



**MACPAC FILMS LIMITED**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED  
SEPTEMBER 30, 2022**

# 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)

MS. HAFSA ABBASY (INDEPENDENT DIRECTOR)

## AUDIT COMMITTEE OF THE BOARD

MR. MUHAMMAD OMER SABIR (COMMITTEE CHAIRMAN)

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

MS. HAFSA ABBASY

## CHIEF FINANCIAL OFFICER

MUHAMMAD FAISAL PANAWALA

## 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](http://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](mailto:INFO@MACPACFILMS.COM)

**WEBSITE**

[WWW.MACPACFILMS.COM](http://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.

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 first quarter ended September 30, 2022.

#### **Financial Performance**

By the grace of Allah, your Company managed to increase its sale revenues by 36.36% during the period as compared to same period last year. Your Company recorded Net Revenue of PKR 1,240.61 Mn during the period under review as compared to PKR 909.79 Mn for the same period last year. The Gross Profit of the Company stood at PKR 272.88 Mn during the period, representing a growth of 121.8% with corresponding period to PKR 123.0 Mn.

Accordingly, the Company achieved after tax profit of PKR 66.46 Mn during the period as compared to PKR 28.63 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.

Similarly, the earnings per share of your Company for the first quarter ended September 30, 2022 was PKR 1.12 as compared to PKR 0.48 during the same period last year.

#### **Future Outlook**

Management expects that although sales are anticipated to remain strong, however, the prices will remain competitive due to currency devaluation, tightening monetary policy to curb inflationary trend, global commodity super cycle along with high freight cost that has increased the near-term challenge for the businesses.

Going forward, despite the current macro-economic challenges which will impact on consumer demand, the management of your Company believes that with effective business strategies, your Company will be able to continue the growth momentum and should be able to deliver bottom line profitability in line with the expectation of its stakeholders. 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 acknowledge the dedication of Macpac team, their valuable and untiring efforts and services for the Company.

On behalf of the Board



**CHIEF EXECUTIVE**



**DIRECTOR**

October 14, 2022

**MACPAC FILMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2022**

	Note	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
-----Rupees-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,940,388,454	1,948,072,161
Intangible assets		388,139	408,566
Long-term deposits		17,776,285	20,026,285
		<u>1,958,552,878</u>	<u>1,968,507,012</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	7	1,097,862,643	1,063,391,314
Trade debts-net	8	678,594,703	654,943,026
Loans and advances-unsecured, considered good		22,461,690	53,632,107
Short-term deposits, prepayments and other receivables		83,697,455	80,337,467
Tax refund due from Government - net		107,607,547	147,323,874
Cash and bank balances		57,744,489	78,694,417
		<u>2,047,968,527</u>	<u>2,078,322,205</u>
<b>TOTAL ASSETS</b>		<u><u>4,006,521,405</u></u>	<u><u>4,046,829,217</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 70,000,000 (June 30, 2019: 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		253,376,017	186,920,457
Surplus on revaluation of property, plant and equipment		623,040,000	623,040,000
		<u>1,642,994,137</u>	<u>1,576,538,577</u>
<b>NON-CURRENT LIABILITIES</b>			
Diminishing musharika arrangement		49,083,847	72,763,158
Deferred taxation - net		61,608,317	61,608,317
Staff Retirement Benefits - Staff Gratuity		68,054,690	61,936,775
Provision for Gas Infrastructure Development Cess		46,376,561	61,725,756
		<u>225,123,415</u>	<u>258,034,006</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,472,401,210	1,543,463,544
Short-term borrowings		378,974,834	396,653,938
Accrued mark-up		11,760,894	11,220,483
Unclaimed dividend		735,322	735,322
Current portion of non-current liabilities		274,531,593	260,183,347
		<u>2,138,403,853</u>	<u>2,212,256,634</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,006,521,405</u></u>	<u><u>4,046,829,217</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

  
 CHIEF EXECUTIVE

  
 CHIEF FINANCIAL

  
 DIRECTOR

**MACPAC FILMS LIMITED****STATEMENT OF PROFIT OR LOSS****FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	September 2022 Rupees	September 2021 Rupees
Sales - net	1,240,609,863	909,787,883
Cost of sales	(967,734,696)	(786,783,888)
<b>Gross profit</b>	<b>272,875,167</b>	<b>123,003,995</b>
Administrative expenses	(43,641,927)	(28,090,199)
Marketing and selling expenses	(25,841,563)	(13,742,821)
Finance costs	(32,967,755)	(17,149,060)
Other operating expenses	(80,004,110)	(27,807,624)
Other income	10,567,965	4,105,859
<b>Profit before taxation</b>	<b>100,987,777</b>	<b>40,320,150</b>
Taxation	(34,532,216)	(11,692,844)
<b>Profit after taxation</b>	<b>66,455,561</b>	<b>28,627,306</b>
	<b>2022</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Earning per share - basic and diluted</b>	<b>1.12</b>	<b>0.48</b>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.

