</b>	<b>380,294,855</b>
<b>Changes in working capital</b>		
<i>Decrease / (increase) in current assets:</i>		
Stock-in-trade	(282,346,900)	(170,954,415)
Trade debts	(159,476,538)	(154,659,403)
Sales tax refundable	217,773	-
Loans and advances	(14,967,097)	(56,099,169)
Trade deposits, short-term prepayments and other receivables	(63,340,765)	127,334,878
	<u>(519,913,527)</u>	<u>(254,378,109)</u>
<i>(Decrease) / increase in current liability:</i>		
Trade and other payables	324,243,856	246,439,091
	<u>(195,669,671)</u>	<u>(7,939,018)</u>
<b>Cash generated from operations</b>	<u>197,890,374</u>	<u>372,355,837</u>
Income tax (paid) / refund- net	(48,892,178)	47,588,796
Gratuity paid	(5,565,541)	(14,000,215)
Finance costs paid	(59,721,853)	(74,623,874)
	<u>(114,179,572)</u>	<u>(41,035,293)</u>
<b>Net Cash generated from operating activities</b>	<u>83,710,802</u>	<u>331,320,544</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(127,876,788)	(61,403,903)
Software Addition	(1,375,448)	-
Proceeds from disposal of operating fixed assets	-	13,415,295
Long-term deposits paid	(4,350,840)	(3,555,755)
<b>Net cash used in investing activities</b>	<u>(133,603,076)</u>	<u>(51,544,363)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-	(148,298)
Repayment of diminishing musharika - net	(70,465,251)	(70,466,000)
Repayment of lease liabilities - net	(19,889,554)	(21,569,801)
Proceeds of short term borrowings - net	159,494,147	(143,482,916)
<b>Net cash generated from / (used in) in financing activities</b>	<u>69,139,342</u>	<u>(235,667,015)</u>
<b>Net increase in cash and cash equivalents</b>	<u>19,247,068</u>	<u>44,109,166</u>
Cash and cash equivalents at the beginning of the period	15,687,101	18,194,200
<b>Cash and cash equivalents at the end of the period</b>	<u><u>34,934,169</u></u>	<u><u>62,303,366</u></u>

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

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

\_\_\_\_\_  
**FOR AND ON BEHALF OF  
CHIEF FINANCIAL OFFICER**

\_\_\_\_\_  
**DIRECTOR**

**MACPAC FILMS LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED March 31,2022****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 Nine months ended March 31, 2022 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) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
<b>5 STOCK-IN-TRADE</b>		
<b>Raw material:</b>		
In hand	267,453,830	178,169,034
In transit	293,805,525	172,916,453
In bonded warehouse	203,654,035	169,687,800
	764,913,390	520,773,287
Work in process	89,467,282	80,241,250
Finished goods	36,526,389	7,545,623
	125,993,671	87,786,873
	890,907,061	608,560,160

6 TRADE DEBTS

6.1 Included herein Rs.156.207 million (June 30, 2021: Rs.137.999 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.

	Note	(Un-audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
7.2 Commitments			
Outstanding bank guarantees		11,873,412	11,873,412
Outstanding letters of credit	7.2.1	286,682,593	133,819,668

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 March 31, 2022 and March 31, 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) March 31, 2022 Rupees	(Un-audited) March 31, 2021 Rupees
<b>Directors and Key management personnels</b>		
Director - Salary and other benefits	47,104,102	30,650,686
Rent charged	8,055,000	4,815,000
<b>Associated companies</b>		
<b>TOYO Packaging (Private) Limited</b>		
Gross sale of goods / processing charges	141,221,560	95,955,724
Receipts against sale of goods / processing charges	130,500,000	44,950,000
<b>Hital Foods (Pvt) Ltd</b>		
Gross sale of goods	26,986,468	16,943,808
Receipts against sale of goods	29,416,637	13,051,679
<b>Shalimar Food Products (Private) Limited</b>		
Gross sale of goods	6,590,730	4,086,710
Receipts against sale of goods	6,144,991	2,962,884
<b>Mac Business Solution Pvt Limited</b>		
Gross sale of goods / processing charges	81,023,404	-
Receipts against sale of goods / processing charges	70,455,577	-


9 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on April 26, 2022 by the Board of Directors of the Company.

10 GENERAL

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

  
CHIEF EXECUTIVE

  
FOR AND ON BEHALF OF  
CHIEF FINANCIAL OFFICER

  
DIRECTOR