  
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CHIEF EXECUTIVE  
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CHIEF FINANCIAL OFFICER  
\_\_\_\_\_  
DIRECTOR



**MACPAC FILMS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	September 2022 Rupees	September 2021 Rupees
Profit / Loss after taxation	66,455,561	28,627,306
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period, net of tax	<u>66,455,561</u>	<u>28,627,306</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

  
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CHIEF EXECUTIVE

  
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CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
DIRECTOR



**MACPAC FILMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Reserves					Total
	Issued, subscribed and paid-up capital	Capital reserve - share premium	Ravaluation Surplus	Revenue reserve - unappropriated profits / (losses)	Total reserves	
	..... Rupees .....					
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	-	-	-	184,248,377	184,248,377	184,248,377
Other comprehensive income, net of tax	-	-	-	(2,771,172)	(2,771,172)	(2,771,172)
Total comprehensive loss	-	-	-	181,477,205	181,477,205	181,477,205
<b>Balance as at June 30, 2022</b> (Un-audited)	<u>593,011,500</u>	<u>173,566,620</u>	<u>623,040,000</u>	<u>186,920,457</u>	<u>983,527,077</u>	<u>1,576,538,577</u>
Balance as at July 01, 2022 - (Audited)	593,011,500	173,566,620	623,040,000	186,920,456	983,527,076	1,576,538,576
Profit for the period	-	-	-	66,455,561	66,455,561	66,455,561
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	66,455,561	66,455,561	66,455,561
<b>Balance as at September 30, 2022</b> (Un-audited)	<u>593,011,500</u>	<u>173,566,620</u>	<u>623,040,000</u>	<u>253,376,017</u>	<u>1,049,982,637</u>	<u>1,642,994,137</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

  
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 CHIEF EXECUTIVE

  
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 CHIEF FINANCIAL OFFICER

  
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 DIRECTOR

**MACPAC FILMS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30,2022**

	September, 30 2022	September, 30 2021
	-----Rupees-----	
<b>CASH FLOWS GENERATED FROM OPERATIONS</b>		
Profit before taxation	100,987,777	40,320,150
Adjustments for non-cash and other items:		
Depreciation	29,313,001	27,249,271
Amortisation	20,427	25,536
Amortisation of deferred income	-	(1,109,001)
Gas infrastructure cess	(784,299)	-
Exchange loss / gain unrealised	16,570,751	13,405,111
Gain on sale of fixed asset	(4,796,491)	-
Provision for gratuity	7,348,320	4,271,992
Finance costs	32,967,755	17,149,060
	<u>80,639,464</u>	<u>60,991,969</u>
	<u>181,627,241</u>	<u>101,312,119</u>
<b>Changes in working capital</b>		
<i>Decrease / (increase) in current assets:</i>		
Stock-in-trade	(34,471,329)	51,047,942
Trade debts	(23,651,677)	(100,669,809)
Loans and advances	31,170,417	(19,250,780)
Trade deposits, short-term prepayments and other receivables	(3,359,988)	(3,876,795)
	<u>(30,312,577)</u>	<u>(72,749,442)</u>
<i>(Decrease) / increase in current liability:</i>		
Trade and other payables	(71,062,334)	145,536,464
	<u>(101,374,911)</u>	<u>72,787,022</u>
<b>Cashflows generated from operations</b>	<u>80,252,330</u>	<u>174,099,141</u>
Income tax paid - net	(5,184,111)	(19,245,208)
Gratuity paid	(1,230,405)	(1,838,240)
Long term deposit received	2,250,000	-
Finance costs paid	(32,427,344)	(16,034,658)
	<u>(36,591,860)</u>	<u>(37,118,106)</u>
<b>Net cashflows generated from operating activities</b>	<u>43,660,470</u>	<u>136,981,035</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(31,501,016)	(20,756,435)
Proceeds from disposal of operating fixed assets	10,745,510	-
<b>Net cashflows (used) in investing activities</b>	<u>(23,005,506)</u>	<u>(20,756,435)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of diminishing musharika - net	(23,679,311)	(23,488,416)
Repayment of lease liabilities - net	(246,477)	(7,109,525)
Payments of short term borrowings - net	(17,679,104)	(91,155,927)
<b>Net cashflows used in financing activities</b>	<u>(41,604,892)</u>	<u>(121,753,868)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(20,949,928)</u>	<u>(5,107,255)</u>
Cash and cash equivalents at the beginning of the period	78,694,417	15,687,101
<b>Cash and cash equivalents at the end of the period</b>	<u><u>57,744,489</u></u>	<u><u>10,579,846</u></u>
<b>Cash and cash equivalents</b>		
Cash and bank balances	<u>57,744,489</u>	<u>10,579,846</u>
	<u><u>57,744,489</u></u>	<u><u>10,579,846</u></u>

The annexed notes from 1 to 12 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 30,2022****1. LEGAL STATUS AND 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 [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. GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNIT/PLANT IS AS FOLLOWS:**

Location and address	Purpose
Plot # 21, Maqboolabad, Jinnah Cooperative Housing Society, Tipu Sultan Road, Karachi.	Head Office
Plot # Ez/1/P-10 East Industrial Zone, Karachi	Production Plant
Room # 21, Second floor, Lahore Centre, Gulberg	North Sales Office

**3. STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**4. BASIS OF PREPARATION**

- 4.1 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, 2022.

**5. SIGNIFICANT ACCOUNTING POLICIES**

- 5.1 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, 2022.

**6. PROPERTY, PLANT AND EQUIPMENT**

	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
Operating fixed assets	1,809,180,522	1,838,027,557
Capital work-in-progress	131,207,932	110,044,604
	<u>1,940,388,454</u>	<u>1,948,072,161</u>



	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>7 STOCK-IN-TRADE</b>		
<b>Raw material:</b>		
In hand	312,856,024	336,010,436
In transit	157,147,215	306,120,042
In bonded warehouse	<u>435,895,117</u>	<u>322,016,789</u>
	<u>905,898,355</u>	<u>964,147,267</u>
<b>Work in process</b>	<u>146,725,230</u>	<u>88,488,789</u>
<b>Finished goods</b>	<u>45,239,058</u>	<u>10,755,258</u>
	<u>191,964,288</u>	<u>99,244,046</u>
	<u>1,097,862,643</u>	<u>1,063,391,314</u>

**8 TRADE DEBTS**

8.1 Included herein Rs. 163.0 million (June 30, 2022: Rs. 148.3 million) due from related parties.

**9 CONTINGENCIES AND COMMITMENTS****9.1 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, 2022.

	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>9.2 Commitments</b>		
Outstanding bank guarantees	<u>11,873,412</u>	<u>11,873,412</u>
Outstanding letters of credit	<u>92.1 103,930,584</u>	<u>98,149,509</u>

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

**10 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, 2022 and 30 June 2022 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, 2022 Rupees	(Un-audited) September 30, 2021 Rupees
<b>Directors and Key Management Personnel</b>		
Remuneration	<u>35,898,395</u>	<u>20,651,156</u>
Office rent charged	<u>3,087,750</u>	<u>2,685,000</u>
Office rent paid	<u>3,087,750</u>	<u>1,790,000</u>
<b>Common Directorship</b>		
<b>TOYO Packaging (Private) Limited</b>		
Sale of goods / processing charges	39,019,253	45,185,258
Receipts against sale of goods / processing charges	<u>66,500,000</u>	<u>39,000,000</u>
<b>Hilal Foods (Pvt) Ltd</b>		
Sale of goods	8,621,427	6,295,617
Receipts against sale of goods	<u>999,676</u>	<u>9,954,092</u>
<b>Shalimar Food Products (Private) Limited</b>		
Sale of goods	-	1,899,274
Receipts against sale of goods	<u>599,443</u>	<u>900,202</u>
<b>Mac Business Solutions (Private) Limited</b>		
Sale of goods / processing charges	-	-
Receipts/(Payments) against sale of goods / processing charges	<u>(5,797,452)</u>	<u>-</u>
<b>TGA Sustainability (Private) Limited</b>		
Sale of goods / processing charges	81,791,804	-
Receipts against sale of goods / processing charges	<u>73,806,618</u>	<u>-</u>

**11 DATE OF AUTHORISATION**

These condensed interim financial statements were authorized for issue on October 14, 2022 by the Board of Directors of the Company.

**12 GENERAL**

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR