



# **ANNUAL REPORT** 2023

**PRECISION, PROGRESS, PASSION**



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**Precision, Progress, Passion:** the 3 Ps which underpin the success of Macpac Films Ltd. The Company whilst celebrating its 30th year of continuous operation has built on its strong legacy of being a pioneer in the BOPP and CPP film industry with a wide range of product offerings for different industrial segments. The Company has faced headwinds during the year due to severe import restrictions, galloping inflation, the continuous devaluation of the Pak Rupee and continuously increasing energy and financing costs. On the other side, demand within the economy remains constricted due to the impact of all the aforesaid macroeconomic challenges.

Despite the innumerable challenges, your Company is pleased to report that it has successfully managed its local and international supply chain and Alhamdulillah, ensured the continuity of operation without affecting a single day operation due to supply chain issues. MACPAC Films Ltd. remains a customer centric company and is able to produce quality product geared to meet the niche requirements of its customers, ensuring precision in delivery and quality. The Company maintained its market share as its customers have long term relationships responding to the reliability and quality performance the Company assures.

Agility and speed of decision making underscore the Company's progress and continued profitability despite the challenging economic scenario. Profitability is maintained based on strategic change in sales mix alongside sharp inventory control and robust cost optimization. The gross profit of the Company compared to SPLY shows a remarkable growth of 114.7%.

From 2018 to 2023 the Company achieved an impressive 159% increase in net sales and the gross profit margin surged from 10.5% in 2018 to 23.8% in 2023. Notably pre-tax profit grew from 3.1% in 2018 to 12.7% in 2023 which is a testament of the Company's strategic planning and ability to adapt positively to the changing environment. Throughout this period the balance sheet remained robust emphasizing prudent financial management.



The results show steady progress against the Company's business plan and its determination to deliver value to its shareholders. The continued dedication of the employees will drive its progress and the Company is passionate in its commitment to employee growth and development alongside its pledge to sustainability and CSR. This year in addition to the rollout of extensive employee engagement activities, the Company introduced a Competency Framework for staff, with extensive training on the same. Macpac Films Ltd. in collaboration with its associated company TGA (The Green Ark) is working on recycling of plastic waste to minimize environmental effect.

On the CSR front, education of youth remains a focus with the Company collaborating with The Citizens Foundation. The Company supported conservation of wild life and worked on different initiatives which includes its support to the Green Turtle species. To foster employee engagement and play its part in social upliftment, activities were undertaken with SOS Children's Village, Child Life Foundation, Civil Hospital Karachi. The employees also participated in blood donation drives for Indus Hospital underscoring the saying of Mother Theresa that 'charity and love are the same- with charity you give love, so don't just give money but reach out your hand instead'. The involvement of MACPAC's employees and the passion they bring to the task of giving, strengthens the Brand as well as employee engagement.

The Company believes that providing a safe working environment is imperative. It was gratified this year to receive the 19th Annual Environment Excellence Award 2022 organized by National Forum for Environment & Health.

Macpac Films Ltd. is passionate about delivering value to all stakeholders in precise ways linked to their respective needs, be they customers, employees, the environment or society at large. The Company's goal is to achieve sustainable growth by putting its customers first and enabling its employees and partners through the 3 P approach, by focusing on Precision, Progress, Passion.

# CEO Message

I am pleased to place on record that the Company, Macpac Films Limited, has continued its journey with flying colours which began in 1993 under the visionary entrepreneurship of Mr. Maqbool Elahi Sheikh who laid the foundation of the BOPP and CPP films industry in Pakistan. Today, Macpac is recognized not only as the pioneer of this industry but also, because of its customer centric approach and innovation, it is considered to be one of the most preferred and dynamic companies in Pakistan.

I am also pleased to place on record that CSR, Community Service, ESG, DEI and Sustainability are not just corporate buzzwords to us. As a responsible corporate entity, we always make sure that alongside our commercial goals and business objectives, no stone is left unturned towards maximizing our contribution to social and community improvement and minimizing our impact on the environment.

I am also pleased to report that during the year under review, the Company achieved outstanding performance in the form of highest ever net profit before and after tax at Rs 700.7 million and 379.2 million respectively. The earnings per share for current year stood at Rs 6.39 as compared to Rs 3.11 last year showing a growth of over 200%, which was only possible with the dedication and commitment of our team members and the confidence and trust reposed on us by our customers and other stakeholders.



**Mr. Najm-Ul-Hassan**

Chief Executive Officer

As the CEO of this Company, I would like to reaffirm our pledge and commitment to continue to grow our business by providing premium quality products to our customers and exploring opportunities that exist in local and international markets. I wish to take this opportunity to acknowledge and appreciate the dedication and relentless commitment of our team members and the unwavering support of our customers and other stakeholders, without whom this 30 year journey of success would not have been possible. Indeed, this support network is the foundation from which we will continue to propel our Company upwards keeping in mind the winning formula of Precision, Progress and Passion.

# Company Information

## Board of Directors

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Mr. Naeem Ali Muhammad	Chairman, Non-Executive Director
Mr. Najmul Hassan	Chief Executive Officer
Mr. Ehtesham Maqbool Elahi	Executive Director
Mr. Shabbir Hamza Khandwala	Independent Director
Ms. Hafsa Abbasy	Independent Director
Mr. Shariq Maqbool Elahi	Non-Executive Director
Mr. Fahad Munshi	Non-Executive Director

## Audit Committee

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Mr. Shabbir Hamza Khandwala (Chairman)
Mr. Naeem Ali Muhammad Munshi
Mr. Shariq Maqbool Elahi

## Hr & Remuneration Committee

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Ms. Hafsa Abbasy (Chairperson)
Mr. Shariq Maqbool Elahi
Mr. Ehtesham Maqbool Elahi

## Management Team

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Mr. Habib Maqbool Elahi	Operations Director
Mr. Muhammad Faisal Panawala	Chief Financial Officer
Mr. Aquil A. Khan	Company Secretary
Ms. Um-e-Farwa	Head of Internal Audit
Group Captain Syed Mansoor Ali (R)	GM Administration
Mr. Zafar Ullah	Manager Production
Mr. Atiq Khan	Manager Technical
Ms. Mehreen Shah Khalid	Manager Human Resource

## Auditors

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KPMG Taseer Hadi & Co. Chartered Accountants

## Legal Advisors

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Abdul Ghaffar Khan F-72/1, KDA Scheme 5, Kehkashan, Clifton, Karachi  
Nausheen Ahmad 21C, Zamzama Commercial Lane 5, Phase V, DHA, Karachi

## Share Registrar

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CCD Share Registrar Services Limited, 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) 34326034  
Email: info@cdcpak.com  
Website: www.cdcpakistan.com

## Bankers

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Al Baraka Bank  
Bank Alfalah 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  
United Bank Limited

## Registered Office

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

## Website

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

## Factory

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Plot # EZ/1/P-10 Eastern Industrial Zone Port Qasim Area, Karachi, Pakistan  
UAN +92-21-111-MFL(635)-111

# Company Vision

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

# Company Mission

Gain the confidence of our stakeholders by earning a reputation of a responsible and progressive enterprise that is prepared to change for them.

Maintain the highest level of quality in the manufacture of our products, thereby adding value for all our stakeholders.

Focus on the changing customers' needs and requirements and strive to improve and innovate the product line for the benefit of our customers.

Be ethical in practice and fulfill our social responsibilities by contributing towards the environment as good corporate citizens.





# Core Values



## **Integrity**

We are open, honest, transparent, and committed to doing what's best for our stakeholders.



## **Passion**

We strive for perfection, go the extra mile and have fun in what we do.



## **Accountability**

We act with high sense of responsibility and hold ourselves accountable.



## **Values our People**

We treat all people with dignity and value the collective power of teamwork, trust and respect each other.



## **Excellence**

We strive to deliver the highest quality and value possible through simple, easy and relevant solution.



## **Innovation**

We develop and apply world-class technology. We listen. We learn and seek out the best ideas.

# Statement of Ethics

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 labour 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.



Port Qasim Plant

# Whistle Blowing Policy

Macpac Films Ltd is committed to conducting its business and dealing with all stakeholders including staff, suppliers, customers, and shareholders in a manner that is lawful, ethical and accountable.

Therefore, Whistle Blowing Policy has been issued which enables parties to speak up wherever it is genuinely believed that the Company's business is being administered in an inappropriate manner or in violation of applicable laws, Company's policies, procedures and Statement of Ethics.

## Actions covered under the Policy

This Policy covers any action which ends up, or is probably going to result, in any misconduct which acts against Company's values, like fraud, financial malfeasance, breach of statement of ethics, theft, any action endangering the health and/or safety of any person, etc.

## Method of filing Whistle Blowing complaint

Various modes of Whistle Blowing are available and email can be sent to [whistle.blowing@macpacfilms.com](mailto:whistle.blowing@macpacfilms.com)

## Confidentiality and Protection Mechanism

The Policy assures that every single complaint is to be handled in complete confidence. Anonymous complaints will also be investigated and if a named complaint is received, it will be ensured that the complainant is not subjected to any prejudicial treatment or retaliation.

## Success of the Policy and its implementation

All stakeholders are liable for the success of this Policy and may use it to disclose suspected wrongdoing. If a person has any question regarding the content or application of this Policy, he or she may contact the Internal Audit Department for getting necessary clarification.



Production Staff at Port Qasim Plant

# HSE Policy

The HSE policy aims to achieve compliance with relevant laws, promote continuous performance improvement, and align with QMS and FSMS certifications. The Company prioritizes the health and safety of individuals associated with its operations and is dedicated to preserving the natural environment. Company works within the framework of domestic law, best practice standards, guidelines and the HSE Policy the objective of which is to progressively strive to:

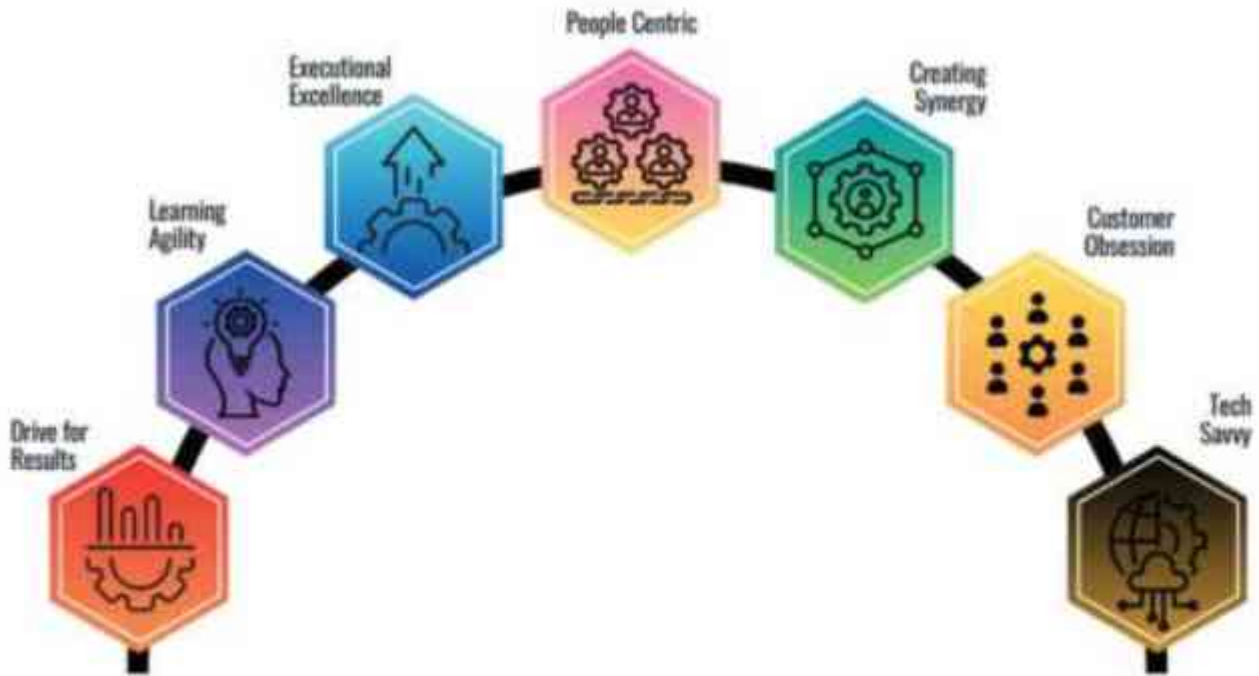
- Prevent all production incidents
- Prevent other incidents/accidents at our business sites, machines and installations
- Prevent all occupational diseases and promote the health of our employees and the people who work with us
- Minimize the impact of our operation on the environment
- Adopt work practices 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 environmental affairs



Safety Staff at Port Qasim Plant

# Competency Framework

## The Macpac Way



# Business Strengths

MACPAC is the Pioneer of BOPP and CPP films in Pakistan, having rich expertise, a strong brand identity and a customer centric focus.

Research and Development remain a key strength. We work to obtain new knowledge and technology in order to develop best quality films to serve our customers. The goal is to strengthen the company's bottom line and long term sustainability.

Complete automated Bruckner and SML high-performance extrusion plants, which produce superior quality films with minimum wastage and higher accuracy.

The company maintains strong relationships with its stakeholders. Our suppliers are committed to provide quality services with minimum lead time. Our HR remains our pride as Macpac has a professional and focused team which is always in search of improvement and innovation.

We strongly emphasize on customer relationship management by creating a 360° view of the customer, capturing their needs through interactions with the business, and by analyzing the information needed to better serve our customers.



Port Qasim Plant

# Product Profile

Macpac Films Ltd. produces co-extruded multiple grades of BOPP Films which conform to international standards of processing 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 Films Ltd. is committed to leading edge product quality. To meet that commitment, the objective of its team of experts is to create value-added products for its valuable customers and to 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 be used in specialized applications thereby creating a niche market. We excel in producing the following grades:

- Plain
- Overwrap
- Sealable
- Matte
- Pearlized
- Metallized
- Medical Grade
- Metallizable
- Pearl white for labels
- Biodegradable BOPP
- Hologramable
- 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 others. Trouble free printing and sealability makes our products, the first choice of converters.

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)
- Good Barrier to Water Vapor
- Improved Stiffness
- Excellent Performance on High Speed
- Good Dimension Stability and Flatness

- Good Scuff Resistance and Great Acid Resistance
- Excellent resistance to UV light
- Not affected by moisture and does not wrinkle or shrink with environmental changes
- High Tensile Strength
- Good puncture and flex-crack resistance over a wide range of temperatures
- Biodegradable
- Low Electrostatic Charge
- Excellent Chemical and Abrasion Resistance
- Recyclable and Reusable

We therefore strengthen the brand proposition of our customers through our high-quality packaging.

## CPP Films

Cast Polypropylene (CPP) films intend to offer high performance, attractive and easily transformable film for flexible packaging and other applications. It is a mono oriented film based on polypropylene polymers. CPP film forms the basis for a variety of packaging as it possesses excellent salability and transparency for subsequent printing or lamination. It also offers minimal gauge variation and a low gel level for better metallizing. We excel in producing the following grades:

- Transparent
- Opaque/ Milky
- Metalized
- And other specialized films

CPP films are also produced from a combination of various grades of PP polymer. Various constructions of CPP are available (multi-layer options) which are used to cater several applications in general packaging, as a sealant layer in conjunction with other plastic substrates for packaging of food products, twist wrap usage in candies, etc. Key characteristics of CPP films are:

- High Clarity, Smoothness and Gloss
- Higher seal strength
- Good hot tack strength
- Good anchoring of inks and adhesive to Treated Surface
- Good machinability on Packaging line
- Resistance to grease and oil
- Good resistance to tears & puncture
- Good moisture barrier
- Low static properties
- Can be metal processing
- Higher than the PE film stiffness
- Multi-functional, composite materials can be used as the base film



Macpac Films Ltd. conforms to global quality standards and with our in-house R&D facilities it seeks to provide product development that satisfies customer's requirements. Macpac's diverse portfolio of BOPP films and multi-layered CPP film, combined with knowledge, technology and analytical capabilities provides the opportunity to develop new products targeting highly customized applications. We believe that this will enhance efforts to differentiate our customer from competition. Our CPP production process is accomplished with the contribution of the most sophisticated and advanced technologies to produce a wide range of Cast Poly Propylene films. The art machinery supplied by S.M.I – Certified European manufactures, is a high end 5-layer machine that is capable of making diverse range of barrier films as well. Our production facility is led by the team of experts that ensure high production quality that meet customer's demand. We offer a wide range of multi layered CPP films, including: Metalized, lamination, Milky/White (micron range: 15-200). The high barrier range comprises of EVOH and Nylon based film that provides excellent barrier properties.

## Product Categories

### BOPP

- Sealable Films
- Plain Films
- Metalized Films
- Matte Films
- Pearlized Films
- White Films

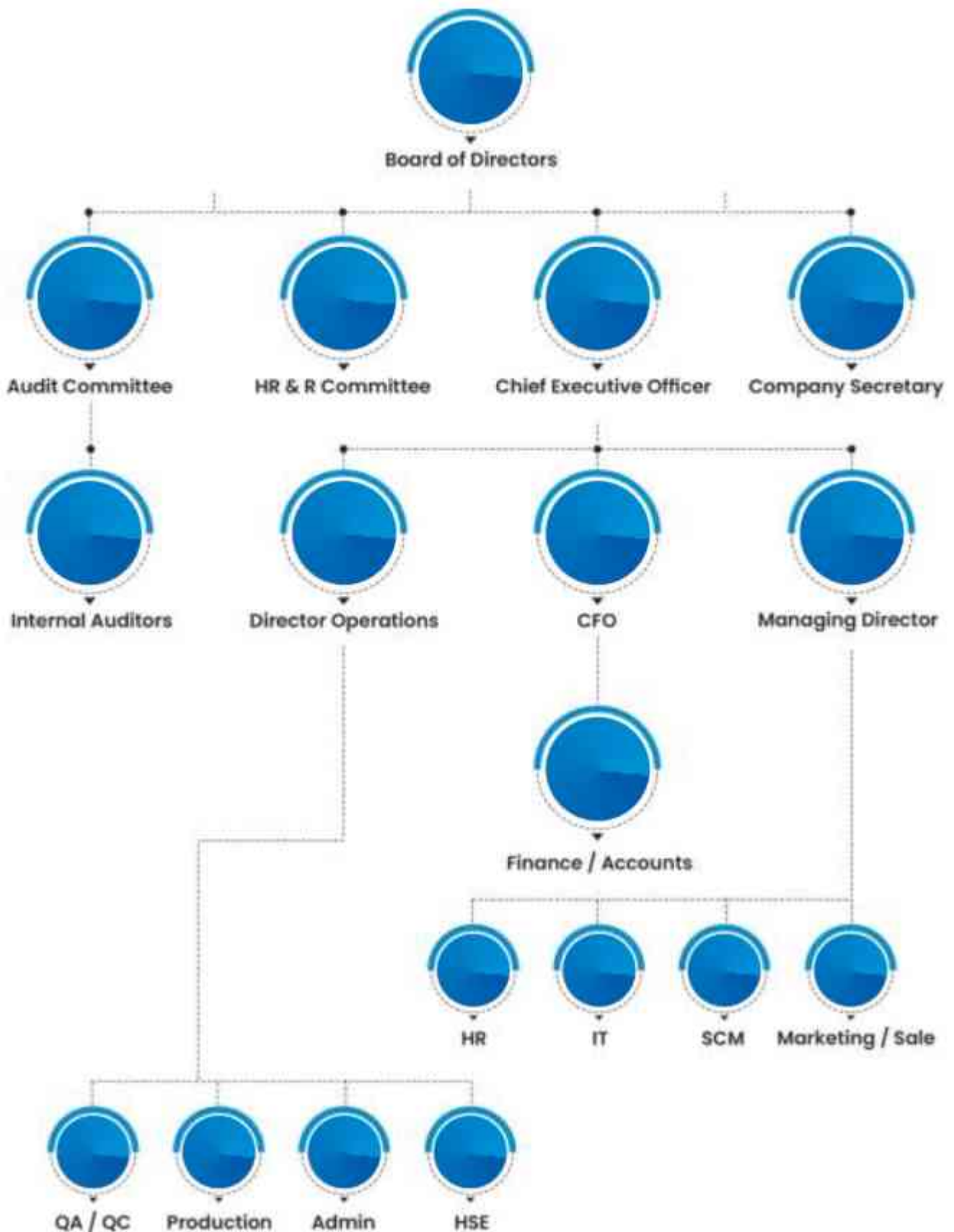


### CPP

- Opaque/Milky Films
- Transparent Films
- Specialized Films
- Metalized Films



# Organization Structure



# Integrated Management System (IMS) Policy

Macpac Films Ltd emphasizes on excellence in all aspects of business activities. The Company constantly strives to maintain its reputation as a successful, dynamic and responsible organization. We are committed to:

1. Provide on time quality Product with the compliance of international standards ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007.

4. To provide all resources needed for the continual improvement of quality, health, safety and environmental issues.

2. Strive for the most comprehensive recognition and satisfaction of its esteemed customers.

5. Fulfill all the legal and statutory requirements that are necessary to follow within our scope.

3. Make and strive to achieve Quality, Occupational Health & Safety and Environmental Objectives related to our scope of work.

6. Management and Supervisory Staff of MACPAC FILMS LTD have the responsibility for implementing this policy throughout the Company.

7. Reduce environmental and Occupational Health and Safety risks to a minimum level, and conducting its business activities in a manner that protects the environment and improves Occupational Health and Safety of our employees and Quality of our products.

# The Board

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**MR. NAEEM ALI  
MUHAMMAD 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 Food (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 member of the HR & Remuneration Committee and a member of the Audit Committee of the Board.



**MR. NAJMUL HASSAN**  
Chief Executive Officer

A qualified CMA and having a master's degree from IBA, he is the CEO of Macpac Films Ltd. He has extensive executive level experience of over two decades in different industries and great decision making skills. Being the backbone of the company, with his timely decision, he has always led the company for the forefront.



**MR. EHTESHAM  
MAQBOOL ELAHI**  
Managing Director

A graduate of American University in Dubai and a certified director from PICG, having years of experience of senior level managerial positions, he is a highly organized, skilled and self-motivated managing director with a futuristic mindset to accomplish new levels of success. A mentor for the organization, a leader to follow. He is also a member of the HR and Remuneration Committee of the board.



**MR. SHABBIR HAMZA  
KHANDWALA**  
Independent Director

Mr. Shabbir Hamza Khandwala is a fellow member of the Institute of Chartered Accountants of Pakistan and carries with him 40 years of diversified experience of various sectors. He has been the Chief Financial Officer & Group Head Finance of Meezan Bank from March 2005 to September 2022 and was responsible for accounting and finance discipline of the Bank. He had a holistic role in the Bank and was actively involved in the strategy formulation of the Bank in the last 17 years as it has grown from a small bank to the sixth largest bank in Pakistan. Prior to joining Meezan Bank, he had worked at KASB Group for 10 years in various capacities and was CEO of KASB Securities, CEO at KASB Premier Fund and Executive Director at Khadim Ali Shah Bukhari & Co. Ltd. Mr. Shabbir has also worked with A.F. Ferguson & Co., Chartered Accountants for 9 years and with Attock Cement Pakistan Limited for 4 years.



**MS. HAFSA ABBASY**  
Independent Director

Ms. Hafsa Abbasy is an independent director. She is a seasoned HR Professional, having worked for some of the best-known names (Citi Bank, ABN AMRO, Standard Chartered). Hafsa holds Masters and Bachelors in Business Administration from IBA Karachi. She is also a Certified Leadership Coach and Diversity Advocate. She was appointed to the board of directors on September 20, 2022.



**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 Board Audit Committee and the HR & Remuneration Committee, he adds immense value to the Board by his understanding of the business from his first-hand experience of printing and packaging.



**MR. FAHAD MUNSHI**  
Non-Executive Director

He is serving as a Non-Executive Director at Macpac Films Limited. After completing his graduation from Bentley University in Waltham, Massachusetts, he joined Hilal Food (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.

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# Board Committees

## Audit Committee

Mr. Shabbir Hamza Khandwala (Committee Chairman)

Mr. Shariq Maqbool Elahi (Member)

Mr. Naeem Ali Muhammad Munshi (Member)

## 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 cc
- 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 2019 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

#### HR & Remuneration Committee

Ms. Hafsa Abbasy (Committee Chairperson)

Mr. Ehtesham Maqbool Elahi (Member)

Mr. Shariq Maqbool Elahi (Member)

#### 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.

#### 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 need 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.



Board Committee members with Management



# Company Management

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**MR. HABIB  
MAQBOOL ELAHI**  
Operations Director

Trained as a management professional with almost 10 years of experience in a leadership position, Habib Elahi is leading the company's operations as Director Operations. He adds value to the organization by his Out-of-the-box, visionary thinking who champions innovative solutions to elevate organizational performance, cutting costs, streamlining operations, new business development and increasing productivity. He is talented in developing partnerships, overseeing personnel and developing tactical plans to meet strategic goals.



**MR. MUHAMMAD  
FAISAL PANAWALA**  
Chief Financial Officer

Mr. Faisal Panawala has over 19 years of senior level financial planning, controlling and management reporting experience in manufacturing and power sectors. Before joining Macpac Films, Mr. Faisal spearheaded the FP&A and Controlling function at Lucky Cement Ltd, and contributed towards various feasibility studies, acquisitions and sustainability measures. He also played an instrumental role in system transformation to SAP S/4 HANA. Mr Faisal Panawala is a Fellow Management Accountant (FCMA) and holds an MBA Degree with Major in Finance from Hamdard University. He also holds Director's Certification from IBA.



**MR. AQUIL A. KHAN**  
Company Secretary

Mr. Aquil A Khan has over 30 years of experience in compliance, corporate governance, legal, company secretarial and finance in UBL, ICI and NIT. Aquil has done his masters in economics and law and is a fellow member of the Institute of Cost and Management Accountants of Pakistan (ICMAP). Aquil also holds a diploma in banking from the Institute of Bankers in Pakistan (IBP) and a certification in director education from Pakistan Institute of Corporate Governance (PICG).



**MS. UM-E-FARWA**  
Head Of Internal Audit

Ms. Um-e-Farwa has been associated with Macpac Films Limited since 2014. A Professional Accountant committed to financial accountability and transparency. She is an associate member of Institute of Cost & Management Accountants of Pakistan (ICMAP) & Institute of Certified Public Accountants of Pakistan (ICPAP).



**GROUP CAPTAIN SYED MANSOOR ALI (RETD)**  
GM Administration

Mr. Syed Mansoor Ali has had a diverse career spanning across various roles in Pakistan Defense Forces, Government Organizations and the Aviation Industry. He holds a Master's Degree in Computer Science and attended numerous professional courses. He is well-versed with Operational and Administrative Procedures, Regulations, Policy making and implementation. His diverse skill set and experience in reputable organizations enable him to comprehend and address situations that emerge in the Company in an effective manner to improve the daily operations of the organization.



**MR. ZAFFAR ULLAH**  
Manager Production

A qualified chemical engineer from UET Lahore, Mr. Zaffar carries with him experience of more than one decade including 5 years international experience as well. He is very keen to provide quality product by using his expertise.



**MR. ATIQ KHAN**  
Manager Technical

Mr. Atiq Khan did his Bachelor's from NED University of Engineering & Technology in the year 2000 in the field of Electronics. He has over two decades of working experience on various industrial projects, including 07 years working abroad. He is quite skillful and has diversified experience in installation, erection & commissioning of plants and maintenance of different High-Tech Industrial machineries and equipment.



**MS. MEHREEN SHAH KHALID**  
Manager  
Human Resource

An MBA in human resource management, MA in economics, and a certified Human resource practitioner. Ms. Mehreen is an HR professional with a proven record of generating and building relationships, along with more than 10+ years of experience in the same capacity. Skilled in building cross-functional teams, demonstrating exceptional communication skills, and making critical decisions during challenges. Creating effective presentation and developing opportunities that further establish organizational goals.



**MS. NAUSHEEN AHMAD**  
Legal Advisor

Ms. Nausheen Ahmad is a corporate and commercial lawyer with over two decades of experience. Having served as Head of Legal and Company Secretary of leading Pakistani corporates, she is now an independent practitioner and has been a Legal Consultant to Macpac Films since August 2021. The Company is benefitting from her breadth of experience and legal knowledge.



Port Qasim Plant

The performance of Macpac Films Ltd. has shown consistent growth in gross revenues since 2018. Whilst the topline grew consistently, however the profit trajectory of the Company did not keep pace until 2023 when following on from a modest profit, the Company has now recorded its highest bottom-line growth supported by higher margins. The sales strategy of the Company has focused on creating an optimum sales mix in the domestic market with exports as the opportunity arises. Enhanced overall sales volume coupled with higher prices have contributed to top line growth. Gross profit surged to 114.7% Year on Year with gross margins moving from 14.6% to 23.8% for the period under review. Despite higher costs and an impairment loss for trade debts, the operating profit registered a 151.1% Year on Year increase with operating margin at 18.3% for 2023. These results were dampened by higher finance costs and higher effective tax rate as compared to the previous year. Even then your Company has shown a 105.8% growth in net profit at PKR 379.2 million with net profit margin at 6.9% versus 4.4% in 2022. Earnings per share grew from PKR 3.11 in 2022 to PKR 6.39 in 2023.

The Company's progress is based on an approach which prioritises customer relationship, corporate governance, ethics in business relations, commitment to employees and the larger ESG agenda. Success is based on having an agile and empowered management which is able to take timely decisions. In the last quarter the Company announced its intent to promote exports by incorporating a company overseas. There is ambition to progress to benefit all stakeholders and it is the Company's firm belief that the results for the year show that it has created a strong base for future growth.

# The Year at a Glance

## Production Volumes - Tons

<b>FY23</b>	17,833
<b>FY22</b>	18,126
<b>% change</b>	-2%

## Sales Volumes - Tons

<b>FY23</b>	16,132
<b>FY22</b>	16,851
<b>% change</b>	-4%

## Sales Revenue - PKR Mn

<b>FY23</b>	5,505
<b>FY22</b>	4,174
<b>% change</b>	32%

## Gross Profits - PKR Mn

<b>FY23</b>	1,311
<b>FY22</b>	611
<b>% change</b>	115%

## Cash & Bank - PKR Mn

<b>FY23</b>	268
<b>FY22</b>	79
<b>% change</b>	240%

## Equity - PKR Mn

<b>FY23</b>	1,893
<b>FY22</b>	1,577
<b>% change</b>	20%

## Earnings Per Share

<b>FY23</b>	6.39/share
<b>FY22</b>	3.11/share

## Dividend Announced

<b>FY23</b>	Rs. 1.5/share
<b>FY22</b>	Rs. 1.0/share

## Dividend Payout

<b>FY23</b>	23%
<b>FY22</b>	32%

## Dividend Yield

<b>FY23</b>	10%
<b>FY22</b>	6%

# Chairman's Review Report

Dear Stakeholders: I am pleased to present the review on Annual Report of the Company for the year ended June 30, 2023.

The financial year 2022-23 was another difficult year for Pakistan's economy characterized by massive fall in domestic currency, inflationary pressure, import restrictions, tight monetary policy and energy crisis.

In spite of the aforesaid macro-economic challenges, Alhamdulillah, in FY 2022-23, your Company not only succeeded in maintaining its upward trend in profitability, but also achieved highest ever net profit before tax (PBT) of Rs. 700.7 million as compared to Rs. 262.6 million in the same period last year. Similarly, the net profit after tax for the current year stood at Rs. 379.2 million compared to Rs. 184.2 million last year even after taking impact of super tax.

I am pleased to report that during the year, the performance of the Board has been par excellence in terms of providing appropriate direction and oversight to the Company and its management. Going forward, the Company is well poised to capitalize on opportunities in the local and international markets by way of commitment to customer centricity and innovation while maintaining its focus on good corporate governance, CSR & community support and sustainability.



In the end, I would like to acknowledge the support of our stakeholders for the trust and confidence reposed on us and above all, the employees whose devotion, commitment and perseverance enabled the Company to achieve stellar performance during the year 2022-23.

A handwritten signature in black ink, appearing to be 'Naeem Ali Muhammad Munshi'.

**Mr. Naeem Ali Muhammad Munshi**  
Chairman

Karachi

Date: September 1, 2023

# Directors' Report to the Shareholders

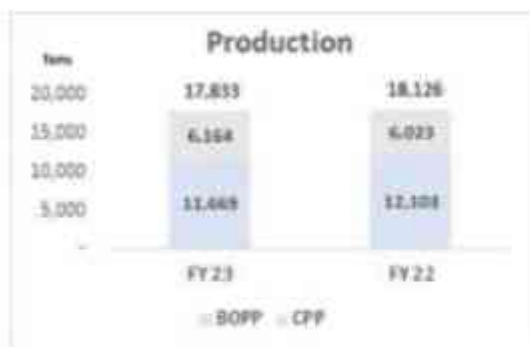
In the name of Allah, the Most Gracious, the Most Benevolent and the Most Merciful

Assalam-o-Alaikum

## Dear valued Members,

The Directors of your Company are pleased to present their Report and Audited Financial Statements of the Company for the year ended June 30, 2023.

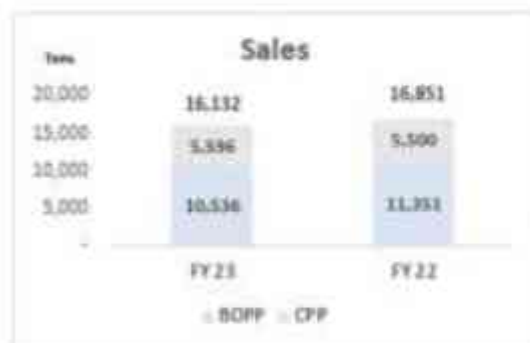
## Operating and Financial Performance



### Production

The Company's BOPP and CPP Production during the year under review was 11,669 metric tons and 6,164 metric tons respectively as compared to the production of 12,103 metric tons and 6,023 metric tons respectively last year.

Overall production volume marginally declined by 1.6% but the Company was able to maintain its capacity utilization at 81% compared to 82% SPLY.



### Sale Performance

The Company's sales for the year ended June 30, 2023 was 16,132 metric tons as compared to 16,851 metric tons for the year ended on June 30, 2022.

By promoting quality and ensuring customer retention, the company was able to maintain its market share in the challenging economic environment and maintained volumes.



### Gross Profit

The gross profit of the Company is Rs. 1,311.5 million for the current year as compared to Rs. 610.8 million last year with a growth of 114.7%.

This was mainly due to sustained sales volumes that enabled the absorption of overhead costs and further the company was able to deliver price differentiation by focusing on improving productivity, efficiency and cost containment initiatives.



### Net Profit

The net profit before tax (PBT) for the year under review is Rs. 700.7 million as compared to Rs. 262.6 million during the same period last year. Even with the impact of higher exchange losses of Rs. 168.2 million in the current year compared to Rs. 76.9 million exchange loss last year, the Company was able to grow PBT by 166.8%. Similarly, the net profit after tax for the current year stood at Rs. 379.2 million compared to Rs. 184.2 million last year after taking impact of 10% super tax in current year.

### Comparative Financial Results

Broad comparative financial results for two years are given hereunder. Key performance indicators for the last six years are also annexed to the report.

	FY 23		FY 22	
	PKR Million	% of Sales	PKR Million	% of Sales
Sales (net)	5,505.5		4,174.1	
Gross Profit	1,311.5	23.8%	610.8	14.6%
Profit/(Loss) before Tax	700.7	12.7%	262.6	6.3%
Profit/(Loss) after Tax	379.2	6.9%	184.2	4.4%
EPS	6.39		3.11	

### Earnings per Share

The earnings per share for the current year is Rs. 6.39 as compared to Rs. 3.11 last year.

### Dividend

Your Company is committed to provide sustainable return to its shareholders over a longer term, and therefore, the Directors of the Company have proposed a dividend of Rs. 1.5 per share for the year ended June 30, 2023.

### Future Outlook

As the economic scenario remains difficult, and the Country is facing extreme challenges on the macroeconomic front, your Company remains focused to manage current supply chain disruptions to ensure business continuity. Demand is expected to remain under pressure for the upcoming period due to the slowdown of the economy, current account deficit, currency depreciation, tightening monetary policy to curb inflation, energy crisis and high freight costs.

Despite the challenges posed, the Company maintained upward growth in its performance and is focused on bringing about further improved efficiencies supported by a highly committed workforce, agile decision making, effective product mix, increased investment in information systems, research & development and entry into new market segments locally and internationally. The Company has already declared its intention to expand its export operations by establishing a subsidiary company overseas. The Company will continue to focus on these measures in order to sustain its current growth trajectory Insha'Allah.

### Principal Activity

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

### Principal risks and uncertainties:

The principal risks and uncertainties include the risk of currency devaluation, increase in interest rates, increase in cost of energy, its availability and changes in fiscal policies.

### Geographical location and address of business

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 production plants are located at Eastern Industrial Zone, Port Qasim, Karachi and North Sales office is situated at Lahore Center, Gulberg Lahore Pakistan.

### Major Capital Expenditure

For details on addition in property, plant and equipment please refer to note 9 to the financial statements.

### Composition of Board of Directors

1. The total number of Directors as on June 30, 2023 were as following:

- a. Male: 6
- b. Female: 1

During the period under reference one independent director on the Board resigned. This casual vacancy has now been filled.

2. The composition of board as on June 30, 2023 is as follows:

<u>Category</u>	<u>Name</u>
a) Independent Director	1. Mr. Muhammad Omer Sabir (till Feb 16, 2023) 2. Ms. Hafsa Abbasy (w.e.f Sep 20, 2022) 3. Mr. Shabbir Hamza Khandwala (w.e.f Feb 16, 2023)
b) Non-Executive Director	1. Mr. Naeem Ali Muhammad Munshi 2. Mr. Shariq Maqbool Elahi 3. Mr. Fahad Munshi
c) Executive Director	1. Mr. Najmul Hassan 2. Mr. Ehtesham Maqbool Elahi

Names of persons who, at any time during the financial year, were directors of the Company:

<u>S. No</u>	<u>Name</u>	<u>Title</u>
1	Mr. Naeem Ali Muhammad Munshi	Chairman
2	Mr. Najmul Hassan	Chief Executive Officer
3	Mr. Ehtesham Maqbool Elahi	Executive director
4	Mr. Shariq Maqbool Elahi	Non-Executive director
5	Mr. Fahad Munshi	Non-Executive director
6	Mr. Muhammad Omer Sabir	Independent director (till Feb 16, 2023)
7	Ms. Hafsa Abbasy	Independent director (w.e.f Sep 20, 2022)
8	Mr. Shabbir Hamza Khandwala	Independent director (w.e.f Feb 16, 2023)



### Audit Committee of the Board

S. No	Name	Title
1	Mr. Muhammad Ormer Sabir	Chairman (till Feb 16, 2023)
2	Mr. Shabbir Hamza Khandwala	Chairman (w.e.f Feb 16, 2023)
3	Mr. Naeem Ali Muhammad Munshi	Member
4	Mr. Shariq Maqbool Elahi	Member

### HR & Remuneration Committee

S. No	Name	Title
1	Mr. Shariq Maqbool Elahi	Chairman (till Sep 20, 2022)
2	Ms. Hafsa Abiassy	Chairperson (w.e.f. Sep 20, 2022)
3	Mr. Fhtesham Maqbool Elahi	Member

### Directors' Remuneration

As per current remuneration policy approved by the board, non-executive and independent directors are paid Rs.100,000 for attending board meeting and Rs. 80,000 for committee meeting.

Appropriate disclosure of the remuneration paid during the year to Directors and Chief Executive has been provided in Note 39 of the Financial Statements.

### Auditor

The existing Auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants retired and have offered themselves for re-appointment for the year ending June 30, 2024. The reappointment has also been recommended by the Audit Committee of the Board.

### Compliance with the Code of Corporate Governance

The statement of compliance with the Code of Corporate Governance is annexed herewith.

### Statement of Ethics and Business Practices

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

### Compliance With the Code of Corporate Governance Statement on Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act), and provisions of and directives under the Act, have been followed in the preparation of financial statements.

- The Company has an in-house internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are independent/ non-executive Directors.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The key operating & finance data for the last 6 years are annexed to the report.

**During the year, the Board of Directors held 4 meetings and the attendance of the Directors was as follows:**

S. No	Name of Directors	Meetings Attended
1	Mr. Naeem Ali Muhammad Munshi	4
2	Mr. Najmul Hassan	4
3	Mr. Ehtesham Maqbool Elahi	4
4	Mr. Shariq Maqbool Elahi	4
5	Mr. Fahad Munshi	2
6	Mr. Omer Sabir (till Feb 16, 2023)	2
7	Ms. Hafsa Abbasy (w.e.f Sep 20, 2022)	3
8	Mr. Shabbir Hamza Khandwala (w.e.f Feb 16, 2023)	2

**During the year, the Audit Committee held 4 meetings and the attendance of the Directors was as follows:**

S. No	Name of Directors	Meetings Attended
1	Mr. Omer Sabir (till Feb 16, 2023)	2
2	Mr. Shabbir Hamza Khandwala (w.e.f Feb 16, 2023)	1
3	Mr. Naeem Ali Muhammad Munshi	4
4	Mr. Shariq Maqbool Elahi	4

**During the year, the Human Resource and Remuneration Committee (HRRC) held 2 meetings and attendance of the Directors was as follows:**

S. No	Name of Directors	Meetings Attended
1	Ms. Hafsa Abbasy (w.e.f Sep 20, 2022)	2
2	Mr. Shariq Maqbool Elahi	2
3	Mr. Ehtesham Maqbool Elahi	2

### 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 including effective financial controls which are implemented at all levels within the Company.

The Board has formed an Audit Committee which comprises 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 Chairperson of the Committee is an independent director.

### Environment, Social and Governance (ESG)

Macpac Films Ltd. has always prioritized conservation of water and energy focusing on solar power for energy efficiency and fuel conservation, and effective water utilization for manufacturing requirements. The Company is fully committed to minimizing harmful impact on the environment and is educating and training its team, suppliers, and customers towards essentials of environmental conservation through opting for sustainable solutions. The Company is also looking at recycling of waste materials.

Being a socially and ethically responsible corporation, Macpac Films Ltd. continuously undertakes initiatives to improve its environmental impact and remains committed to work toward the upliftment of society as a whole, focusing particularly on education and health. Details on this are included in relevant sections of the Annual Report.

### Human Capital and Employee Relations

The human capital of the Company is of critical importance. Macpac Films Ltd., takes pride in ensuring an optimum integration of human resources with other resources like equipment and technology systems, to deliver the performance desired by the Company. The Company prioritises the well being and safety of its staff and focuses on effective health and safety programmes along side training and development initiatives. In an increasingly demanding and competitive business environment, the challenges faced are multifaceted. Effective human resource management requires constant focus on the quality of human capital in the Company. Details on these important initiatives are included in the relevant sections of the Annual Report.

### Related Party Transactions

All transactions with related parties have been carried out in the normal course of business at agreed terms and have been disclosed in the financial statements under relevant notes.

### Pattern of Shareholding

The pattern of shareholding as on June 30, 2023, along with necessary disclosures as required under the Code of Corporate Governance, is disclosed in the Annual Report 2023.

### Acknowledgment

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



**NAJMUL HASSAN**  
Chief Executive Officer



**EHTESHAM MAQBOOL ELAHI**  
Executive Director

Karachi  
September 01, 2023

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

**Name of the company:** MACPAC FILMS LIMITED  
**Year ended:** Year ended June 30, 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (‘the Regulations’) in the following manner:

1. The total number of Directors are 7 as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of Board is as follows:

<u>Category</u>	<u>Name</u>
a) Independent Director	1. Mr. Shabbir Hamza Khandwala 2. Ms. Hafsa Abbasy
b) Non-Executive Director	1. Mr. Naeem Ali Muhammad Munshi 2. Mr. Shariq Maqbool Elahi 3. Mr. Fahad Munshi
c) Executive Director	1. Mr. Najmul Hassan 2. Mr. Ehtesham Maqbool Elahi

Note: For the purposes of the rounding up of fraction, the Company has not rounded up the fraction as one since as it currently stands, The Board has adequate Independent directors. If we compare the number of Non-Executive and Independent directors i.e., 5 directors as compared to Executive directors i.e., 2 directors, the Company is of the view that the Board under the current composition is adequately independent.

3. The directors have confirmed that none of them is serving as director on more than seven listed companies, including this company.

4. 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.

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

6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. The Board has arranged Directors' Training program for the following:

- Ehtesham Maqbool Elahi** – Executive Director
- Najmul Hassan** – Executive Director
- Shariq Maqbool Elahi** – Non-Executive Director

10. The Board has approved appointment of Head of Internal Audit, including its remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee of the Board

S. No	Name	Title
1	Mr. Shabbir Hamza Khandwala	Chairman
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Naeem Ali Muhammad Munshi	Member

b) HR & Remuneration Committee

S. No	Name	Title
1	Ms. Hafsa Abbasy	Chairperson
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Ehtesham Maqbool Elahi	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

Name of Committee	Frequency of Meeting
Audit Committee	4 meetings were held during the year. the meetings of the Audit Committee are held on a quarterly basis.
HR and Remuneration Committee	2 meetings were held during the year. the meeting of the HR and Remuneration Committee is held at least once in a year.

15. 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.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all of their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:

### Regulation 29

Regulation 29 states that the Board may constitute a separate committee responsible for recommending to the Board the composition and chairmanship of the Board and the Board committees. As the constitution of nomination committee is not mandatory, the Board has opted to have these matters considered by the full Board.

### Regulation 30

Regulation 30 states that the Board may constitute a risk management committee. As the constitution of risk management committee is not mandatory, the Board has opted to have the matters relating risk and risk management to be considered by the Board Audit Committee and full Board.

For and behalf of the Board



**NAEEM ALI MUHAMMAD MUNSHI**

Chairman of the Board



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Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 37131900, Fax +92 (21) 35685095

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of MACPAC Films Limited

### Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **MACPAC Films Limited** ("the Company") for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 Regulations require 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. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

Date: 14 September 2023

Karachi

UDIN: CR202310106pkdo5cnJ7

  
KPMG Taseer Hadi & Co.  
Chartered Accountants





KPMG Taseer Hadi & Co,  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
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## INDEPENDENT AUDITOR'S REPORT

To the members of MACPAC Films Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **MACPAC Films Limited** (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



KPMG Taseer Hadi & Co.

Following are the Key audit matters:

<b>S. No.</b>	<b>Key audit matters</b>	<b>How the matters were addressed in our audit</b>
<b>1.</b>	<p><b>Revenue Recognition</b></p> <p>Refer notes 7.14 &amp; 30 to the financial statements.</p> <p>The Company generates revenue from sale of plastic packaging films.</p> <p>We identified revenue recognition as key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls over recognition of revenue;</li><li>• Checked a sample of revenue transactions recorded during the year with sales orders, sales invoices, gate pass and other relevant underlying documentation; and</li><li>• Compared a sample of revenue transactions recorded before and after the reporting date with sales orders, sales invoices, delivery challans and other relevant underlying documentation to assess whether the related revenue was recorded in the correct accounting period.</li></ul>
<b>2.</b>	<p><b>Valuation of Stock-in-Trade</b></p> <p>Refer notes 7.4 &amp; 12 to the financial statements.</p> <p>As at 30 June 2023, the Company's stock-in-trade amounted to Rs 1,165.51 million.</p> <p>We identified the valuation of stock-in-trade as a key audit matter because determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost involves judgement and estimation.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices and costs necessary to make the sales;</li><li>• Attended physical inventory count performed by the Company; and</li><li>• Compared the NRV, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards.</li></ul>



KPMG Taseer Hadi & Co.

S. No.	Key audit matters	How the matters were addressed in our audit
3.	<p data-bbox="245 674 453 703"><b>Contingencies</b></p> <p data-bbox="245 734 628 792">Refer note 29 to the financial statements.</p> <p data-bbox="245 831 740 889">The Company has various contingent liabilities.</p> <p data-bbox="245 927 751 1272">Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company regarding disclosure, recognition and measurement of any provision that may be required against such contingencies in the financial statements.</p> <p data-bbox="245 1310 762 1563">Due to significance of amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingencies as a key audit matter.</p>	<p data-bbox="788 674 1406 732">Our audit procedures amongst others, included the following:</p> <ul data-bbox="788 770 1422 1749" style="list-style-type: none"><li data-bbox="788 770 1406 920">• Obtained an understanding of the Company's processes over litigations through meetings with the management and review of the minutes of the Board of Directors and Board's Audit Committee;</li><li data-bbox="788 958 1406 1211">• Reviewed correspondence of the Company with regulatory departments, tax authorities (including judgments and orders passed by competent authorities from time to time, where applicable) and the Company's external counsel. Where relevant, also assessed external legal / tax advices obtained by the Company;</li><li data-bbox="788 1249 1406 1435">• Involved internal tax specialists to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax / legal advisors engaged by the Company;</li><li data-bbox="788 1473 1422 1659">• Obtained and checked confirmations from the Company's external legal / tax advisor for their views on the probable outcome of the legal matters, open tax assessments and other legal and tax related contingencies; and</li><li data-bbox="788 1697 1422 1749">• Assessed the adequacy of related disclosures made in the financial statements.</li></ul>



KPMG Taseer Hadi & Co.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



KPMG Taseer Hadi & Co.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



KPMG Taseer Hadi & Co.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

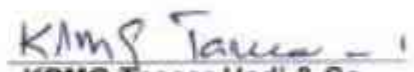
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 14 September 2023

Karachi

UDIN: AR202310106Hprbl5iPS

  
KPMG Taseer Hadi & Co.  
Chartered Accountants



Quality Control Staff at Plant

The Company's priority has always been conducting ethical and sustainable business with an aim to build stronger relations with its stakeholders. The goal of its CSR is to behave responsibly 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 it; the Company continuously takes multifaceted initiatives to fulfill this ethical obligation.

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. Training and development are considered to be an integral part of its human resource policy. Apart from on-the-job training, the Company encourages its employees to attend seminars, workshops, short courses and lectures. MACPAC Films is an equal opportunity employer and also aims to provide employment opportunities to young graduates with an aim to nurture a highly talented cohort of future leaders for the country. During the year under review the Company focused on building its Brand with prospective employees by participating in University career fairs to attract business and technical graduates and also rolled out an internship programme.

Macpac Films Ltd is committed to building the careers of its employees. During the year under review, the Company prioritized employee skill development by ensuring the delivery of the following:

- Data Analytics Training Programme
- Industrial Automation Course
- Sales Force Management
- Directors Training Program
- Finance Acts 2022-23
- Certificate Course on Taxation
- Competencies of HR Leader
- Advance Risk Based Internal Auditing Training
- Competency Framework

There has also been greater focus on employee wellness and mental health and awareness programmes were organized and counselling sessions were available to staff. The Company also arranged cancer awareness sessions for its female staff. Employees participated in cricket matches and cricket fiesta. The Company celebrated its staff and created awareness through activities for Women's Day, Mother's Day, Father's Day, Children's Day along with celebration of religious and cultural days. Earth day was also celebrated emphasizing the Company's commitment to sustainability.

Employee engagement activities extended to CSR and the staff took part in activities with The Citizens Foundation, Child Life Foundation, Thalassemia Fighters of International Welfare Trust and Indus Hospital.



## Financial Statements





# Statement of Financial Position

As at June 30, 2023

	Note	2023 (Rupees)	2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,884,453,068	1,948,072,161
Intangible assets	10	836,118	408,566
Long-term deposits	11	12,776,285	20,026,285
		<u>1,898,065,471</u>	<u>1,968,507,012</u>
<b>CURRENT ASSETS</b>			
Stock-in-trade	12	1,165,508,058	1,063,391,314
Stores and Spares		46,579,607	-
Trade debts-net	13	860,411,242	654,943,026
Loans and advances-unsecured, considered good	14	70,212,808	53,632,107
Short-term deposits, prepayments and other receivables	15	265,503,892	80,337,467
Taxation - net	16	33,316,703	147,323,874
Short Term Investment	17	10,524,062	-
Cash and bank balances	18	267,862,572	78,694,417
		<u>2,719,918,944</u>	<u>2,078,322,205</u>
<b>TOTAL ASSETS</b>		<u><b>4,617,984,415</b></u>	<u><b>4,046,829,217</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
70,000,000 (2022: 70,000,000) ordinary shares of Rs.10/- each	19	700,000,000	700,000,000
Issued, subscribed and paid-up capital	19	593,011,500	593,011,500
Capital reserve	20	173,566,620	173,566,620
Revenue reserve	20	503,635,441	186,920,456
Surplus on revaluation of property, plant and equipment	20	623,040,000	623,040,000
		<u>1,893,253,561</u>	<u>1,576,538,576</u>
<b>NON-CURRENT LIABILITIES</b>			
Diminishing musharika arrangement	21	31,585,665	72,763,157
Lease liabilities	22	776,392	-
Deferred taxation - net	23	193,206,958	61,608,317
Staff Retirement Benefits - Staff Gratuity	24	80,878,191	61,936,775
Provision for Gas Infrastructure Development Cess	25	59,504,493	61,725,756
		<u>365,951,699</u>	<u>258,034,005</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	26	1,920,245,161	1,543,463,545
Short-term borrowings - secured	27	213,821,187	396,653,938
Accrued mark-up	28	6,696,989	11,220,483
Unclaimed dividend		550,336	735,324
Unpaid dividend		302,875	-
Current portion of liabilities	21,22 & 25	217,162,607	260,183,347
		<u>2,358,779,155</u>	<u>2,212,256,636</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	29		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>4,617,984,415</b></u>	<u><b>4,046,829,217</b></u>

The annexed notes 1 to 51 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

# Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
Sales - net	30	5,505,462,439	4,174,142,183
Cost of sales	31	(4,194,009,701)	(3,563,376,080)
<b>Gross profit</b>		<b>1,311,452,738</b>	610,766,103
Administrative expenses	32	(200,259,269)	(139,397,353)
Marketing and selling expenses	33	(101,646,032)	(69,243,641)
Finance costs	34	(133,742,264)	(93,909,807)
Other operating expenses	35	(254,991,429)	(121,394,929)
Impairment loss on trade debts	13.1	(35,115,407)	(3,256,223)
Other income	36	114,966,850	79,074,644
<b>Profit before taxation</b>		<b>700,665,187</b>	262,638,794
Taxation	37	(321,451,673)	(78,390,417)
<b>Profit after taxation</b>		<b>379,213,514</b>	184,248,377
<b>Earning per share - basic and diluted</b>	38	<b>6.39</b>	3.11

The annexed notes 1 to 51 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# Statement of Comprehensive Income

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
<b>Profit after taxation</b>		<b>379,213,514</b>	<b>184,248,377</b>
<b>Other comprehensive income</b>			
<b>Item that will not be reclassified to profit or loss-net of tax:</b>			
Re-measurement loss on defined benefit plan	24.2	(5,241,610)	(3,903,059)
Tax effect		2,044,228	1,131,887
		(3,197,382)	(2,771,172)
<b>Total comprehensive income for the year - net of tax</b>		<b>376,016,132</b>	<b>181,477,205</b>

The annexed notes 1 to 51 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# Statement of Changes in Equity

For the year ended June 30, 2023

	Reserves					Total equity
	Capital reserves		Revenue reserves	Total reserves		
	Capital reserve - share premium	Surplus on revaluation of property, plant and equipment	Revenue reserves - unappropriated profit / (loss)			
Issued, subscribed and paid - up capital						
	(Rupees)					
Balance as at July 01, 2021	593,011,500	173,566,620	623,040,000	5,443,251	802,049,871	1,395,061,371
Profit after tax	-	-	-	184,248,377	184,248,377	184,248,377
Other comprehensive income for the year - net of tax	-	-	-	(2,771,172)	(2,771,172)	(2,771,172)
Total comprehensive income for the year - net of tax	-	-	-	181,477,205	181,477,205	181,477,205
Balance as at June 30, 2022	593,011,500	173,566,620	623,040,000	186,920,456	883,527,076	1,576,538,576
Balance as at July 01, 2022	593,011,500	173,566,620	623,040,000	186,920,456	883,527,076	1,576,538,576
Profit after tax	-	-	-	379,213,514	379,213,514	379,213,514
Other comprehensive loss for the year - net of tax	-	-	-	(3,197,382)	(3,197,382)	(3,197,382)
Transaction with owners:				376,016,132	376,016,132	376,016,132
Final Cash Dividend for the year ended 30 June, 2022 at the rate of Rs. 1 per share				(59,301,147)	(59,301,147)	(59,301,147)
Balance as at June 30, 2023	593,011,500	173,566,620	623,040,000	903,635,441	1,300,243,061	1,893,253,561

The annexed notes 1 to 51 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	41	650,565,986	524,219,196
Long term deposit received/(paid)		7,250,000	(4,930,800)
Income tax - net paid		(110,292,696)	(76,333,537)
Gratuity paid	24,2	(9,773,238)	(6,233,129)
Finance costs paid		(138,265,760)	(90,427,304)
		(251,081,694)	(177,924,770)
<b>Net cash generated from operating activities</b>		<b>399,484,291</b>	<b>346,294,426</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets expenditure		(67,194,203)	(174,065,856)
Proceeds from disposal of fixed assets		12,050,510	700,000
Investment in Term Deposit Receipts		(10,524,062)	-
Additions in intangibles		(555,556)	-
<b>Net cash used in investing activities</b>		<b>(66,223,311)</b>	<b>(173,365,856)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment from diminishing musharika arrangement		(84,334,609)	(89,814,521)
Payment of lease liabilities		(574,958)	(20,106,733)
Dividend paid		(59,183,258)	-
<b>Net cash used in financing activities</b>		<b>(144,092,825)</b>	<b>(109,921,254)</b>
<b>Net increase in cash and cash equivalents</b>		<b>189,168,155</b>	<b>63,007,316</b>
Cash and cash equivalents at the beginning of the year		78,694,417	15,687,101
<b>Cash and cash equivalents at the end of the year</b>	48	<b>267,862,572</b>	<b>78,694,417</b>

The annexed notes 1 to 51 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# Notes to the Financial Statements

For the year ended June 30, 2023

## 1 LEGAL STATUS AND OPERATIONS

- 1.1 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 no. 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 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 standards) 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 from the requirements of IFRS standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 4 BASIS OF PREPARATION

### 4.1 Basis Of Measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, leasehold land stated at its fair values determined by an independent valuer.

### 4.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest rupees.

# Notes to the Financial Statements

For the year ended June 30, 2023

## 5 New or Amendments / Interpretations to Existing Standards,

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 1 July 2023 that are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

# Notes to the Financial Statements

For the year ended June 30, 2023

- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.



# Notes to the Financial Statements

For the year ended June 30, 2023

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12 ) introduce following new disclosure requirements:
  - Once tax law is enacted but before top-up tax is effective:

Disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then a company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
  - After top-up tax is effective: disclose current tax expense related to top-up tax.

## 6 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 recognized 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, revaluation of land, useful lives, method of depreciation of property, plant and equipment and intangible assets (notes 7.1, 9.1 & 10.1);
- (b) provision for expected credit loss of certain financial assets (note 7.10 & 13);
- (c) recognition of staff retirement benefits (note 7.9 & 24);
- (d) recognition of taxation and deferred tax (notes 7.6, 16 & 23);
- (e) estimation of net realizable value of stock in trade (note 7.4 & 12);
- (f) contingencies (note 7.20 & 29.1).
- (g) leases (note 7.18 & 22).
- (h) provisions (note 7.15)

# Notes to the Financial Statements

For the year ended June 30, 2023

## 7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 7.1 Property, plant and equipment

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, which is stated at revalued amounts less accumulated impairment losses, if any.

Depreciation is charged to statement of profit or loss using the reducing balance method at the rates specified in note 9 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 derecognized.

Maintenance and normal repairs are charged to statement of profit or loss 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 reporting 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 operating fixed assets is derecognized 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 statement of profit or loss.

#### 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.

### 7.2 Surplus on revaluation of property, plant and equipment

Property, plant and equipment are measured at fair value less accumulated depreciation and accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the surplus on revaluation of property, plant and equipment in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the surplus on revaluation of property, plant and equipment.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

# Notes to the Financial Statements

For the year ended June 30, 2023

## 7.3 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 recognized as intangible assets. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

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

Assets residual values, useful lives and method of amortization are reviewed and adjusted prospectively, if appropriate at each reporting date.

## 7.4 Stock-in-trade

These are valued at the lower of net realizable value (NRV) or cost of the stock-in-trade 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.

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 reporting date.

Scraps are valued at estimated realisable value.

## 7.5 Stores and Spares

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges incurred thereon till the reporting date. Provision for obsolete and slow moving stores, spare parts and loose tools is determined based on management's estimate regarding their future usability.

## 7.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss account, except to the extent that it relates to items recognized directly in the other comprehensive income or in equity, in which case it is recognized in the other comprehensive income or equity respectively.

### Current

Provision for current taxation is based on taxability of certain income streams under final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. Provision of current tax is determined using the tax rate enacted at the reporting date.

# Notes to the Financial Statements

For the year ended June 30, 2023

## Deferred

Deferred tax is recognized using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 7.7 Cash and cash equivalents

These are carried at cost. Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change.

## 7.8 Impairment of 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 recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss.

Impairment losses recognized 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 amortization, if no impairment loss had been recognized.

## 7.9 Staff retirement benefits

### Defined benefit plan - staff gratuity scheme

The Company operates a defined benefit 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 actuarial valuation. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

# Notes to the Financial Statements

For the year ended June 30, 2023

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

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

## 7.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 7.10.1 Financial assets

#### a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i) Financial assets at amortised cost (debt instruments);
- ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- iv) Financial assets at fair value through profit or loss.

# Notes to the Financial Statements

For the year ended June 30, 2023

## **i) Financial assets at amortised cost (debt instruments)**

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

## **ii) Financial assets designated at fair value through OCI (debt instruments)**

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to statement of profit or loss.

The Company does not have any debt instruments at fair value through OCI investments during the current and last year and as of reporting date.

## **iii) Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any equity instruments at fair value through OCI investments during the current and last year and as of reporting date.

# Notes to the Financial Statements

For the year ended June 30, 2023

## iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

## c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

# Notes to the Financial Statements

For the year ended June 30, 2023

## d) Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## 7.10.2 Financial liabilities

### a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term financing, short term borrowings, due to related parties, accrued mark-up and trade and other payables.

#### i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

#### ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.



# Notes to the Financial Statements

For the year ended June 30, 2023

## b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 7.10.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 7.11 Short Term Investment

Investments in Pakistan Term Deposit Receipts are classified at amortized cost and are initially measured at fair value. Transaction costs directly attributable to the acquisition are included in the carrying amount.

### 7.12 Trade Debts

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 7.13 Trade and other payables

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 7.14 Revenue recognition

The Company is in the business of manufacturing packing products. The revenue is recognized on delivery of the products to the customers. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the rendering of services, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

# Notes to the Financial Statements

For the year ended June 30, 2023

## Performance obligations

Information about the Company's performance obligations are summarized below:

The performance obligation is satisfied when the product is delivered to the customer.

Interest on bank deposits are recognized on effective interest rate basis.

Miscellaneous income, if any, is recognised on an accrual basis.

## Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company satisfies the performance obligation under the contract (i.e., transfers control of the related goods to the customer).

## 7.15 Provisions

Provisions are recognized 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 recognized 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 reporting date and adjusted to reflect the current best estimate.

## 7.16 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 reporting 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 on transactions are included in statement of profit or loss in the year in which it occurs.

## 7.17 Dividends

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

## 7.18 Leases

The Company assess at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases of 12 months or less and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets (ROU assets) representing the right to use the underlying assets.

# Notes to the Financial Statements

For the year ended June 30, 2023

## i) Right-of-use assets (ROU assets)

The Company recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

## ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under its lease arrangements to lease the assets for additional terms.

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

## iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# Notes to the Financial Statements

For the year ended June 30, 2023

## 7.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

## 7.20 Contingent liabilities

A contingent liabilities is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, at one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation can not be measured with sufficient reliability.

## 8 DETAILS OF RELATED PARTIES OF THE COMPANY

Details of related parties with whom the Company has entered into transactions with or has arrangements / agreements in place during the year are as follows:

Name of related party	Basis of relationship
Hilal Foods (Private) Limited	Common Directorship
Kings Foods (Private) Limited	Common Directorship
Shalimar Foods Products	Common Directorship
Toyo Packaging (Private) Limited	Common Directorship
Mac Business Solution (Private) Limited	Common Directorship
TGA Sustainability (Private) Limited	Common Directorship
Mac Properties (Private) Limited	Common Directorship
Mr. Najm ul Hassan (Chief Executive Officer)	Key management personnel
Mr. Ehtesham Maqbool Elahi (Executive Director)	Key management personnel
Mr. Habib Elahi (Director Operations)	Key management personnel
Mr. Faisal Panawala (CFO)	Key management personnel
Ms. Ume-Farwa (Head of Internal Audit)	Key management personnel

9 PROPERTY, PLANT AND EQUIPMENT	Note	2023	2022
		(Rupees)	
Operating fixed assets	9.1	1,862,853,575	1,837,188,145
Right-of-use assets	9.6	1,360,691	839,412
Capital work-in-progress	9.8	20,238,802	110,044,604
		<u>1,884,453,068</u>	<u>1,948,072,161</u>

# Notes to the Financial Statements

For the year ended June 30, 2023

5.1 Operating fixed assets

**Net carrying value basis**

Opening net book value (NBV) as at July 01, 2022  
 Additions transfers (at cost) \*  
 Transfers from RCU assets  
 Revaluation  
 Disposals (at NBV)  
 Depreciation charge (Note 5.4)  
 Net book value (NBV)  
 as at June 30, 2023

**Gross carrying value basis**

Cost / Revalued amount  
 Accumulated depreciation  
 Net book value (NBV)  
 as at June 30, 2023

Rate of depreciation

\* Additions to building on leasehold land, plant and machinery and include transfer from capital work-in-progress.

Leasehold land	OWNED										Total
	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Electric installations	Refrigeration and air conditioning	Generators	Office equipment	Computers	Motor vehicles		
840,000,000	149,409,444	852,295,782	5,021,800	8,275,385	5,832,814	147,162,442	11,410,930	2,464,007	42,214,861	1,837,188,145	
-	12,951,569	(112,032,073)	1,308,606	2,690,770	6,881,669	4,658,279	2,189,658	2,484,928	14,039,083	157,150,883	
-	-	-	-	-	-	-	-	-	-	-	
-	(7,796,718)	(88,855,096)	(479,895)	(1,091,853)	(778,588)	(14,953,391)	(1,221,815)	(843,570)	(6,154,319)	(8,154,319)	
640,000,000	154,270,885	842,503,339	5,750,790	9,964,302	10,830,087	128,274,430	12,378,623	4,116,375	40,757,033	1,882,853,878	
640,000,000	220,882,191	1,379,476,588	11,810,091	13,877,831	10,239,218	173,213,475	21,043,538	10,290,968	84,078,883	2,180,780,120	
-	(68,581,509)	(1,120,873,230)	(8,108,781)	(3,913,208)	(4,091,218)	(37,839,640)	(8,664,916)	(8,174,621)	(53,218,850)	(1,217,328,040)	
640,000,000	154,270,885	842,503,339	5,750,790	9,964,302	10,830,087	136,274,430	12,378,623	4,116,375	40,757,033	1,882,853,878	
	5%	10%	10%	10%	10%	10%	10%	25%	30%		

**Net carrying value basis**

Opening net book value (NBV) as at July 01, 2021  
 Additions transfers (at cost) \*  
 Transfers from RCU assets  
 Revaluation  
 Disposals (at NBV)  
 Depreciation charge (Note 5.4)  
 Net book value (NBV)  
 as at June 30, 2022

**Gross carrying value basis**

Cost  
 Accumulated depreciation  
 Net book value (NBV)  
 as at June 30, 2022

Rate of depreciation

\* Additions to building on leasehold land, plant and machinery and include transfer from capital work-in-progress.

Leasehold land	OWNED										Total
	Buildings on leasehold land	Plant and machinery	Furniture and fixtures	Electric installations	Refrigeration and air conditioning	Generators	Office equipment	Computers	Motor vehicles		
640,000,000	153,246,233	832,303,210	4,557,895	4,870,200	4,772,419	166,707,208	9,879,258	1,777,144	34,001,298	1,754,234,940	
-	3,818,082	70,034,605	939,616	3,918,108	1,883,879	86,036,730	2,667,378	1,286,387	11,002,250	86,150,465	
-	-	7,531,224	-	-	-	-	-	-	4,683,522	87,344,478	
-	-	-	-	-	-	-	(36,520)	-	(115,000)	(151,520)	
-	(7,454,871)	(86,593,288)	(480,711)	(813,888)	(823,898)	(8,874,488)	(3,099,161)	(677,624)	(7,457,544)	(108,460,100)	
640,000,000	149,409,444	825,295,782	5,021,800	8,275,385	5,032,814	147,162,442	11,410,930	2,464,007	42,214,861	1,837,188,145	
640,000,000	208,200,233	1,887,442,885	10,801,888	10,186,881	10,067,448	163,842,046	18,893,951	7,788,028	80,482,084	2,033,480,440	
-	(58,790,789)	(1,042,148,134)	(8,980,086)	(1,391,478)	(4,124,633)	(22,685,854)	(7,443,022)	(8,331,121)	(48,277,428)	(1,186,292,285)	
640,000,000	149,409,444	825,295,781	5,021,800	8,275,385	5,032,814	147,162,442	11,410,930	2,464,007	42,214,861	1,837,188,145	
	5%	10%	10%	10%	10%	10%	10%	25%	30%		

# Notes to the Financial Statements

For the year ended June 30, 2023

**9.2** The Company had revalued its leasehold land using the market comparable method during prior year. The valuations had been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the date of revaluation, the leasehold land's fair values are based on valuations performed by Sipra & Company (Pvt) Ltd., an accredited independent valuer certified by State Bank of Pakistan who has valuation experience for similar assets. A net gain from the revaluation of the leasehold land of Rs. 623 million was recognised in OCI in year 2020. Fair value measurement disclosures for the revalued leasehold land are provided in note 43.

Had there been no revaluation, the carrying value of the property, plant and equipment would be as follows:

	2023 (Rupees)	2022
Leasehold land	<u>16,960,000</u>	<u>16,960,000</u>

**9.2.1** Forced sales value of leasehold land is Rs. 512 million.

**9.3** Details of operating fixed assets disposed of:

Vehicles	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)	Mode of disposal	Particulars of buyer	Relationship with buyer
(Rupees)								
Honda City	1,570,370	1,159,999	410,371	1,440,510	1,030,139	By Negotiation	Zaffar Abbas	Third Party
Honda Civic	2,435,700	1,588,939	846,761	3,150,000	2,303,239	By Negotiation	Ali	Third Party
SUZUKI Swift	1,175,214	775,914	399,300	1,260,000	860,700	As per policy	Mehreen Shah	Employee
KIA Sportage	5,270,000	772,113	4,497,887	6,200,000	1,702,113	By Negotiation	Faisal Shahid	Third Party
	<u>10,451,284</u>	<u>4,296,965</u>	<u>6,154,319</u>	<u>12,050,510</u>	<u>5,896,191</u>			

<b>9.4</b> Allocation of depreciation expense	Note	2023 (Rupees)	2022
Cost of sales	31	<u>118,763,216</u>	106,278,198
Administrative expenses	32	<u>5,381,368</u>	2,224,980
Marketing and selling expenses	33	<u>1,186,630</u>	956,930
		<u>125,331,214</u>	<u>109,460,108</u>

**9.5** The details of immovable assets (i.e. land and building) of the Company as at June 30, 2023 are as follows:

Location	Address	Usage	Covered Area (sq. ft)
Karachi	Plot # Ez/1/P-10 East Industrial Zone, Karachi	Production facility	<u>697,017</u>

# Notes to the Financial Statements

For the year ended June 30, 2023

## 9.6 Right-of-use assets

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

	Note	Office Premises (Rupees)	Total
As at July 1, 2022		839,412	839,412
Additions		1,937,226	1,937,226
Adjustment		(839,412)	(839,412)
Depreciation expense	22.2	(576,535)	(576,535)
As at June 30, 2023		1,360,691	1,360,691
As at June 30, 2022		839,412	839,412
<b>Rate of depreciation</b>		<b>33%</b>	

## 9.7 Allocation of depreciation expense

	Note	2023 (Rupees)	2022
Cost of sales	31	-	11,046,216
Marketing and selling expenses	33	576,535	537,898
		576,535	11,584,114

## 9.8 Capital work-in-progress

	Balance as at 01 July 2022	Additions (Rupees)	Transfers	Balance as at 30 June 2023
Building and civil works	17,234,322	5,051,796	(15,787,795)	6,498,323
Plant and machinery	91,941,576	53,407,555	(131,608,652)	13,740,479
Generators	868,706	-	(868,706)	-
	110,044,604	58,459,351	(148,265,153)	20,238,802

	Balance as at 01 July 2021	Additions (Rupees)	Transfers	Balance as at 30 June 2022
Building and civil works	12,700,921	32,978,935	(28,445,534)	17,234,322
Plant and machinery	35,356,123	103,476,585	(46,891,132)	91,941,576
Generators	868,706	-	-	868,706
	48,925,750	136,455,520	(75,336,666)	110,044,604

# Notes to the Financial Statements

For the year ended June 30, 2023

10 INTANGIBLE ASSETS	Note	2023 (Rupees)	2022
Computer software	10.1	836,118	408,566
<b>10.1 Computer software</b>			
<b>Net carrying value basis</b>			
Net carrying value as on July 01		408,566	510,708
Additions		555,556	-
Amortization	10.2	(128,004)	(102,142)
<b>Net carrying value as at June 30</b>		<b>836,118</b>	<b>408,566</b>
<b>Gross carrying value basis</b>			
Cost		1,985,738	1,985,738
Additions		555,556	-
Accumulated amortization		(1,705,176)	(1,577,172)
<b>Net carrying value as at June 30</b>		<b>836,118</b>	<b>408,566</b>
<b>10.2</b>	Amortization charge of 20% per annum has been allocated to administrative expenses (Note 32).		
11 LONG-TERM DEPOSITS	Note	2023 (Rupees)	2022
<b>Security deposits</b>			
Margin against bank guarantee	11.1	-	7,250,200
Other deposits		12,776,285	12,776,085
		<b>12,776,285</b>	<b>20,026,285</b>
<b>11.1</b>	Represents cash margin against guarantee issued by Faysal Bank Limited in favour of Sui Southern Gas Company Limited.		
12 STOCK-IN-TRADE	Note	2023 (Rupees)	2022
<b>Raw material:</b>			
In hand	12.1, 12.2 & 31	548,928,265	336,010,436
In transit		181,282,518	306,120,042
In bonded warehouse		226,617,915	322,016,789
		<b>956,828,698</b>	<b>964,147,267</b>
Work in process	31	133,110,261	88,488,789
Finished goods	31	75,569,099	10,755,258
		<b>208,679,360</b>	<b>99,244,047</b>
		<b>1,165,508,058</b>	<b>1,063,391,314</b>



# Notes to the Financial Statements

For the year ended June 30, 2023

**12.1** This includes raw material provided by third parties for toll manufacturing amounting to Rs. 430 million (2022: Rs. 254 million).

**12.2** This includes packing material amounting to Rs. 9.8 million (2022: Rs. 7.1 million).

<b>13 TRADE DEBTS-NET</b>	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>(Rupees)</b>	
Considered good			
- Related parties	13.2 & 13.3	<b>265,346,090</b>	148,384,271
- Other than related parties		<b>595,065,152</b>	506,558,755
		<b>860,411,242</b>	654,943,026
Considered doubtful		<b>68,448,258</b>	33,332,851
	13.4	<b>928,859,500</b>	688,275,877
Less: Allowance for expected credit losses (ECL)	13.1	<b>(68,448,258)</b>	(33,332,851)
		<b>860,411,242</b>	654,943,026

## **13.1 Allowance for expected credit losses**

Balance as at 1 July	<b>33,332,851</b>	30,076,628
Impairment loss on trade debts	<b>35,115,407</b>	3,256,223
Balance as at 30 June	<b>68,448,258</b>	33,332,851

**13.2** Represents balances due from related parties which are as follows:

### **Description**

Hilal Foods (Private) Limited	<b>16,892,289</b>	1,230,443
Kings Foods (Private) Limited	-	632,650
Shalimar Foods Products	<b>1,487,346</b>	1,994,231
Toyo Packaging (Private) Limited	<b>104,288,723</b>	144,526,947
Mac Business Solution (Private) Limited	<b>29,693,387</b>	-
TGA Sustainability (Private) Limited	<b>112,984,345</b>	-
	<b>265,346,090</b>	148,384,271

**13.3** The related parties from whom the maximum amount outstanding at any time during the year calculated by reference to month-end balances are as under:

	<b>2023</b>	<b>2022</b>
	<b>(Rupees)</b>	
Hilal Foods (Private) Limited	<b>16,892,289</b>	1,230,443
Kings Foods (Private) Limited	-	632,650
Shalimar Foods Products	<b>1,487,346</b>	1,994,231
Mac Business Solution (Private) Limited	<b>29,693,387</b>	-
TGA Sustainability (Private) Limited	<b>112,984,345</b>	-
Toyo Packaging (Private) Limited	<b>104,288,723</b>	144,526,947

# Notes to the Financial Statements

For the year ended June 30, 2023

## 13.4 Ageing of trade debts as at the reporting date is as under:

Total	Neither past due nor impaired	> 30 days up to 60 Days	Past due but not impaired		
			> 60 days upto 90 days (Rupees)	>90 days upto 180 Days	>180 days
<b>Related parties</b>					
Hilal Foods (Private) Limited	16,892,289	4,933,235	11,959,054	-	-
Shalimar Foods Products	1,467,346	-	-	397,497	1,089,849
Mac Business Solution (Private) Limited	29,693,387	14,327,755	964,810	14,400,822	-
TGA Sustainability (Private) Limited	112,984,345	12,963,360	21,000,026	21,007,981	58,012,978
Toyo Packaging (Private) Limited	104,268,723	28,721,023	38,511,219	28,364,660	8,691,821
	<b>265,346,090</b>	<b>60,945,373</b>	<b>72,435,109</b>	<b>63,773,463</b>	<b>67,102,296</b>
<b>Other than related parties</b>	<b>653,513,410</b>	<b>275,740,919</b>	<b>94,296,899</b>	<b>33,828,316</b>	<b>86,806,401</b>
<b>2023</b>	<b>928,859,500</b>	<b>336,686,292</b>	<b>166,732,008</b>	<b>97,401,779</b>	<b>153,908,897</b>

Total	Neither past due nor impaired	> 30 days up to 60 Days	Past due but not impaired		
			> 60 days upto 90 days (Rupees)	>90 days upto 180 Days	>180 days
<b>Related parties</b>					
Hilal Foods (Private) Limited	1,230,443	-	1,230,443	-	-
Kings Foods (Private) Limited	632,650	-	-	-	632,650
Shalimar Foods Products	1,994,231	-	599,444	1,394,787	-
Toyo Packaging (Private) Limited	144,526,947	21,030,623	20,018,497	27,695,922	48,958,849
	<b>148,384,271</b>	<b>21,030,623</b>	<b>21,848,384</b>	<b>29,090,709</b>	<b>48,958,849</b>
<b>Other than related parties</b>	<b>539,891,607</b>	<b>359,302,379</b>	<b>33,173,774</b>	<b>2,999,928</b>	<b>80,952,235</b>
<b>2022</b>	<b>688,275,878</b>	<b>380,333,002</b>	<b>55,022,158</b>	<b>32,090,637</b>	<b>129,911,084</b>

14	LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD	Note	2023	2022
			(Rupees)	
<b>Loans</b>				
	Employees	14.1	2,185,939	3,356,333
<b>Advances</b>				
	- Suppliers and contractors		40,103,288	32,759,369
	- Employees		8,385,116	10,653,477
	- Others		19,538,465	6,862,928
			<b>68,026,869</b>	<b>50,275,774</b>
			<b>70,212,808</b>	<b>53,632,107</b>

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

14.2 Represents advances given to employees for business expenses and are settled as and when the expenses are incurred.

# Notes to the Financial Statements

For the year ended June 30, 2023

15	SHORT TERM DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES	Note	2023 (Rupees)	2022
	<b>Short Term deposits - unsecured, considered good</b>			
	- Containers		21,858,181	27,458,546
	- Nazir High Court	29.1.3	9,525,757	9,525,757
	- Margin against Letter of Credit	15.1	205,995,776	107,070
	- Others		13,695,257	7,696,150
			<u>251,074,971</u>	<u>44,787,523</u>
	<b>Short-term prepayments</b>	15.2	13,163,183	1,803,534
	<b>Other receivables</b>		1,265,738	33,746,410
			<u>265,503,892</u>	<u>80,337,467</u>

15.1 This represents LC margin kept with the scheduled banks in relation to import of specified items.

15.2 Represents prepayments made for the internet connection, mobile bills and fuel cards given to employees.

16	TAXATION – NET	2023 (Rupees)	2022
	Income tax refundable	57,455,957	134,972,110
	Sales tax (payable)/refundable	(24,139,254)	12,351,764
		<u>33,316,703</u>	<u>147,323,874</u>

## 17 SHORT TERM INVESTMENT

This comprise of investment in (TDRs) amounting to Rs.10.524 Million (2022: Rs. Nil) at a rate of 16.5%. These TDRs are submitted as bank guarantee to SSGC being a security deposit.

18	CASH AND BANK BALANCES	Note	2023 (Rupees)	2022
	Cash in hand		5,551,208	285,638
	Cash at banks – current accounts		201,880,419	78,408,779
	Cash at banks – saving accounts	18.1	60,430,945	-
			<u>267,862,572</u>	<u>78,694,417</u>

18.1 Saving account carry profit rates ranging from 7.5% to 10% per annum (2022:Nil)

# Notes to the Financial Statements

For the year ended June 30, 2023

## 19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023 (Number of Shares)		2022		2023 (Rupees)		2022
<b>Authorised share capital</b>						
<u>70,000,000</u>	70,000,000		Ordinary shares of Rs. 10 each	<u>700,000,000</u>	700,000,000	
<b>Issued, subscribed and paid up share capital</b>						
2023 (Number of Shares)		2022	Fully paid ordinary shares of Rs. 10/- each	2023		2022
<u>25,986,000</u>	25,986,000		- Issued for cash	<u>259,860,000</u>	259,860,000	
<u>12,900,000</u>	12,900,000		- Issued as fully paid bonus shares	<u>129,000,000</u>	129,000,000	
<u>20,415,150</u>	20,415,150		- Issued as right shares at a premium	<u>204,151,500</u>	204,151,500	
<u>59,301,150</u>	59,301,150			<u>593,011,500</u>	593,011,500	

- 19.1 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

2023 (Rupees)		2022
<b>20 RESERVES</b>		
Capital reserve	<u>173,566,620</u>	173,566,620
Surplus on revaluation of property, plant and equipment	<u>623,040,000</u>	623,040,000
Revenue reserve	<u>503,635,441</u>	186,920,457
	<u>1,300,242,061</u>	983,527,077

2023 (Rupees)		2022
<b>21 DIMINISHING MUSHARIKA ARRANGEMENT</b>		
Outstanding	<u>83,093,573</u>	167,428,182
Current portion	<u>(51,507,908)</u>	(94,665,025)
Long Term	<u>31,585,665</u>	72,763,157

- 21.1 The Company had obtained a diminishing musharika facility from a financial institution for plant and machinery aggregating to Rs. 368 million for a period of 5 years. The rate of return used as the discounting factor is 3 months KIBOR plus 2.5 percent. Musharika units are to be purchased in 5 years in 20 quarterly instalments latest by June 2024 and are secured against the specific charge over plant and machinery with 25% margin.

# Notes to the Financial Statements

For the year ended June 30, 2023

## 22 LEASE LIABILITIES

22.1 The carrying amounts of lease liabilities and the movement during the period are as follows:

	Note	2023 (Rupees)	2022
As at 1 July		449,499	20,550,664
Adjustment		(449,499)	-
Addition		1,937,226	5,568
Interest	34	208,035	1,792,176
Payments		(782,992)	(21,898,909)
As at 30 June		1,362,269	449,499
<b>Current</b>		<b>585,877</b>	<b>449,499</b>
<b>Non-Current</b>		<b>776,392</b>	<b>-</b>
		<b>1,362,269</b>	<b>449,499</b>

22.2 The Company also has a leased asset with lease terms of 12 months or less. The Company applies the 'short-term' lease recognition exemption for such lease.

The following are the amounts recognised in statement of profit or loss:

	Note	2023 (Rupees)	2022
Depreciation expense of right-of-use assets	9.6	576,535	11,584,113
Interest expense on lease liabilities	34	208,035	1,792,176
Expense relating to short-term leases	32	12,351,000	10,740,000
		<b>13,135,570</b>	<b>24,116,289</b>

22.3 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:

	2023		2022	
	Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments	Present Value of MLP
	(Rupees)			
Within one year	782,992	585,876	462,194	449,499
After one year but not more than five years	661,292	776,392	-	-
<b>Total minimum lease payments</b>	<b>1,644,284</b>	<b>1,362,268</b>	<b>462,194</b>	<b>449,499</b>
Less: Finance charges	(282,016)	-	(12,695)	-
<b>Present value of minimum lease payments</b>	<b>1,362,268</b>	<b>1,362,268</b>	<b>449,499</b>	<b>449,499</b>
Less: Current portion	(585,876)	(585,876)	(449,499)	(449,499)
	<b>776,392</b>	<b>776,392</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

For the year ended June 30, 2023

23	DEFERRED TAXATION-NET	Note	2023 (Rupees)	2022
	<b>Taxable temporary differences arising due to:</b>			
	- accelerated tax depreciation		269,921,421	203,932,919
	- accelerated tax amortization		114,836	(49,865)
	- right-of-use assets		530,669	243,429
	- OCI Impact of gratuity		(2,044,228)	1,131,887
	- provision for GIDC		(228,492)	(130,354)
			<u>268,294,206</u>	<u>205,128,016</u>
	<b>Deductible temporary differences arising due to:</b>			
	- lease liabilities		(302,793)	-
	- provision for staff retirement benefits – gratuity		(31,542,494)	(17,961,665)
	- provision for expected credit losses		(26,694,821)	(9,666,527)
	- unrealized exchange losses		(5,527,277)	(5,836,800)
	- unutilized tax losses		-	(40,142,208)
	- minimum tax		(11,019,883)	(69,912,499)
			<u>(75,087,268)</u>	<u>(143,519,699)</u>
		23.1	<u>193,206,958</u>	<u>61,608,317</u>

23.1 Deferred tax expenses amounting to Rs.131.5 million (2022: Rs. 17.21 million) has been recognised in statement of profit or loss (Note 37).

24	STAFF RETIREMENT BENEFITS - STAFF GRATUITY	Note	2023 (Rupees)	2022
24.1	<b>The amount recognized in the statement of financial position is as follows:</b>			
	Present value of defined benefit obligation	24.2	<u>80,878,191</u>	<u>61,936,775</u>
24.2	<b>Changes in the present value of defined benefit obligation are as follows:</b>			
	As at July		61,936,775	48,502,400
	Charge for the period	24.3	23,473,044	15,764,445
	Re-measurement loss recognized in other comprehensive income		5,241,610	3,903,059
	Benefits paid		(2,507,308)	(1,238,431)
	Advances paid		(7,265,930)	(4,994,698)
	As at June		<u>80,878,191</u>	<u>61,936,775</u>

# Notes to the Financial Statements

For the year ended June 30, 2023

		2023	2022
		(Rupees)	
<b>24.3</b>	<b>Charge for the year recognized in the statement of profit or loss is as follows:</b>		
	Current service cost	15,854,833	11,243,281
	Interest cost	7,618,211	4,521,164
		<u>23,473,044</u>	<u>15,764,445</u>
<b>24.4</b>	<b>The charge for the year has been allocated as follows:</b>		
	Cost of sales	14,030,446	10,117,486
	Administrative expenses	8,055,054	5,339,144
	Marketing and selling expenses	1,387,544	307,815
		<u>23,473,044</u>	<u>15,764,445</u>
<b>24.5</b>	The principal assumptions used in the actuarial valuations carried out as of June 30, 2023 using the 'Projected Unit Credit' method are as follows:		
		2023	2022
	Expected rate of increase in salary level	17% p.a	12% p.a
	Discount rate	16.25% p.a	13.25% p.a
<b>24.6</b>	<b>Impact of changes in assumption on present value of defined benefit scheme without payable is as follows:</b>		
	<b>Assumption</b>	<b>1% increase</b>	<b>1% increase</b>
		<b>(Rupees)</b>	
	Discount rate	103,067,775	79,376,984
	Salary increase	119,630,329	93,275,546
	<b>Assumption</b>	<b>1% decrease</b>	<b>1% decrease</b>
		<b>(Rupees)</b>	
	Discount rate	(119,074,414)	(92,844,887)
	Salary increase	(102,466,308)	(78,903,289)
<b>24.7</b>	<b>Maturity profile of the defined benefit obligation:</b>		
		2023	2022
		<b>(Years)</b>	
	Weighted average duration	7.24	7.86

# Notes to the Financial Statements

For the year ended June 30, 2023

## 24.8 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.

## 24.9 Comparison of five years:

As at June 30,	2023	2022	2021	2020	2019
	(Rupees)				
Present value of defined benefit obligation	80,878,191	61,936,775	48,502,400	41,526,179	25,411,876

## 25 PROVISION FOR GAS INFRASTRUCTURE DEVELOPMENT CESS

Note

2023  
(Rupees) 2022

Gas Infrastructure Development Cess	224,573,316	226,794,579
Less: Current portion shown under current liabilities	(165,068,823)	(165,068,823)
	<u>59,504,493</u>	<u>61,725,756</u>

## 26 TRADE AND OTHER PAYABLES

Trade creditors	713,972,759	594,088,818
Import bills for goods and fixed asset	734,997,968	597,178,193
Accrued liabilities	80,912,882	22,432,278
Advances from customers - unsecured (contract liabilities)	118,881,343	98,919,806
Workers' Profits Participation Fund	207,903,949	177,504,501
Workers' Welfare Fund	25,299,286	17,674,019
Withholding tax payable	34,300,285	27,390,473
Others	3,976,689	8,275,457
	<u>1,920,245,161</u>	<u>1,543,463,545</u>

### 26.1 Workers' Profits Participation Fund

Balance at the beginning of the period		177,504,501	166,987,775
Charged for the year	35	38,447,246	13,794,219
Interest on Workers' Profits Participation Fund	34	18,302,734	10,389,549
Paid during the year		(26,350,532)	(13,667,042)
		<u>207,903,949</u>	<u>177,504,501</u>



# Notes to the Financial Statements

For the year ended June 30, 2023

27	SHORT-TERM BORROWING - SECURED	Note	2023 (Rupees)	2022
	Istisna arrangement	27.1	213,821,187	396,653,938
			<u>213,821,187</u>	<u>396,653,938</u>

**27.1** Represents Islamic financing facility of Rs. 213.8 million (2022:396.1 million) obtained from an Islamic bank which is payable within four months carrying markup of 6 months KIBOR plus 2.5% and is secured against Joint Pari Passu charge of Rs. 334 million over current assets, joint Pari Passu charge of Rs. 220 million over plant and machinery of the Company and joint Pari Passu charge of Rs. 113 million over leasehold land and building of the Company. The Company has fully availed Istisna arrangement during the year.

28	ACCRUED MARK-UP	2023 (Rupees)	2022
	Diminishing musharika arrangement	2,668,026	4,277,792
	Lease liabilities	38,636	-
	Istisna arrangement	3,990,327	6,942,691
		<u>6,696,989</u>	<u>11,220,483</u>

## 29 CONTINGENCIES AND COMMITMENTS

### 29.1 Contingencies

**29.1.1** In the year 2017, sales tax audit for the tax year 2012-2014 of the Company was selected and an order was passed by the Deputy Commissioner Inland Revenue dated October 23, 2017 for a demand of Rs. 3,897,611/- against the Company. An appeal against the above order has been filed before the Commissioner Inland Revenue - Appeals II by the Company and during the year, the Commissioner Inland Revenue Authority (CIRA) has set aside the issues pertaining to sales tax amounting to Rs. 766,794/- and forward the same for further examination to Deputy Commissioner Inland Revenue.

Since then, no sales tax demand stands payable as of today unless re-examined / reassessed by the DCIR as per the direction of CIRA. Therefore, company based on advice of its tax consultants has not made any provision in these financial statements.

**29.1.2** In August 2015, Sui Southern Gas Company (SSGC) increased rates of natural gas on the basis of notification dated 31 August 2015 issued by Oil and Gas Regulatory Authority (OGRA) whereby prices for natural gas for industrial sector have increased from Rs. 488 to Rs. 600 per MMBTU whereas those for the captive power sector have been increased from Rs. 573 to Rs. 600 per MMBTU and the Company falls in the category of captive power. The Company challenged the OGRA notification and filed writ petition in the HCS in Suit No. 2419 of 2015. Thereafter, HCS vide its order dated May 18, 2016, decided the case in Company's favor and concluded that the OGRA notification lacks the sanctity of law and it cannot be validated in terms of Section 7 and 8 of the Oil and Gas Regulatory Authority Ordinance 2002. SSGC filed an appeal in the HCS which was dismissed on August 15, 2017. Subsequently, SSGC has taken the matter to the Supreme Court of Pakistan and filed petition to appeal against the order dated August 15, 2017.

# Notes to the Financial Statements

For the year ended June 30, 2023

Further, OGRA in suppression of its Notification No. SRO 876(1)2015 dated August 31, 2015 notified the sale price and minimum charges, in respect of natural gas to industrial customers with effect from December 15, 2016 being flat rate of Rs.600 per MMBTU. The Company challenged the impugned notification dated December 30, 2016 before the HCS. HCS has passed ad-interim orders dated January 20, 2017 suggesting stay on the rates aforementioned, while ordering plaintiffs to deposit the differential amount in terms of impugned notification as security till further orders. Accordingly, the Company has deposited the security to Nazir of High Court as disclosed in note 15 to financial statements.

However, due to the inherent uncertainties involved in the matter, the management based on the opinion of their legal advisor, has not accounted for increase in tariff rate amounting to Rs. 8.33 million as of 30 June 2018 as the management is confident that the decision of the case will be in their favor.

**29.1.3** The Deputy Commissioner Inland Revenue had passed an order under Section 11 of Sales Tax Act, 1990. An appeal against the above order has been filed before the Commissioner Inland Revenue - Appeals II (CIRA) by the Company and an order was passed by the CIRA dated August 31, 2022 wherein tax demand of Rs.21,344,007/- had been upheld and remaining tax demand of Rs.291,477,683 has been remanded back by CIRA with specific directions. The company had filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the demand upheld in aforesaid order of the CIRA. Main hearing of the appeal has been heard by the Appellate Tribunal Inland Revenue (ATIR) and the case has been reserved for order.

The concerned Deputy Commissioner Inland Revenue had initiated the remand back proceeding and confirmed the demand as established earlier without following the direction of the CIRA through its Order-in-Original No.14/2022-2023 dated 24 June 2023. The company also filed an appeal before CIRA against aforesaid remand back order which has been heard by CIRA and the case has been reserved for order.

On the basis of factual and legal position in above pending appeals with the Commissioner Inland Revenue - Appeals II (CIRA) and the Appellate Tribunal Inland Revenue (ATIR), our tax consultant's anticipate a favorable outcome of such appeals in favor of the company. Therefore, company based on aforesaid position has not made any provision in these financial statements.

**29.1.4** The Deputy Commissioner Inland Revenue had issued demand of penalty of Rs.8,503,141/- and default surcharge of Rs.1,305,330. An appeal against the above order has been filed before the Commissioner Inland Revenue - Appeals II (CIRA) by the Company and an order was passed by the Commissioner Inland Revenue - Appeals II (CIRA) dated April 11, 2023 decided the appeal against such order and deleted the demand. The department had filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against appellate order of Commissioner Inland Revenue - Appeals II. The hearing against aforesaid appeal has not been fixed by the Appellate Tribunal Inland Revenue as yet. Therefore, company based on advice of its tax consultants has not made any provision in these financial statements.

**29.1.5** Income Tax Returns upto Tax Year 2022, corresponding to Financial Year ended upto June 30, 2022 have been submitted, which are construed as deemed assessment orders under Section 120 of the Income Tax Ordinance, 2001 [the Ordinance].

**29.1.6** Tax Year 2016; Income Tax Audit has been selected by the Commissioner Inland Revenue under Section 214C read with Section 177 in terms of Clause 72B, Part IV, Second Schedule to the Ordinance. However, no final Show Cause Notice has been served on the Company till 30 June 2023 and has now been barred by time in terms of Section 122 read with Section 174 of the Ordinance.

# Notes to the Financial Statements

For the year ended June 30, 2023

- 29.1.7** Tax Year 2020, 2021 and 2022; The Income Tax Assessment under Section 120 of the Ordinance is subject to amendment in terms of Section 122(5A) and a show cause notice has been issued under Section 122(9) of the Ordinance. The company has submitted legal response to the notice, however, a reply on the rebuttal is awaited from him. The company is gathering the desired information to comply with the above Notice.
- 29.1.8** Tax Year 2022; The Notice for the payment of super tax of Rs.15,897,889/- is issued by the Deputy Commissioner-IR to the company who identified the computational error therein. As a result of such error, the super tax worked out to Rs. 7,766,794/- which the company requested him to adjust from the tax refunds for the Tax Year 2022. Hence, no super tax is stand payable and no provision is required to be made in the Financial Statements.
- 29.1.9** MACPAC filed a Constitutional petition No. 3407 of 2014 before the High Court of Sindh to restrain the Federal Government from coercing MACPAC to transfer 5% of its profits to the Workers' Profit Participation Fund. The High Court of Sindh granted an ad interim order in favour of MACPAC, which is still in operation. The petition is still pending before the High Court of Sindh and MACPAC has a reasonable probability of success in this petition.
- 29.1.10** MACPAC filed a Suit No. 798 of 2016 before the High Court of Sindh and 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 dated 03.12.2015 issued by the Sindh Revenue Board on the basis of this tariff heading and said heading reads "Services provided in the matter of manufacturing or processing for others on toll basis. The High Court of Sindh granted an ad interim order in favour of MACPAC, which is still in operation. The suit is still pending before the High Court of Sindh and MACPAC has a reasonable probability of success in this suit.

<b>29.2 COMMITMENTS</b>	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>(Rupees)</b>	
<b>29.2.1</b> Outstanding bank guarantees		<b>11,873,412</b>	11,873,412
<b>29.2.2</b> Outstanding letters of credit	29.2.3	<b>384,962,278</b>	98,149,509
<b>29.2.3</b> The aforesaid letter of credit is secured against lien over import documents.			

<b>30 SALES- NET</b>	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>(Rupees)</b>	
Gross Sales			
- Local		<b>6,489,949,432</b>	4,844,716,007
- Exports	30.1	-	59,172,891
		<b>6,489,949,432</b>	4,903,888,898
Less: Sales tax		<b>(984,486,993)</b>	(729,746,715)
		<b>5,505,462,439</b>	4,174,142,183

- 30.1** The sale of CPP films, were made to a customer in Oman.

# Notes to the Financial Statements

For the year ended June 30, 2023

31 COST OF SALES	Note	2023 (Rupees)	2022
Opening stock of raw material		328,872,517	178,169,034
Purchases during the year		3,316,019,768	2,901,879,812
		<b>3,644,892,285</b>	3,080,048,846
Closing stock of raw material	12	(539,102,630)	(328,872,517)
Raw material consumed		<b>3,105,789,655</b>	2,751,176,329
<b>Manufacturing expenses</b>			
Salaries, wages and other benefits	31.1	252,388,531	188,146,775
Oil and lubricants / diesel		13,465,349	10,283,808
Packing material consumed		116,004,914	94,731,218
Consumable stores		17,194,854	9,819,586
Water charges		9,900,986	8,128,377
Repairs and maintenance		82,364,344	52,371,351
Vehicle running and maintenance		14,410,206	7,948,003
Utilities		488,648,226	276,742,525
Insurance		11,823,314	10,828,878
Telephone		2,819,791	907,229
Staff welfare		20,958,008	11,125,267
Security charges		3,066,137	2,836,538
Depreciation	9.4 & 9.7	118,763,216	117,324,415
Transportation		34,330,945	14,226,231
Rent, rates and taxes	31.2	1,551,420	1,551,420
Others		9,965,118	16,685,305
		<b>1,197,655,359</b>	823,656,925
		<b>4,303,445,014</b>	3,574,833,254
Opening work-in-process		88,488,789	80,241,250
		<b>4,391,933,803</b>	3,655,074,504
Closing work-in-process	12	(133,110,261)	(88,488,789)
<b>Cost of goods manufactured</b>		<b>4,258,823,542</b>	3,566,585,715
<b>Finished goods</b>			
Opening stock		10,755,258	7,545,623
Closing stock	12	(75,569,099)	(10,755,258)
		<b>(64,813,841)</b>	(3,209,635)
		<b>4,194,009,701</b>	3,563,376,080

31.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 14.03 million (2022: Rs. 10.12 million).

# Notes to the Financial Statements

For the year ended June 30, 2023

**31.2** This represents charges paid to Port Qasim Authority in respect of administration and maintenance.

<b>32 ADMINISTRATIVE EXPENSES</b>	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>(Rupees)</b>	
Salaries, wages and other benefits	32.1	64,717,229	50,262,016
Directors' remuneration		46,004,308	22,749,896
Vehicle maintenance		13,813,395	8,121,261
Legal and professional		8,615,751	4,236,424
Traveling and accommodation		6,227,830	1,740,559
Insurance		547,086	782,032
Fees and subscription		12,312,552	15,049,941
Rent, rates and taxes	32.2	12,351,000	10,740,000
Advertisement		434,897	350,571
Postage and stationery		1,040,471	1,207,478
Donation	32.3	5,472,500	502,000
Telephone		1,350,991	1,459,562
Newspaper and periodicals		10,050	8,835
Transportation		-	12,000
Amortization	10.2	128,004	102,142
Fuel and power		2,325,796	1,758,637
Auditors' remuneration	32.4	2,747,412	2,450,366
Depreciation	9.4	5,381,368	2,224,980
Repair and maintenance		1,988,601	2,338,408
Staff welfare		5,941,006	9,088,059
Security		1,642,844	1,857,001
Water		447,131	130,827
Others		6,759,047	2,224,357
		<b>200,259,269</b>	<b>139,397,353</b>

**32.1** Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 8.06 million (2022: Rs. 5.34 million).

**32.2** This represents expense relating to short term lease.

**32.3** Details of donations given to single party are as follows:

	<b>2023</b>	<b>2022</b>
	<b>(Rupees)</b>	
Karachi Institute of Kidney Diseases Association	600,000	-
The Citizen Foundation	500,000	500,000

# Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
<b>32.4 Auditors' remuneration</b>			
Audit fee		1,409,399	1,233,991
Fee for review of half yearly		302,500	275,000
Fee for review of code of corporate governance		91,053	82,775
Other services		247,500	225,000
Out of pocket expenses		696,960	633,600
		<b>2,747,412</b>	<b>2,450,366</b>
<b>33 MARKETING AND SELLING EXPENSES</b>			
Salaries, wages and other benefits	33.1	26,444,314	19,202,492
Vehicle running and maintenance		3,692,847	2,045,836
Travelling and accommodation		809,217	394,506
Cartage and Octroi		58,836,382	41,840,381
Postage and stationery		1,239,584	289,887
Fees and subscription		518,856	-
Telephone		269,548	268,185
Power / electricity		88,953	69,036
Staff welfare		506,514	64,949
Sales promotion		6,764,158	3,158,834
Depreciation	9.4 & 9.7	1,763,165	1,494,828
Insurance		130,552	245,790
Others		581,942	168,917
		<b>101,646,032</b>	<b>69,243,641</b>

**33.1** Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 1.39 million (2022: Rs. 0.31 million).

	Note	2023 (Rupees)	2022
<b>34 FINANCE COSTS</b>			
Mark-up on:			
- diminishing musharika arrangements		23,624,232	23,748,653
- lease liabilities	22 & 28	246,671	1,792,176
- letters of credit		4,752,607	7,926,895
- GIDC		(2,221,263)	6,367,082
- istisna arrangement		74,103,880	35,455,523
		<b>100,506,127</b>	<b>75,290,329</b>
Interest on Workers' Profits Participation Fund	26.1	18,302,734	10,389,549
Bank charges		14,933,403	8,229,929
		<b>33,236,137</b>	<b>18,619,478</b>
		<b>133,742,264</b>	<b>93,909,807</b>

# Notes to the Financial Statements

For the year ended June 30, 2023

35 OTHER OPERATING EXPENSES	Note	2023 (Rupees)	2022
Worker's Profit Participation Fund	26.1	38,447,246	13,794,218
Workers Welfare Fund		12,625,267	1,838,529
Exchange loss - net		168,194,084	76,861,876
Surcharge on annual maintenance charges		955,368	955,368
Others Expenses		34,769,464	27,944,938
		<u>254,991,429</u>	<u>121,394,929</u>
<b>36 OTHER INCOME</b>			
<b>Income from non-financial assets:</b>			
Scrap sales		16,580,778	15,456,014
Gain on sale of operating fixed assets		5,657,191	584,935
Amortization of deferred income		-	2,183,380
Others		92,728,881	60,850,315
		<u>114,966,850</u>	<u>79,074,644</u>
<b>37 TAXATION</b>			
Current		195,589,177	60,820,965
Prior		(5,736,144)	358,565
Deferred		131,598,641	17,210,887
		<u>321,451,673</u>	<u>78,390,417</u>

37.1 The income tax assessment of the Company has been finalized up to tax year 2022.

37.2 Relationship between income tax expense and accounting profit:

Profit / (loss) for the year	700,665,187	262,638,794
Tax at the enacted tax rate 29% (2022: 29%)	203,192,904	76,165,250
Super Tax under Section 4C 10% (2022: 3%)	76,476,095	8,792,121
Final tax regime	-	(591,729)
Prior year tax	(5,736,144)	358,565
Effect of rate difference	45,352,006	-
Effect of Permanent Difference	3,403,591	-
Effect of income subject to minimum tax not adjustable	-	(6,333,790)
Others	(1,236,779)	-
	<u>321,451,673</u>	<u>78,390,417</u>
Effective tax rate	46%	30%

# Notes to the Financial Statements

For the year ended June 30, 2023

	2023	2022
<b>38 EARNING PER SHARE-BASIC AND DILUTED</b>		
Profit / (Loss) attributable to ordinary shareholders	<u>379,213,514</u>	<u>184,248,377</u>
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	<u>59,301,150</u>	<u>59,301,150</u>
	(Rupees)	
Earnings per share - basic and diluted	<u>6.39</u>	<u>3.11</u>

There were no convertible dilutive potential ordinary shares outstanding as at 30 June 2023 and 30 June 2022.

## 39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

The aggregate amount 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		Director		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees)		(Rupees)		(Rupees)	
Remuneration	25,579,014	16,043,253	11,440,671	11,237,333	74,270,947	75,044,953
Medical allowance	3,000,002	1,263,213	1,098,100	1,195,016	2,363,666	2,157,215
Other perquisites (Motor vehicle maintenance etc.)	1,042,424	225,542	1,259,103	678,657	12,658,431	4,211,154
	<u>29,621,440</u>	<u>17,532,008</u>	<u>13,797,874</u>	<u>13,111,006</u>	<u>89,293,044</u>	<u>81,413,322</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>18</u>	<u>19</u>

Executives means employees other than chief executive and directors whose basic salary exceeds Rs 1,200,000 per financial year.

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

Aggregate amount charged in the financial statements for fees to non-executive director is Rs. 2.64 million (2022: 0.1) against attending the board meetings.



# Notes to the Financial Statements

For the year ended June 30, 2023

## 40 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies, major shareholders, directors, key management personnel. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	2023	2022
	(Rupees)	
<b>Directors and Key Management Personnel</b>		
Remuneration	77,781,147	59,735,858
Office rent charged	6,175,500	10,740,000
Office rent received	3,489,600	2,617,200
Office rent paid	6,175,500	10,740,000
<b>Common Directorship</b>		
<b>Toyo Packaging (Private) Limited</b>		
Sale of goods / processing charges	249,918,745	205,544,477
Receipts against sale of goods / processing charges	331,511,565	191,066,220
<b>Hilal Foods (Private) Limited</b>		
Sale of goods	41,742,178	32,579,869
Receipts against sale of goods	33,910,245	37,061,840
<b>Kings Foods (Private) Limited</b>		
Receipts against sale of goods	632,650	-
<b>Shalimar Food Products</b>		
Sale of goods	9,084,311	8,839,692
Receipts against sale of goods	11,172,625	8,240,246
<b>Mac Properties (Private) Limited</b>		
Office rent charged	6,175,500	-
Office rent paid	6,175,500	-
<b>Mac Business Solutions (Private) Limited</b>		
Sale of goods	36,604,565	188,193,998
Receipts against sale of goods	17,702,548	193,991,450
<b>TGA Sustainability (Private) Limited</b>		
Sale of goods	276,134,255	-
Receipts against sale of goods	228,156,618	-
Receipts against utilities	4,871,399	-

40.1 The related parties status of outstanding receivables, if any, as at June 30, 2023 and 30 June 2022 are disclosed in respective notes to these financial statements.

# Notes to the Financial Statements

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
<b>41 CASH GENERATED FROM OPERATIONS</b>			
Profit / (loss) before taxation		700,665,187	262,638,794
Adjustments for non-cash and other items:			
Depreciation	9.4 & 9.7	125,907,749	121,044,223
Amortization	10.1	128,004	102,142
Provision for gratuity	24.2	23,473,044	15,764,445
Finance costs	34	133,742,264	93,909,807
Provision for ECL	13.1	35,115,407	3,256,223
Exchange loss - unrealized	35	14,172,506	20,126,895
Gain on disposal of operating fixed assets	36	(5,657,191)	(584,935)
Deferred income	36	-	(2,183,380)
		326,881,783	251,435,420
		1,027,546,970	514,074,214
Working capital changes	41.1	(376,980,984)	10,144,982
		650,565,986	524,219,196
<b>41.1 Working capital changes</b>			
<b>(Increase) / Decrease in current assets</b>			
Stock-in-trade		(102,116,744)	(454,831,152)
Stores and Spares		(46,579,607)	
Trade debts		(240,583,623)	(225,519,101)
Loans and advances		(16,580,701)	(17,981,418)
Short trade deposits, prepayments and other receivables		(185,166,425)	(13,283,514)
Sales tax refundable / (payable)		36,491,018	(9,298,231)
		(554,536,082)	(720,913,416)
<b>(Decrease) / Increase in current liabilities</b>			
Short term borrowings		(182,832,751)	36,763,452
Trade and other payables		362,609,112	691,021,205
Gas Infrastructure Development Cess payable		(2,221,263)	3,273,741
		(376,980,984)	10,144,982

## 42 FINANCIAL INSTRUMENTS

### FINANCIAL RISK MANAGEMENT

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.

# Notes to the Financial Statements

For the year ended June 30, 2023

## 42.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise 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 maximum exposure to credit risk at the reporting date is:

	Note	2023 (Rupees)	2022
Long-term deposits	11	12,776,285	20,026,285
Trade debts	13	860,411,242	654,943,026
Loans and advances	14	70,212,808	53,632,107
Trade deposits and other receivables	15	252,340,709	78,533,933
Bank balances	18	262,311,364	78,408,779
		<u>1,458,052,408</u>	<u>885,544,130</u>

## Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counterparty default rates as shown below:

	2023 (Rupees)	2022
<b>Bank balances</b>		
A1+ (PACRA)	76,671,865	32,242,718
A-1 JCR VIS	652,338	4,661,564
A-1+ (JCR VIS)	184,982,933	41,500,269
A-2 (JCR VIS)	4,228	4,228
	<u>262,311,364</u>	<u>78,408,779</u>

## 42.2 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.

# Notes to the Financial Statements

For the year ended June 30, 2023

## (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 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 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 a symmetric impact on the Company's result.

		Increase / decrease in basis points	Effect on loss before tax (Rupees)
30-Jun-23	+	100	3,028,022
	-	100	(3,028,022)
30-Jun-22	+	100	5,757,521
	-	100	(5,757,521)

## (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:

	2023	2022
	(US Dollar)	
Creditors	2,231,553	2,551,198
	(EURO)	
Creditors	287,889	221,634

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 30 June 2023 represented in foreign currencies, with all other variables held constant, of the Company's loss before tax.

# Notes to the Financial Statements

For the year ended June 30, 2023

	Change in exchange rate (%)	Effect on loss before tax (Rupees)
30-Jun-23	+10%	72,829,229
	-10%	(72,829,229)
30-Jun-22	+10%	56,938,592
	-10%	(56,938,592)

### (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 reporting date, the Company is not exposed to other price risk as the Company does not have any investment in equity shares.

### 42.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

Table below summarizes 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
	(Rupees)					
<b>June 30, 2023</b>						
Lease liabilities	-	292,939	292,939	776,392	-	1,362,269
Diminishing musharika	-	15,792,832	15,792,832	51,507,908	-	83,093,572
Trade and other payables	-	1,919,942,286	302,675	-	-	1,920,245,161
Accrued mark-up	6,696,989	-	-	-	-	6,696,989
Short-term borrowings	-	213,821,187	-	-	-	213,821,187
	<b>6,696,989</b>	<b>2,149,849,244</b>	<b>16,388,646</b>	<b>52,284,300</b>	-	<b>2,225,219,178</b>
<b>June 30, 2022</b>						
Lease liabilities	-	449,499	-	-	-	449,499
Diminishing musharika	-	36,381,579	36,381,579	94,665,026	-	167,428,184
Trade and other payables	-	1,542,728,223	735,322	-	-	1,543,463,545
Accrued mark-up	11,220,483	-	-	-	-	11,220,483
Short-term borrowings	-	396,653,938	-	-	-	396,653,938
	<b>11,220,483</b>	<b>1,976,213,239</b>	<b>37,116,901</b>	<b>94,665,026</b>	-	<b>2,119,215,649</b>

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

# Notes to the Financial Statements

For the year ended June 30, 2023

## 42.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Short term borrowing used for cash management purpose	Lease liabilities including diminishing musharika	Revenue reserve	Total
	(Rupees)			
Balance as at 1 July 2022	393,296,928	196,909,475	186,920,457	777,126,860
<b>Changes from financing cash flows:</b>				
Repayment of borrowing	-	-	-	-
Proceeds from borrowing	(182,832,751)	-	-	(182,832,751)
Lease rentals paid	-	(84,334,609)	-	(84,334,609)
<b>Total changes from financing activities</b>	<b>(182,832,751)</b>	<b>(84,334,609)</b>	<b>-</b>	<b>(267,167,360)</b>
<b>Other changes:</b>				
Finance cost	78,856,487	23,870,903	-	102,727,390
Finance cost paid	(85,799,178)	(16,446,861)	-	(102,246,039)
<b>Total loan related other changes</b>	<b>(6,942,691)</b>	<b>7,424,042</b>	<b>-</b>	<b>481,351</b>
Total equity related other changes	-	-	316,714,984	316,714,984
<b>Balance as at 30 June 2023</b>	<b>203,521,486</b>	<b>119,998,908</b>	<b>503,635,441</b>	<b>827,155,835</b>

## 43 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# Notes to the Financial Statements

For the year ended June 30, 2023

Level 1: Quoted market price

Level 2: Valuation techniques (market observable); and

Level 3: Valuation techniques (non-market observables)

As of reporting date, the Company has no financial assets carried at fair value other than as disclosed in note 9.2 to these financial statements.

## 44 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 30 June 2023 and 30 June 2022 are as follows:

	2023	2022
	(Rupees)	
Lease liabilities	1,362,269	449,499
Accrued mark-up	6,696,989	11,220,483
Diminishing musharika arrangement	83,093,573	167,428,183
Short-term borrowings	213,821,187	396,653,938
<b>Total debts</b>	<b>304,974,018</b>	<b>575,752,103</b>
Less: Cash and bank balances	(267,862,572)	(78,694,417)
<b>Net debt</b>	<b>37,111,446</b>	<b>497,057,686</b>
Share capital	593,011,500	593,011,500
Reserves	1,300,242,061	983,527,077
<b>Total equity</b>	<b>1,893,253,561</b>	<b>1,576,538,577</b>
<b>Total capital</b>	<b>1,930,365,007</b>	<b>2,073,596,263</b>
<b>Gearing ratio</b>	<b>1.92%</b>	<b>23.97%</b>

## 45 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

## 46 NUMBER OF EMPLOYEES

	2023	2022
	(Number)	
At year end	186	177
Average employees during the year	186	177

# Notes to the Financial Statements

For the year ended June 30, 2023

## 47 CAPACITY AND PRODUCTION

Operational capacity	2023		2022	
	Rated Capacity	Actual production	Rated Capacity	Actual production
	----- (Metric Tons) -----			
BOPP – Port Qasim Authority	15,000	11,669	15,000	12,103
CPP – Port Qasim Authority	7,000	6,164	7,000	6,023

Actual production was below capacity due to low demand and therefore the plant capacity was utilized to the extent of orders received from customers.

48 CASH AND CASH EQUIVALENTS	Note	2023	2022
		(Rupees)	
Cash and bank balances	18	267,862,572	78,694,417

## 49 SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on September 01, 2023 have recommended cash dividend @ 15% amounting to Rs.1.5 per share (2022: 10%)

## 50 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 01, 2023 by the Board of Directors of the Company.



Chief Financial Officer



Director



Chief Executive Officer



# Six Year Analysis

## STATEMENT OF FINANCIAL POSITION

	2023	2022	2021	2020	2019	2018
Figures in PKR						
Property, Plant and Equipment	1,884,453,068	1,948,072,161	1,913,023,144	1,935,662,870	1,415,678,086	1,177,261,267
Intangible assets	836,118	408,568	510,708	638,385	797,985	907,435
Other non-current assets	12,776,285	20,026,285	15,095,485	11,537,730	6,401,418	10,118,273
Deferred tax asset - net	-	-	-	1,318,576	-	-
Current assets	2,719,918,944	2,075,322,205	1,282,503,669	1,024,794,484	1,073,282,055	1,043,934,040
<b>Total assets</b>	<b>4,617,994,415</b>	<b>4,046,829,217</b>	<b>3,211,133,026</b>	<b>2,973,952,145</b>	<b>2,496,159,544</b>	<b>2,232,221,015</b>
Share capital	593,011,500	593,011,500	593,011,500	593,011,500	593,011,500	593,011,500
Reserves	173,566,620	173,566,620	173,566,620	173,566,620	173,566,620	173,566,620
Unappropriated profits / (losses)	503,635,441	186,920,457	5,443,251	(177,791,039)	(113,939,276)	138,524,948
Surplus on revaluation of PPE	623,040,000	623,040,000	623,040,000	623,040,000	-	-
Non-current liabilities	365,951,699	258,034,006	394,234,183	421,226,007	446,942,396	149,717,278
Current liabilities	2,358,779,155	2,212,256,635	1,421,837,472	1,340,899,057	1,396,578,305	1,177,400,669
<b>Total equity and liabilities</b>	<b>4,617,994,415</b>	<b>4,046,829,217</b>	<b>3,211,133,026</b>	<b>2,973,952,145</b>	<b>2,496,159,544</b>	<b>2,232,221,015</b>

Vertical Analysis	Percentage					
Property, Plant and Equipment	40.8	48.1	59.8	65.1	56.7	52.7
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.3	0.5	0.5	0.4	0.3	0.5
Deferred tax asset - net	-	-	-	0.0	-	-
Current assets	58.9	51.4	39.9	34.5	43.0	46.8
<b>Total assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Share capital	12.8	14.7	18.5	19.9	23.8	26.6
Reserves	3.8	4.3	5.4	5.8	7.0	7.8
Unappropriated profits / (losses)	10.9	4.6	0.2	(6.0)	(4.6)	6.2
Surplus on revaluation of PPE	13.5	15.4	19.4	20.9	-	-
Non-current liabilities	7.9	6.4	12.3	14.2	17.9	6.7
Current liabilities	51.1	54.7	44.3	45.1	55.9	52.7
<b>Total equity and liabilities</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Horizontal Analysis	Percentage					
Property, Plant and Equipment	(3.3)	1.8	(1.2)	36.7	20.3	45.7
Intangible assets	104.6	(20.0)	(20.0)	(20.0)	(12.1)	(20.0)
Other non-current assets	(36.2)	32.7	30.8	80.2	(36.7)	1.4
Deferred tax asset - net	-	-	(100.0)	100.0	-	-
Current assets	30.9	62.1	25.1	(4.5)	2.8	40.8
<b>Total assets</b>	<b>14.1</b>	<b>26.0</b>	<b>8.0</b>	<b>19.1</b>	<b>11.8</b>	<b>43.0</b>
Share capital	-	-	-	-	-	52.5
Reserves	-	-	-	-	-	117.1
Unappropriated profits / (losses)	169.4	3,334.0	103.1	(56.0)	(182.3)	11.1
Surplus on revaluation of PPE	-	-	-	100.0	-	-
Non-current liabilities	41.8	(34.5)	(6.4)	(5.8)	198.5	(11.0)
Current liabilities	6.6	55.8	6.0	(4.0)	18.6	47.3
<b>Total equity and liabilities</b>	<b>14.1</b>	<b>26.0</b>	<b>8.0</b>	<b>19.1</b>	<b>11.8</b>	<b>43.0</b>

## STATEMENT OF PROFIT OR LOSS

	2023	2022	2021	2020	2019	2018
Figures in PKR						
Net sales	5,505,462,439	4,174,142,183	3,025,322,805	2,164,953,856	2,415,339,316	2,125,159,243
Cost of sales	(4,194,009,701)	(3,563,376,080)	(2,530,517,212)	(2,107,605,178)	(2,311,924,882)	(1,902,336,855)
<b>Gross profit</b>	<b>1,311,452,738</b>	<b>610,766,103</b>	<b>494,805,593</b>	<b>57,348,678</b>	<b>103,414,434</b>	<b>222,822,388</b>
Marketing and selling expenses	(101,646,032)	(69,243,641)	(62,955,826)	(26,941,488)	(29,607,789)	(24,832,852)
Administrative expenses	(200,259,269)	(139,397,353)	(113,564,094)	(88,211,804)	(89,002,331)	(78,339,177)
<b>Operating profit / (loss)</b>	<b>1,009,547,437</b>	<b>402,125,109</b>	<b>318,285,673</b>	<b>(57,604,614)</b>	<b>(15,195,666)</b>	<b>119,650,359</b>
Finance Costs	(133,742,264)	(93,909,807)	(91,710,220)	(157,005,124)	(88,709,026)	(22,533,650)
Other income	114,966,850	79,074,644	62,059,520	203,348,947	20,020,390	7,390,107
Other expenses	(290,106,836)	(124,651,152)	(14,822,408)	(149,947,663)	(116,788,605)	(38,424,138)
<b>Profit / (loss) before taxation</b>	<b>700,665,187</b>	<b>252,638,794</b>	<b>274,012,564</b>	<b>(161,408,464)</b>	<b>(200,672,907)</b>	<b>56,082,678</b>
Taxation	(321,451,673)	(78,390,417)	(87,347,510)	98,553,356	(33,244,793)	(11,234,120)
<b>Net profit / (loss) for the year</b>	<b>379,213,514</b>	<b>184,248,377</b>	<b>186,665,054</b>	<b>(62,855,098)</b>	<b>(233,917,700)</b>	<b>54,848,558</b>

	Percentage					
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(76.2)	(85.4)	(83.6)	(97.4)	(95.7)	(89.5)
<b>Gross profit</b>	<b>23.8</b>	<b>14.6</b>	<b>16.4</b>	<b>2.6</b>	<b>4.3</b>	<b>10.5</b>
Marketing and selling expenses	(1.8)	(1.7)	(2.1)	(1.2)	(1.2)	(1.2)
Administrative expenses	(3.6)	(3.3)	(3.8)	(4.1)	(3.7)	(3.7)
<b>Operating profit / (loss)</b>	<b>18.3</b>	<b>9.6</b>	<b>10.5</b>	<b>(2.7)</b>	<b>(0.6)</b>	<b>5.6</b>
Finance Costs	(2.4)	(2.2)	(3.0)	(7.3)	(3.7)	(1.1)
Other income	2.1	1.9	2.1	9.4	0.8	0.3
Other expenses	(5.3)	(3.0)	(0.5)	(6.9)	(4.8)	(1.8)
<b>Profit / (loss) before taxation</b>	<b>12.7</b>	<b>6.3</b>	<b>9.1</b>	<b>(7.5)</b>	<b>(8.3)</b>	<b>3.1</b>
Taxation	(5.8)	(1.9)	(2.9)	4.6	(1.4)	(0.5)
<b>Net profit / (loss) for the year</b>	<b>6.9</b>	<b>4.4</b>	<b>6.2</b>	<b>(2.9)</b>	<b>(9.7)</b>	<b>2.6</b>

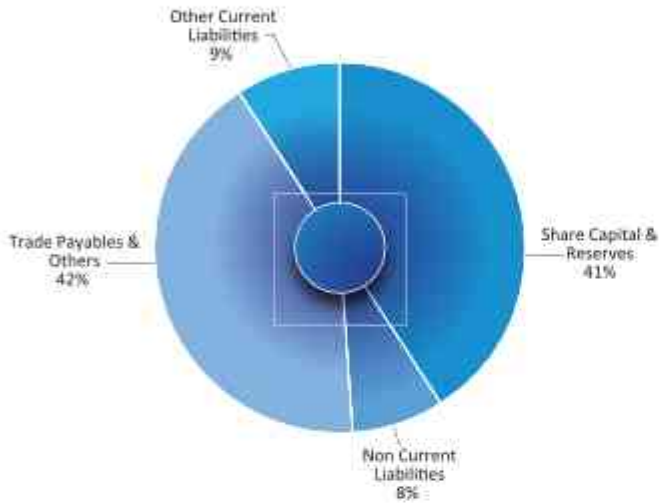
	Percentage					
Net sales	31.9	38.0	39.7	(10.4)	13.7	40.2
Cost of sales	17.7	40.8	20.1	(5.8)	21.5	30.6
<b>Gross profit</b>	<b>114.7</b>	<b>23.4</b>	<b>762.8</b>	<b>(44.5)</b>	<b>(53.6)</b>	<b>(11.8)</b>
Marketing and selling expenses	46.8	10.0	133.7	(9.0)	19.2	9.5
Administrative expenses	43.7	22.7	28.7	(0.9)	13.6	10.2
<b>Operating profit / (loss)</b>	<b>151.1</b>	<b>26.3</b>	<b>650.6</b>	<b>(280.4)</b>	<b>(112.7)</b>	<b>(24.7)</b>
Finance Costs	42.4	2.4	(41.6)	77.0	293.7	(15.4)
Other income	45.4	27.4	(69.5)	915.7	170.9	17.9
Other expenses	132.7	752.5	(90.2)	28.4	203.9	208.9
<b>Profit / (loss) before taxation</b>	<b>166.8</b>	<b>(4.2)</b>	<b>259.8</b>	<b>19.8</b>	<b>(403.7)</b>	<b>(47.6)</b>
Taxation	310.1	(10.3)	(186.6)	396.4	195.9	(76.5)
<b>Net profit / (loss) for the year</b>	<b>105.8</b>	<b>(1.3)</b>	<b>397.0</b>	<b>73.1</b>	<b>(526.5)</b>	<b>(29.9)</b>

# COMPOSITION OF BALANCE SHEET

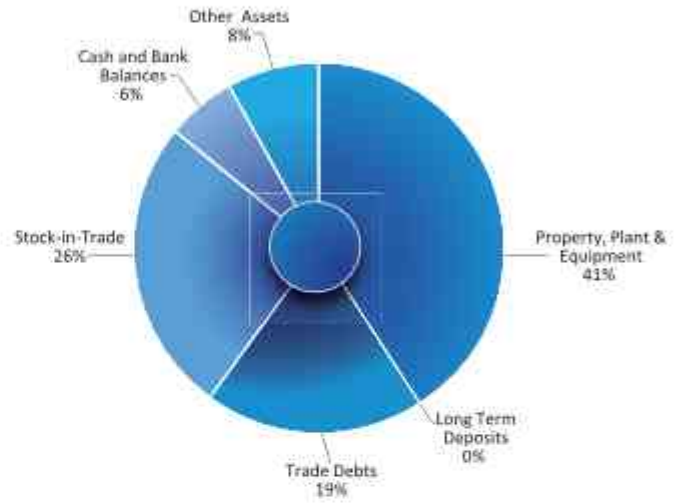
## EQUITY AND LIABILITIES - (Percentage)

## ASSETS - (Percentage)

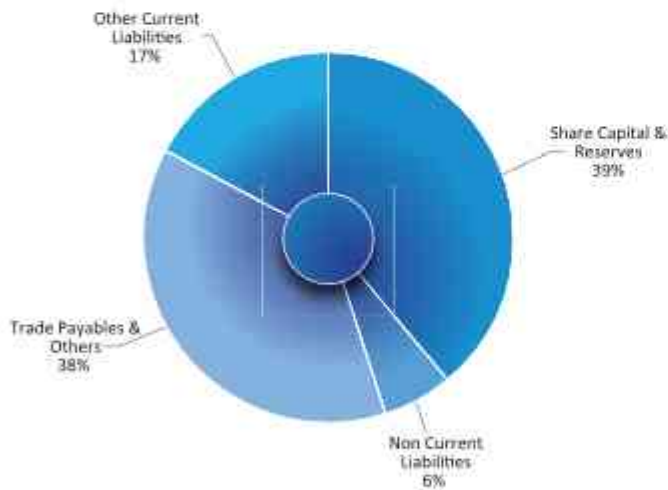
**FY 2023**



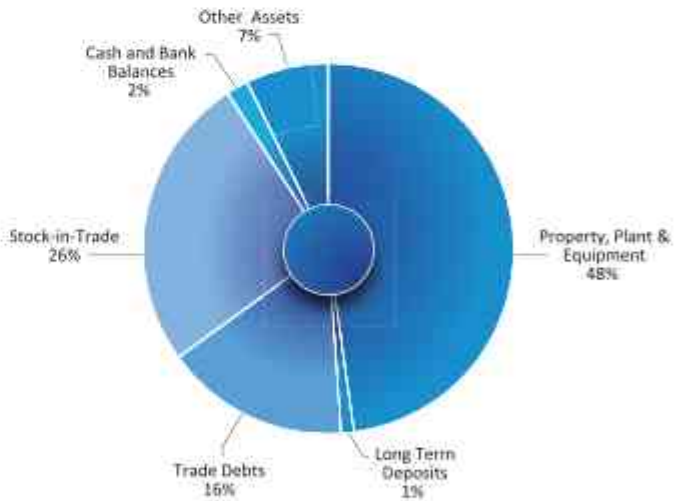
**FY 2023**



**FY 2022**

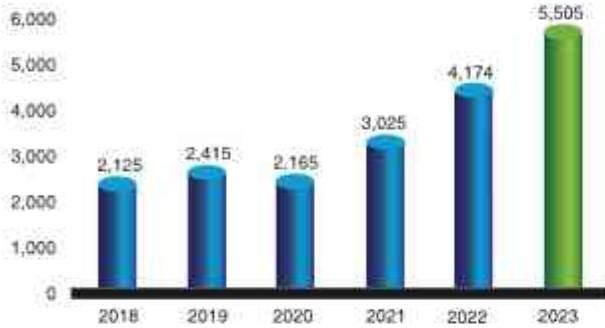


**FY 2022**

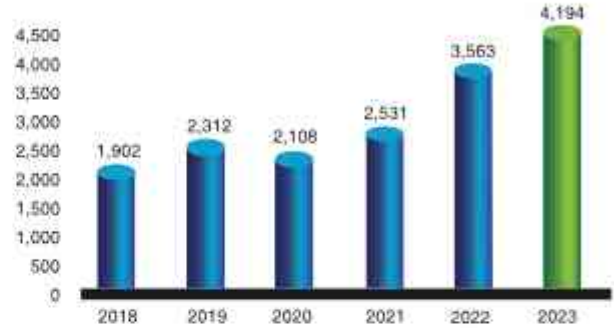


## FINANCIALS AT A GLANCE

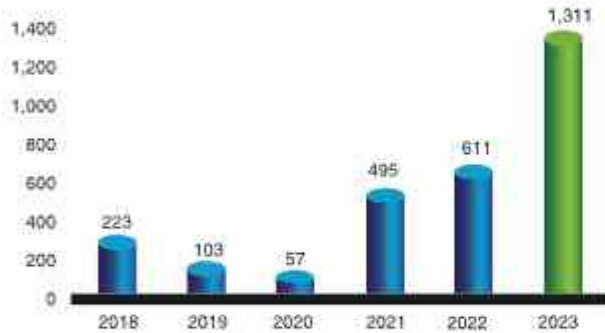
### Sales Revenue (PKR in Million)



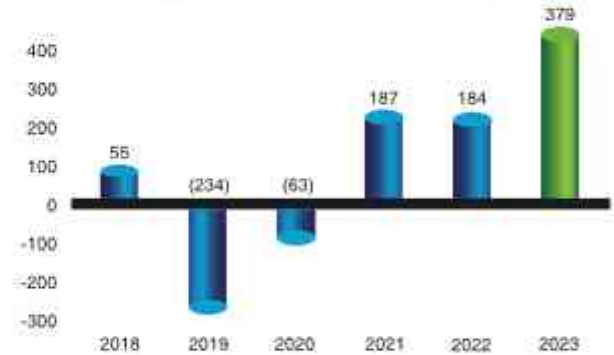
### Cost of Sales (PKR in Million)



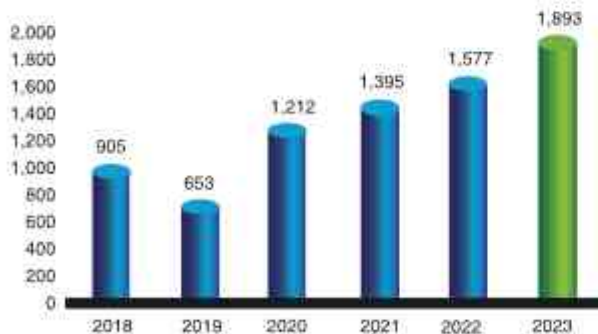
### Gross Profit (PKR in Million)



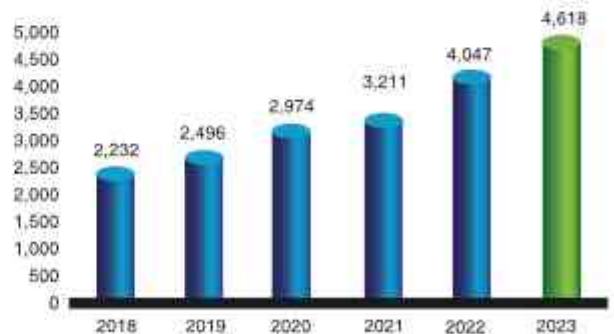
### Net Profit (PKR in Million)



### Shareholders' Equity (PKR in Million)



### Total Assets (PKR in Million)



## ANALYSIS OF FINANCIAL STATEMENTS

		2023	2022	2021	2020	2019	2018
<b>Profitability Ratios</b>							
Gross Profit to Sales	%	24%	15%	16%	3%	4%	10%
Operating Profit to Sales	%	18%	10%	11%	-3%	-1%	6%
Net Profit to Sales	%	7%	4%	6%	-3%	-10%	3%
EBITDA Margin to Sales	%	20%	13%	15%	3%	3%	9%
Operating leverage ratio	times	4.52	0.69	16.37	-27.05	-6.25	-0.61
Return on Equity	%	20%	12%	13%	-5%	-36%	6%
Return on Capital employed	%	21%	11%	11%	-5%	-25%	7%
Return on Fixed Assets	%	20%	9%	10%	-3%	-17%	5%
<b>Liquidity Ratios</b>							
Current ratio	times	1.15	0.94	0.90	0.76	0.77	0.89
Quick ratio	times	0.66	0.46	0.47	0.52	0.50	0.47
Cash to Current Liabilities	times	0.31	0.04	0.01	0.01	0.04	0.03
Cash to Current Assets	%	9.85%	3.79%	1.22%	1.78%	4.94%	3.24%
Cash flow from Operations to Sales	%	12%	13%	10%	9%	8%	23%
<b>Turnover/Management Efficiency Ratios</b>							
Inventory turnover ratio	times	3.76	4.26	5.48	5.99	5.33	4.07
No. of Days in Inventory	days	96	84	66	60	67	88
Debtor turnover ratio	times	6.81	7.25	8.06	5.74	5.44	6.21
No. of Days in Receivables	days	53	50	45	63	66	58
Creditor turnover ratio	times	2.51	3.36	4.03	2.86	2.73	3.30
No. of Days in Creditors	days	143	107	89	126	132	109
Operating Cycle	days	149	134	110	123	134	146
Cash conversion Cycle	days	5	27	21	-3	2	37
Total Assets turnover ratio	times	1.19	1.03	0.94	0.73	0.97	0.95
Fixed Assets turnover ratio	times	2.92	2.14	1.58	1.12	1.71	1.81
<b>Market Ratios</b>							
Earnings per share (EPS)	Rs.	6.39	3.11	3.15	-1.06	-3.94	0.99
Price Earnings ratio	times	2.45	5.04	7.26	-21.78	-3.45	29.72
Price to Book ratio	times	0.20	0.23	0.42	0.48	0.32	0.73
Break-up value per share	Rs.	31.93	26.59	23.53	20.44	11.01	16.41
<b>Capital Structure Ratios</b>							
Net Assets per share	Rs.	31.93	26.59	23.53	20.44	11.01	16.41
Financial leverage ratio	times	0.16	0.25	0.36	0.50	0.50	0.02
Debt to Equity ratio	times	0.048	0.065	0.215	0.308	0.446	0.004

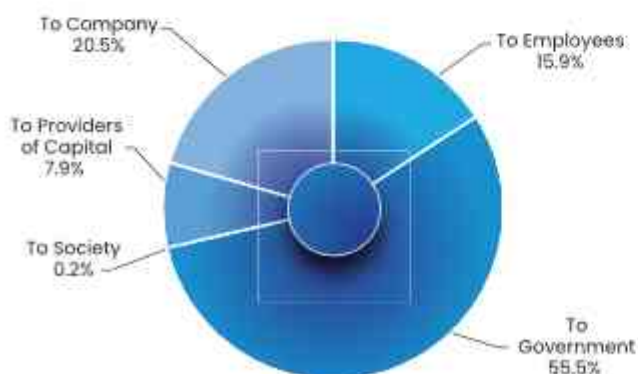
## SUMMARY OF CASH FLOWS

	2023	2022	2021	2020	2019	2018
	Rupees					
Cash & cash equivalents - Opening	78,694,417	15,687,101	18,194,200	42,995,225	25,620,515	5,562,050
Net cash flows from Operating activities	399,484,291	346,294,426	216,928,343	(16,410,770)	(13,655,596)	397,123,139
Net cash flows (used in) Investing activities	(66,223,311)	(173,365,856)	(96,508,554)	(14,636,362)	(404,758,370)	(442,506,424)
Net cash flows (used in) / generated from Financing activities	(144,092,825)	(109,921,253)	(122,926,868)	6,326,109	435,788,678	73,656,542
Changes in cash & cash equivalents	189,168,155	63,007,316	(2,507,099)	(24,801,023)	17,374,712	28,273,257
Cash & cash equivalents - Closing	<b>267,862,572</b>	<b>78,694,417</b>	<b>15,687,101</b>	<b>18,194,200</b>	<b>42,995,227</b>	<b>33,835,307</b>

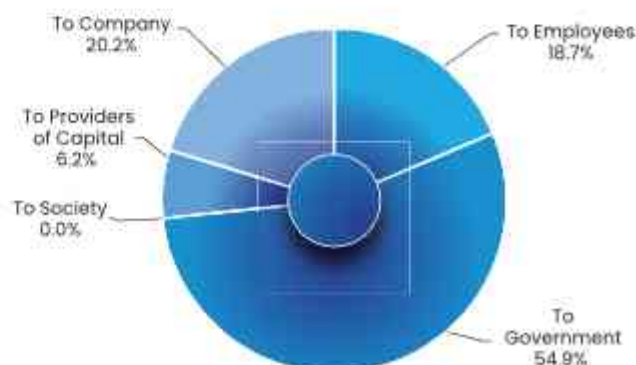
# Statement Of Value Addition And Its Distribution

	2023 PKR In '000'	%	2022 PKR In '000'	%
<b>WEALTH GENERATED</b>				
Gross Sales/ Revenues	6,489,949		4,903,889	
Bought-in-material and services	(4,042,944)		(3,402,825)	
	<u>2,447,005</u>	<u>100.0%</u>	<u>1,501,064</u>	<u>100.0%</u>
<b>WEALTH DISTRIBUTION</b>				
To Employees				
Salaries, benefits and other costs	389,554	15.9%	280,361	18.7%
To Government				
Income tax, sales tax, excise duty and others	1,357,011	55.5%	823,770	54.9%
To Society				
Donation towards education, health and environment	5,473	0.2%	502	0.0%
To Providers of Capital				
Dividend to shareholders	59,301	2.4%	-	0.0%
Markup / Interest expenses on borrowed funds	133,742	5.5%	93,910	6.2%
To Company				
Depreciation, amortization & retained profit	501,924	20.5%	302,521	20.2%
	<u>2,447,005</u>	<u>100.0%</u>	<u>1,501,064</u>	<u>100.0%</u>

**WEALTH DISTRIBUTION -2023 (Percentage)**



**WEALTH DISTRIBUTION -2022 (Percentage)**



# Share Price Sensitivity Analysis



Macpac Films Limited shares (MACFL) are traded on Pakistan Stock Exchanges. Our free float is 35% and market capitalization at the end of day of fiscal year was PKR 929.2 million. There are many factors, which might positively or adversely affect the share price of our Company, few of which are listed below.

## Stock Market

The share price depends on overall market performance, investor confidence and the fundamentals of the economy. Positive sentiments and news flows prevailing in the market may result in an appreciation of the share price of the Company.

## Commodity Prices

The Company's performance is mainly dependent upon the availability of raw material and any fluctuation in major input price (raw material tariffs, power and overhead) can positively or negatively affect the margins and the EPS which in turn can drive the market share price upwards or downwards.

## Regulations and Government Policies

The share price is also sensitive to any changes in policies by the government and regulatory authorities, both specific to the packing sector and overall business activities may affect the market share price either positively or negatively, depending on whether the policy is in favor of or against the industry.

## Exchange Rate

The volatility in currency exchange rates can also affect the market share price as the Company is involved in both export and import (exports of BOPP and import of raw materials). The margins can be affected positively or adversely.

## Political Stability

The stable political situation in the Country improves the industry and investor confidence and also encourages foreigners to invest in local companies in the Country, which may have a positive impact on share price and vice versa.

# Shareholder 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](mailto:info@macpacfilms.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 Info

Email: [info@macpacfilms.com](mailto:info@macpacfilms.com)

Tel: +92-21-111-MFL-111

## Shares Registrar

CDC Share Registrar Services 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) 34326034

Email: [info@cdcpak.com](mailto:info@cdcpak.com)

Website: [www.cdcpakistan.com](http://www.cdcpakistan.com)



# Pattern of Shareholding

As of June 30, 2023

# Of Shareholders	Shareholdings Slab			Total Shares Held
162	1	to	100	1,895
399	101	to	500	191,942
211	501	to	1000	193,284
252	1001	to	5000	702,355
74	5001	to	10000	597,137
22	10001	to	15000	289,329
21	15001	to	20000	381,250
12	20001	to	25000	281,288
9	25001	to	30000	262,276
3	30001	to	35000	93,000
3	35001	to	40000	116,625
5	40001	to	45000	214,825
8	45001	to	50000	400,000
1	55001	to	60000	56,000
3	60001	to	65000	190,762
2	65001	to	70000	136,289
2	70001	to	75000	146,000
1	85001	to	90000	89,212
1	90001	to	95000	93,000
2	95001	to	100000	200,000
1	100001	to	105000	101,500
1	115001	to	120000	119,000
1	120001	to	125000	125,000
1	130001	to	135000	133,900
1	135001	to	140000	137,250
1	140001	to	145000	143,000
3	145001	to	150000	450,000
1	155001	to	160000	159,500
1	170001	to	175000	172,500
1	195001	to	200000	200,000
1	210001	to	215000	211,500
1	275001	to	280000	277,768
1	280001	to	285000	282,500
1	345001	to	350000	348,000
1	390001	to	395000	394,441
2	455001	to	460000	917,500
1	495001	to	500000	500,000
1	650001	to	655000	650,500
1	700001	to	705000	700,125
2	760001	to	765000	1,525,000
1	805001	to	810000	810,000
1	1000001	to	1005000	1,000,671
1	1045001	to	1050000	1,050,000
1	1105001	to	1110000	1,107,519
1	1165001	to	1170000	1,169,692
1	1295001	to	1300000	1,295,500
1	1680001	to	1685000	1,682,500
1	4665001	to	4670000	4,666,000
2	8400001	to	8405000	16,801,925
1	8425001	to	8430000	8,428,107
1	9100001	to	9105000	9,103,783
<b>1,229</b>				<b>59,301,150</b>

# Categories of Shareholders

As of June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan	1	4,666,000	7.87
EMPLOYEES OLD AGE BENEFITS INSTITUTION			
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
EHTESHAM MAQBOOL ELAHI	3	9,845,404	16.60
HABIB ELAHI	2	9,163,462	15.45
SHARIQ MAQBOOL	3	9,163,375	15.45
NAEEM ALI MOHAMMAD MUNSHI	1	9,103,783	15.35
NAJMUL HASSAN	1	133,900	0.23
MAQBOOL ELAHI SHAIKH	1	89,212	0.15
SHABBIR HAMZA KHANDWALA	1	500	0.00
HAFSA ABBASY	1	500	0.00
FAHAD MUNSHI	1	500	0.00
<b>Associated Companies, undertakings and related parties</b>	-	-	-
<b>NIT &amp; ICP</b>	-	-	-
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions:</b>	1	6,500	0.01
<b>Insurance Companies</b>	-	-	-
<b>Modarabas and Mutual Funds</b>	1	1,000,671	1.69
<b>General Public</b>			
a. Local	1175	15,282,915	25.77
b. Foreign	23	323,052	0.54
<b>OTHERS</b>	14	521,376	0.88
<b>Totals</b>	<b>1229</b>	<b>59,301,150</b>	<b>100.00</b>

Share holders holding 10% or more	Shares Held	Percentage
EHTESHAM MAQBOOL ELAHI	9,845,404	16.60
HABIB ELAHI	9,163,462	15.45
SHARIQ MAQBOOL	9,163,375	15.45
NAEEM ALI MOHAMMAD MUNSHI	9,103,783	15.35



The Company is committed to the health and safety of its employees, subcontractors, customers and the general public. It is also committed to safeguarding the natural environment. The HSE (health, safety and environment) objectives are as important as other business activities. Line management and supervision is responsible for implementing these objectives. Regular workshops and trainings are conducted to educate employees about various safety and health issues. Furthermore, the Management continues to educate itself about the larger ESG agenda, best practices and the domestic regulatory framework. The Company focuses on recycling and reuse of plastics to minimize environmental impact and is a strong proponent of the maxim, "know your plastics".

Macpac Films Ltd is certified with Quality Management System (QMS) ISO 9001:2015 and Food Safety Management System ISO 22000:2018 (FSMS). During the year the following initiatives were rolled out successfully:

- HSE conducted 46 In-house Trainings for staff on Fire Fighting through Fire Extinguisher and Fire Hydrant system, Good House Keeping & Personal Hygiene, Overhead Crane Safety Awareness, Machine Safety Awareness, Carbon Waste Disposal & Sharp Edges Safety Awareness, Bailing Machine Safety, Driving Safety Awareness for drivers of Lifter and Vehicles, Importance of PPEs, Fire Prevention and Fire Control Techniques, Electrical Safety Awareness, Training Awareness for preventing Heat Stroke and Firefighting demonstration and training with fire tenders by fire department Port Qasim Authority.

- The Staff of MACPAC Films Ltd, attended Rescue Service and Fire Prevention & Safety Courses conducted by Federal Civil Defense Training School Karachi, American Society of Safety Professionals 4th Safety Professional Development Conference and ESG (Environment, Social, Governance) workshop.
- Macpac Films Ltd organised a safety awareness event titled "AGAH! ESG Initiative - Safety Awareness Neighborhood Event " for all the companies of the Eastern Zone Port Qasim. This event was highly successful as it enabled the companies to share ESG knowledge and build commitment for mutual assistance in the event of an emergency.

To promote the Environment the Company undertook tree plantation and greening of its factory premises in Port Qasim. The activities included:

- Planting of 40 fruit bearing trees and 100 Gulmohar Moringa trees at the Port Qasim Plant.
- Cultivation of vegetables on 2400 square yards by using waste water, which is being distributed free to workers and staff at the Plant.
- Developed 75000 sq. ft. grass area around Plant building for use for sports.
- Currently 25000 gallons of recycled water is being utilized per month for plantation and greenery.

Macpac's Environmental Audit reports regularly report on Waste Water Analysis, Ambient Air Quality Monitoring, Stack Emissions Monitoring, Noise Levels Measurements and Drinking Water Analysis. These reports were submitted and approved by Sindh Environmental Protection Agency (SEPA) for the year 2022.

The Company is proud to report that it received the 19th Annual Environment Excellence Award 2022 organized by National Forum for Environment & Health.



Visit to TCF School for Children's Day



Visit to SOS Children's Village Karachi for Independence Day



MOU signed between TGA and Macpac to support recycling of waste



Visit to the Emergency Room, Civil Hospital run by ChildLife Foundation



Agahi ESG initiative organised by Macpac for companies in Port Qasim (East)

# Notice Of The 28th Annual General Meeting

NOTICE is hereby given that the Twenty Eighth Annual General Meeting (“AGM”) of Macpac Film Industries Limited (the “Company”) will be held on Monday, October 16, 2023 at 10:00 AM at the Registered Office of the Company at 21 Maqboolabad, J.C.H.S, Tipu Sultan Road, Karachi and also through video-conferencing, to transact the following business:

## Ordinary business

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2023, together with the Chairman’s Review Report, Report of the Directors and Auditors thereon.
2. To appoint Auditors for the year 2023-24 and to fix their remuneration. The present auditors – M/s KPMG Taseer Hadi, Chartered Accountants, being eligible, have offered themselves for reappointment.
3. To consider and, if thought fit, approve as recommended by the Board of Directors, the final cash Dividend at the rate of Rs. 1.5 per share i.e., 15% for the year ended June 30, 2023.

## Special business

4. To approve the circulation of the annual audited financial statements to the members through QR enabled code and weblink by passing an ordinary resolution as proposed in the statement of material facts annexed to the notice of the meeting being sent to the members.

Karachi

Dated: September 20, 2023

**By Order of the Board**

**Aquil A Khan**

**Company Secretary**

## NOTES:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 10, 2023 to October 16, 2023 (both days inclusive). Transfers received with the Registrar of the Company M/s CDC Share Registrar Services, House-99-B, Block B, S.M.C.H.S, Sharae Faisal Karachi. Tel: +92-21-111-111-500 Fax: +92-21-34326034 by the close of business on October 9, 2023, will be treated in time to entitle the transferees to the dividend and to attend and vote at the AGM. Members holding shares through CDC are requested to update their address and Zakat status with their Participants.

## 2. Participation in the AGM – in person/by proxy/through video link

Members whose names appear in the Register of Members as of October 9, 2023, are entitled to attend and vote at the AGM. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

An instrument of proxy applicable for the AGM is being provided with the Notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours.

An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the AGM.

Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, CDC Share Registrar Services Ltd.

Shareholders willing to attend the meeting online can connect through video-link, i.e., <http://zoom.us/download>.

For this purpose, shareholders are requested to get their following particulars registered with the Company by sending email to [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com). Video-link and login credentials will be shared with only those shareholders / proxies whose email, containing all the information required below, is received via email not later than 48 hours before the AGM.

Shareholder Name	Name of Company	Folio / CDC No	CNIC#	Cell No	Registered email ID
	Macpac Films Limited				

The shareholders can also provide their comments / suggestion for the proposed agenda items of the AGM by using the above given email.

The login facility will be opened at 9:45 AM on October 16, 2023 enabling the participants to join the proceedings which will start at 10:00 AM sharp.

### 3. Voting through E-voting and Postal Ballot Paper

Pursuant to the Companies (Postal Ballot) Regulations, 2018 and subject to the provisions of sections 143 and 144 of the Companies Act, 2017, the Company will notify the procedure for postal balloting with respect to the special business in due course of time.

### 4. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Account Holders

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

#### A. For Attending the AGM:

- I. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC/SNIC or original passport at the time of attending the AGM.
- II. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the AGM.

#### B. For Appointing Proxies

- I. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the requirement.
- II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- III. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- IV. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- V. In case of corporate entities, Board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

### 5. Distribution of Annual Report

Company is circulating annual balance sheet and profit and loss account, auditor's report and directors report etc., along with the notice of annual general meeting (Annual Report) through CD/DVD to all members at their registered addresses besides sending it through e-mail to those shareholders who have provided their e-mail ID.

Shareholders of the Company who wish to receive a hardcopy of Company's Annual Report, are requested to provide an application to the Company's Share Registrar, CDC Share Registrar Services, 99-B, Block B, S.M.C.H.S, Shakra-e-Faisal, Karachi.

#### 6. Submission of CNIC/SNIC/NTN (Mandatory)

Pursuant to the directives of the SECP, the dividend of shareholders whose CNIC/SNIC or NTN (in case of corporate entities), are not available with the Share Registrar, could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, CDC Share Registrar Services, 99-B, Block B, S.M.C.H.S, Shakra-e-Faisal, Karachi.

#### 7. Dividend Mandate (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017, and the Companies (Distribution of Dividend) Regulations, 2017, a listed company is required to pay any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders. The Company and its Share Registrar have frequently informed the shareholders about this mandatory requirement.

The members who have still not provided their IBAN are once again requested to provide information as per below format and send it duly signed along with a copy of valid CNIC to Company's Share Registrar. Members who hold shares in electronic form are advised to send it to concerned participant/CDC.

<b>Member's detail</b>	
Name	
Folio no./CDC Account No.	
CNIC No.	
Contact No.	
<b>Bank detail</b>	
Title of Bank Account their International Bank Account Number (IBAN)	
Name of Bank	
Branch name and address	



#### 8. Deposit of Physical Shares in CDC account

As per section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book-entry form. Therefore, shareholders having physical shares are requested to convert their shares into book entry form as soon as possible.

#### 9. Availability of Annual Audited Financial Statements on the Company's website

In accordance with the provisions of Section 223(7) of the Companies Act 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company's website.

#### STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business as listed at agenda item No. 4 above:

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 389(1)/2023 dated March 21, 2023, has allowed listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report, etc ("annual audited financial statements") to its members through QR enabled code and weblink, subject to approval of shareholders in the general meeting, provided that:

- (a) Notice of meeting shall be dispatched to the shareholders as per the requirements of the Companies Act at their registered address containing the QR code and the weblink address.
- (b) The Company shall circulate the annual audited financial statements to those shareholders who have provided their e-mail address.
- (c) The Company shall send the complete financial statements with relevant documents in hard copy to the shareholders free of cost, within one week, if a request has been made by a member, the following resolution is proposed to be passed as an ordinary resolution, with or without modification:

**"RESOLVED THAT** approval of the shareholders of Macpac Films Limited (the Company) be and is hereby accorded and the Company be henceforth authorized to circulate the annual audited financial statements together with the relevant reports and documents to its members through QR enabled code and weblink instead of circulating the same through CD/DVD/USB."

None of the Directors has any interest, direct or indirect, in the aforesaid special business.

# Proxy Form

## Macpac Films Ltd

28<sup>TH</sup> 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 28th Annual General Meeting of the company to be held at 10:00 AM on October 16, 2023 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 \_\_\_\_\_, 2023

Signed by the said \_\_\_\_\_

### Witnesses:

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

Folio/CDC Account No.

Signature on revenue  
Stamp of Rs. 5/-

### 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 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.

## اظہارِ تشکر:

کمپنی کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، حصص یافتگان، شراکت داران، صارفین، سرکاری حکام، خود مختار اداروں، مالیاتی اداروں اور بینکرز کے مسلسل تعاون پر ان کا شکریہ ادا کرنا چاہتے ہیں۔

ڈائریکٹرز کمپنی کے اسٹاف کی گرانقدر اور انتھک کوششوں اور خدمات کو بھی بے حد سراہتے ہیں۔

محمد منیر علی

احتیاج مقبول اسی  
ڈائریکٹر



غلام الحسن  
چیف ایگزیکٹو آفیسر

کراچی

یکم ستمبر 2023ء

## ایچ آر اور معاوضہ کمیٹی:

بورڈ نے ایک ایچ آر اور معاوضہ کمیٹی تشکیل دی ہے۔ اس میں تین (3) ممبران شامل ہیں، جن میں دونوں ایگزیکٹو ڈائریکٹرز اور ایک ایگزیکٹو ڈائریکٹر شامل ہیں۔ کمیٹی کے چیئرمین نان ایگزیکٹو ڈائریکٹر ہیں۔

## ماحولیاتی، سماجی ذمہ داری اور گورننس (ای ایس جی):

Macpac فلمز لمیٹڈ نے پانی اور توانائی کے تحفظ کو اعلیٰ ترجیح دی ہے۔ اس میں توانائی کی کارکردگی کو بڑھانے اور ایندھن کے تحفظ کے لیے شمسی توانائی کے استعمال پر زور دینے کے ساتھ ساتھ پیداواری ضروریات کے لیے پانی کا موثر استعمال شامل ہے۔ کمیٹی مکمل طور پر ماحول پر اس کے منفی اثرات کو کم کرنے کے لیے پرعزم ہے اور پائیدار حل کو فروغ دے کر اپنی ٹیم، سپلائرز اور صارفین کو ماحولیاتی تحفظ کی اہمیت کے بارے میں فعال طور پر تعلیم اور تربیت دے رہی ہے۔ مزید برآں، کمیٹی فضلہ جات کی ری سائیکلنگ پر بھی غور کر رہی ہے۔

سماجی اور اخلاقی طور پر ذمہ دار کارپوریشن ہونے کے ناطے Macpac فلمز لمیٹڈ اپنے ماحولیاتی اثرات کو بڑھانے کے لیے مسلسل اقدامات کرتی ہے اور تعلیم اور صحت پر خصوصی توجہ کے ساتھ، مجموعی طور پر معاشرے کی بہتری میں اپنا حصہ ڈالنے کے لیے وقف رہتی ہے۔ جس کی تفصیلات سالانہ رپورٹ کے متعلقہ حصوں میں شامل ہے۔

## انسانی سرمائے اور ملازمین کے تعلقات:

کمیٹی کا انسانی سرمایہ انتہائی اہمیت کا حامل ہے۔ Macpac فلمز لمیٹڈ کمیٹی کو مطلوبہ کارکردگی فراہم کرنے کے لیے دیگر وسائل جیسے آلات اور ٹیکنالوجی کے نظام کے ساتھ انسانی وسائل کے بہترین انتظام کو یقینی بنانے پر فخر محسوس کرتا ہے۔ کمیٹی اپنے اسٹاف کی فلاح و بہبود اور حفاظت کو ترجیح دیتی ہے اور تربیت اور ترقیاتی اقدامات کے ساتھ ساتھ صحت اور حفاظت کے موثر پروگراموں پر توجہ مرکوز کئے ہوئے ہے۔ ایسے کاروباری ماحول میں جو زیادہ طلب اور مسابقتی ہوتا جا رہا ہے، ان حالات میں درپیش چیلنجز کا کافی پیچیدہ ہیں۔ موثر انسانی وسائل کے انتظام کے لیے کمیٹی میں انسانی سرمائے کے معیار پر مسلسل توجہ دینے کی ضرورت ہے۔ ان اہم اقدامات کی تفصیلات سالانہ رپورٹ کے متعلقہ حصوں میں شامل ہیں۔

## متعلقہ پارٹی کے ساتھ لین دین:

متعلقہ پارٹی کے ساتھ تمام لین دین متعلقہ شرائط پر کاروبار کے معمول کے مطابق کئے گئے ہیں اور متعلقہ نوٹ کے تحت مالی تفصیلات شامل ہیں۔

## شیر ہولڈنگ کا نمونہ:

کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت 30 جون 2023 تک شیر ہولڈنگ کا نمونہ ضروری تفصیلات کے ساتھ سالانہ رپورٹ 2023 میں ظاہر کیا گیا ہے۔

4	جناب احتشام مقبول امی	3
4	جناب شارق مقبول امی	4
2	جناب فہد منشی	5
2	جناب عمر صابر (16 فروری 2023 تک)	6
3	محترمہ حفصہ عباسی (20 ستمبر 2022 سے)	7
2	جناب شبیر حمزہ خاندوالا (16 فروری 2023 سے)	8

دوران سال آڈٹ کمیٹی کے 4 اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل تھی:

نمبر شمارہ	ڈائریکٹر کا نام	اجلاس میں حاضری
1	جناب عمر صابر (16 فروری 2023 تک)	2
2	جناب شبیر حمزہ خاندوالا (16 فروری 2023 سے)	1
3	جناب نعیم علی محمد منشی	4
4	جناب شارق مقبول امی	4

دوران سال ہیومن ریسورس اینڈ ریویویشن کمیٹی (ایچ آر آئی) کے 2 اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل تھی:

نمبر شمارہ	ڈائریکٹر کا نام	اجلاس میں حاضری
1	جناب حفصہ عباسی (20 ستمبر 2022 سے)	2
2	جناب شارق مقبول امی	2
3	جناب احتشام مقبول امی	2

آڈٹ کمیٹی اور داخلی کنٹرول سسٹم:

آپ کی کمپنی کی انتظامیہ بہتر کارپوریٹ گورننس پر یقین رکھتی ہے، جو چیک اور بیلنس کے ایک بہتر اور موثر انداز میں لاگو نظام اور شفاف، درست اور بروقت مالی معلومات کی فراہمی کے ذریعہ نافذ ہے۔ بورڈ آف ڈائریکٹرز نے داخلی کنٹرول کا ایک ایسا نظام قائم کیا ہے جس میں موثر مالیاتی کنٹرول شامل ہیں جو کمپنی کے اندر ہر سطح پر نافذ کیے جاتے ہیں۔

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جس میں تین (3) ممبران شامل ہیں۔ سبھی غیر ایگزیکٹو ڈائریکٹر ہیں جن میں کمیٹی کے چیئرمین بھی شامل ہیں، جو ایک آزاد ڈائریکٹر ہیں۔ کمیٹی کے پاس اپنے حوالہ کی شرائط ہیں جو بورڈ آف ڈائریکٹرز کے ذریعہ لسٹنگ کے ضوابط میں فراہم کردہ ہنما خطوط کے مطابق طے کی گئیں۔

## آکٹیز:

موجودہ آڈیٹرز مینسز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے 30 جون 2024 کو ختم ہونے والے سال کیلئے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی سفارش کی ہے۔

## کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اس کے ساتھ منسلک ہے۔

## ضابطہ اخلاق اور کاروباری طریقوں کا بیان:

بورڈ نے اپنی معاون پالیسیوں اور طریقہ کار کے ساتھ ایک ضابطہ اخلاق تیار کیا ہے اور اس بات کو یقینی بنایا ہے کہ کمیٹی میں اس پر عمل کیلئے مناسب اقدامات کئے گئے ہیں۔

## کارپوریٹ اور مالی رپورٹنگ فریم ورک پر کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

☆ کمیٹی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمیٹی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ میں تبدیلی کو شفافیت کے ساتھ پیش کرتے ہیں۔

☆ کمیٹی میں اکاؤنٹس کی کتابیں مناسب انداز میں رکھی گئی ہیں۔

☆ مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔

☆ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو کہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) نے جاری کیا ہے اور کمپنیز ایکٹ 2017 (ایکٹ) کے تحت مطلع کیا گیا ہے، ان کی پیروی کی گئی ہے۔

☆ کمیٹی کے پاس انٹرنل آڈٹ فنکشن کا نظام مضبوط ہے جو اس مقصد کیلئے موزوں اور تجربہ کار سمجھا جاتا ہے اور کمیٹی کی پالیسیوں اور طریقہ کار سے واقف ہے۔

☆ انٹرنل کنٹرول کے نظام مضبوط ہیں اور اس کی موثر طریقہ سے عملدرآمد اور نگرانی کی جاتی ہے۔

☆ آڈٹ کمیٹی کے تمام ممبران خود مختار/انان ایگزیکٹو ڈائریکٹرز ہیں۔

☆ آنے والے سالوں میں کمیٹی کی کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

☆ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہے جیسا کہ اسٹنڈرڈ ریگولیشنز میں موجود ہے۔

☆ گذشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی گوشوارے رپورٹ کے ساتھ منسلک ہیں۔

دوران سال بورڈ آف ڈائریکٹرز کے 4 اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل تھی:

نمبر شمارہ	ڈائریکٹرز کا نام	اجلاس میں حاضری
1	جناب نعیم علی محمد ششی	4
2	جناب نجم الحسن	4

ان افراد کے نام جو مالی سال کے دوران کمیٹی کے ڈائریکٹرز تھے:

نمبر شمارہ	نام	عہدہ
1.	جناب نعیم علی محمد منشی	چیئر مین
2.	جناب نجم الحسن	چیف ایگزیکٹو آفیسر
3.	جناب احتشام مقبول الہی	ایگزیکٹو ڈائریکٹر
4.	جناب شارق مقبول الہی	نان ایگزیکٹو ڈائریکٹر
5.	جناب فہد منشی	نان ایگزیکٹو ڈائریکٹر
6.	جناب محمد عمر صابر	آزاد ڈائریکٹر (16 فروری 2023 تک)
7.	محترمہ حفصہ عباسی	آزاد ڈائریکٹر (20 ستمبر 2022 سے)
8.	جناب شبیر حمزہ خاندوالا	آزاد ڈائریکٹر (16 فروری 2023 سے)

بورڈ کی آڈٹ کمیٹی:

نمبر شمارہ	نام	عہدہ
1.	جناب محمد عمر صابر	چیئر مین (16 فروری 2023 تک)
2.	جناب شبیر حمزہ خاندوالا	چیئر مین (16 فروری 2023 سے)
3.	جناب نعیم علی محمد منشی	ممبر
4.	جناب شارق مقبول الہی	ممبر

ایچ آر اور معاوضہ کمیٹی:

نمبر شمارہ	نام	عہدہ
1.	جناب شارق مقبول الہی	چیئر مین (20 ستمبر 2022 تک)
2.	محترمہ حفصہ عباسی	چیئر پرسن (20 ستمبر 2022 سے)
3.	جناب احتشام مقبول الہی	ممبر

ڈائریکٹرز کا معاوضہ:

بورڈ کی جانب سے منظور شدہ موجود معاوضے کی پالیسی کے مطابق نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ میٹنگ میں شرکت کے لیے 100,000 روپے اور کمیٹی میٹنگ کے لیے 80,000 روپے ادا کیے جاتے ہیں۔

ڈائریکٹرز اور چیف ایگزیکٹو کو سال کے دوران ادا کیے گئے معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹ 39 میں دی گئی ہیں۔

### بنیادی خطرات اور غیر یقینی صورتحال:

بنیادی خطرات اور غیر یقینی صورتحال میں کرنسی کی قدر میں کمی، شرح سود میں اضافہ، توانائی کی قیمت میں اضافہ، ان کی دستیابی اور مالیاتی پالیسیوں میں تبدیلیاں شامل ہیں۔

### جغرافیائی عمل وقوع اور کاروبار کا پتہ:

کمپنی کار جسٹریڈ آفس پلاٹ نمبر 21، مقبول آباد، جناح کوآپریٹو ہاؤسنگ سوسائٹی (جے سی ایچ ایس)، ٹیپو سلطان روڈ، کراچی پر واقع ہے، پروفیشن پلانٹس مشرقی انڈسٹریل زون، پورٹ قاسم، کراچی میں واقع ہیں اور نارٹھ سیلز آفس لاہور سینٹر، گلبرگ لاہور پاکستان میں واقع ہے۔

### اہم سرمایہ جاتی اخراجات:

پراپرٹی، پلانٹ اور سامان میں اضافے کے بارے میں تفصیلات کے لیے برائے مہربانی مالیاتی گوشواروں کا نوٹ 9 ملاحظہ کریں۔

### بورڈ آف ڈائریکٹرز کی تشکیل:

1. 30 جون 2023 کو ڈائریکٹرز کی کل تعداد درج ذیل تھی:

a. مرد: 6

b. خاتون: 1

زیر جائزہ مدت کے دوران بورڈ کے ایک آزاد ڈائریکٹر نے استعفیٰ دے دیا۔ یہ خالی آسامی اب پُر ہو چکی ہے۔

2. 30 جون 2023 تک بورڈ کی تشکیل درج ذیل رہی:

نام:

کینگری/حکم

- a) آزاد ڈائریکٹر
1. جناب محمد عمر صابر (16 فروری 2023 تک)
  2. محترمہ حفصہ عباسی (20 ستمبر 2022 سے)
  3. جناب شبیر حمزہ خاند والا (16 فروری 2023 سے)

b) نان ایگزیکٹو ڈائریکٹر

1. جناب نعیم علی محمد منشی
2. جناب شارق مقبول امی
3. جناب فہد منشی

c) ایگزیکٹو ڈائریکٹر

1. جناب مجاہد الحسن
2. جناب احتشام مقبول امی



## تقابلی مالی نتائج:

دو سالوں کے لیے وسیع تقابلی مالیاتی نتائج ذیل میں دیے گئے ہیں۔ گذشتہ چھ سالوں کی کارکردگی کے کلیدی اشارے بھی اس رپورٹ کے ساتھ منسلک ہیں۔

مالیاتی سال 2022		مالیاتی سال 2023		
%	ملین روپے	%	ملین روپے	
	4,174.1		5,505.5	فروخت (خالص)
14.6%	610.8	23.8%	1,311.5	کل منافع
6.3%	262.6	12.7%	700.7	قبل از ٹیکس منافع/(خسارہ)
4.4%	184.2	6.9%	379.2	بعد از ٹیکس منافع/(خسارہ)
	3.11		6.39	فی شیئر آمدنی

## فی شیئر آمدنی:

موجودہ سال کے لئے فی شیئر آمدنی 6.39 روپے ہے جس کا موازنہ گذشتہ سال کی فی شیئر آمدنی 3.11 روپے سے کیا جاسکتا ہے۔

## منافع منقسم:

آپ کی کمپنی اپنے شیئر ہولڈرز کو طویل مدتی پائیدار منافع فراہم کرنے کیلئے پر عزم ہے۔ لہذا کمپنی کے ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے 1.5 روپے فی شیئر منافع منقسم کی سفارش کی ہے۔

## مستقبل کا نقطہ نظر:

جاری چینلنگ معاشی حالات اور ملک کو درپیش اہم میکر و اکٹناک چینلجز کے پیش نظر، آپ کی کمپنی کاروبار کے تسلسل کو برقرار رکھنے کے لیے موجودہ سپلائی چین کی رکاوٹوں سے موثر طریقے سے نمٹنے کے لیے پر عزم ہے۔ مختلف عوامل جیسے معاشی ست روی، کرنٹ اکاؤنٹ خسارہ، کرنسی کی قدر میں کمی، مہنگائی سے نمٹنے کے لیے محدود مانیٹری پالیسی کے نفاذ، توانائی کی قلت، اور مال برداری کی بلند قیمتوں کے باعث توقع ہے کہ آنے والے عرصہ میں طلب کو دبانے کا سامنا رہے گا۔

درپیش چینلجز کے باوجود، کمپنی اپنی کارکردگی میں سرشار افرادی قوت کے تعاون سے کارکردگی کو بڑھانے، چست فیصلہ سازی، اپنی مصنوعات کے کس کو بہتر بنانے، انفارمیشن سسٹمز میں سرمایہ کاری بڑھانے، تحقیق اور ترقی کی کوششوں کو تقویت دینے، اور ملکی اور بین الاقوامی سطح پر مارکیٹ کے نئے شعبوں میں داخلے کی تلاش پر فعال طور پر توجہ مرکوز کرتے ہوئے ترقی کو برقرار رکھنے میں کامیاب رہی ہے۔ مزید برآں، کمپنی نے پہلے ہی بیرون ملک ایک ذیلی کمپنی قائم کر کے اپنی برآمدی کارروائیوں کو وسعت دینے کے ارادے کا اعلان کیا ہے۔

کمپنی اپنی موجودہ ترقی کی رفتار کو برقرار رکھنے کے لیے ان اقدامات پر توجہ مرکوز رکھے گی انشاء اللہ۔

## بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی پلاسٹک پیکیجنگ فلموں کی تیاری، پیداوار اور خرید و فروخت ہے۔

## حصص یافتگان کو ڈائریکٹرز کی اطلاع

شروع اللہ کے نام سے جو بڑا مہربان نہایت رحم کرنے والا ہے۔

السلام علیکم!

معزز ممبران،

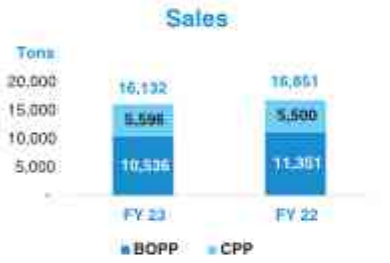
آپ کی کمپنی کے ڈائریکٹرز اپنی رپورٹ اور 30 جون 2023 کو ختم ہونے والے سال کیلئے کمپنی کے مالیاتی گوشوارے پیش کرنے پر بے حد خوش ہیں۔

پیداوار:



دوران سال کمپنی کی بی او پی پی اور سی پی پی کی پیداوار بالترتیب 11,669 میٹرک ٹن اور 6,164 میٹرک ٹن رہی جبکہ گذشتہ سال کی پیداوار 12,103 میٹرک ٹن اور 6,023 میٹرک ٹن تھی۔ پیداواری حجم میں مجموعی طور پر 1.6 فیصد کمی ہوئی، لیکن کمپنی گذشتہ سال کے 82 فیصد کے مقابلے میں اپنی صلاحیت کے استعمال کو 81 فیصد پر برقرار رکھنے میں کامیاب رہی۔

فروخت/سیل کارکردگی:



30 جون 2023 کو ختم ہونے والے سال کیلئے کمپنی کی فروخت 16,132 میٹرک ٹن رہی جو کہ گذشتہ سال 30 جون 2022 کو 16,851 میٹرک ٹن تھی۔

کمپنی نے مشکل معاشی ماحول میں معیار کو فروغ اور کسٹمر کو برقرار رکھنے کو یقینی بناتے ہوئے کامیابی کے ساتھ اپنے مارکیٹ شیئر کو محفوظ رکھا اور اپنی فروخت کے حجم کو برقرار رکھنے میں کامیاب رہی۔

کل منافع:



دوران سال کمپنی کا مجموعی منافع 1,311.5 ملین روپے رہا جبکہ گذشتہ سال 810.8 ملین روپے تھا جو کہ 114.7 فیصد کا اضافہ ہے۔

یہ بنیادی طور پر فروخت کے حجم کی وجہ سے ہے جس نے کمپنی کو اپنے اوپری اخراجات کو پورا کرنے کی اجازت دی۔ مزید برآں، کمپنی نے پیداواری صلاحیت، کارکردگی، اور لاگت پر قابو پانے کے اقدامات کو بڑھانے پر توجہ دے کر قیمتوں میں فرق حاصل کیا۔

خالص منافع:



زیر جائزہ سال کیلئے قبل از ٹیکس منافع (پی بی ٹی) 700.7 ملین روپے ہے جو کہ گذشتہ سال کی اسی مدت کے دوران 262.6 ملین روپے تھا۔ گذشتہ سال کے 76.9 ملین روپے زرمبادلہ خسارہ کے مقابلے میں، موجودہ سال میں 168.2 ملین روپے کے زرمبادلہ کے خسارہ کا سامنا کرنے کے باوجود، کمپنی اپنے قبل از ٹیکس منافع (پی بی ٹی) کو 166.8 فیصد تک بڑھانے میں کامیاب رہی۔ اسی طرح، موجودہ سال میں 10 فیصد سپر ٹیکس کے اثرات کے بعد، بعد از ٹیکس خالص منافع 379.2 ملین روپے رہا، جو کہ گذشتہ سال 184.2 ملین روپے تھا۔

## 9. کمپنی کی ویب سائٹ پر سالانہ آڈٹ شدہ مالیاتی گوشواروں کی دستیابی:

کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کی دفعات کے مطابق، 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالی گوشوارے کمپنی کی ویب سائٹ پر دستیاب ہیں۔

## کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت بیان:

یہ بیان خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے جیسا کہ اوپر ایجنڈا آئٹم نمبر 4 میں درج ہے:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) نے SRO 389(1)/2023 مورخہ 21 مارچ 2023 کے ذریعے فہرست شدہ کمپنیوں کو QR کوڈ اور ویب لنک کا استعمال کرتے ہوئے اپنے ممبران کو سالانہ بیلنس شیٹ، نفع و نقصان کے اکاؤنٹ، آڈیٹر کی رپورٹ، اور ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ مالیاتی گوشوارے) فراہم کرنے کی اجازت دی ہے، یہ عام اجلاس میں شیئر ہولڈرز کی منظوری پر منحصر ہے بشرط یہ کہ:

(a) کمپنیز ایکٹ کے مطابق میننگ کانٹریسٹ شیئر ہولڈرز کو ان کے رجسٹرڈ پتے پر بھیجا جائے گا جس میں QR کوڈ اور ویب لنک ایڈریس موجود ہوگا۔

(b) کمپنی سالانہ آڈٹ شدہ مالیاتی گوشوارے ان شیئر ہولڈرز کو ارسال کرے گی جنہوں نے اپنی ای میل آئی ڈی فراہم کی ہے۔

(c) اگر کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر کسی ممبر کی طرف سے درخواست کی گئی ہو تو کمپنی ایک ہفتے کے اندر، متعلقہ دستاویزات کے ساتھ مکمل مالیاتی گوشوارے ہارڈ کاپی میں شیئر ہولڈرز کو مفت فراہم کرے گی۔

مندرجہ ذیل قرارداد کو ایک عام قرارداد کے طور پر، ترمیم یا بغیر ترمیم منظور کرنے کی تجویز ہے:

”مطے پایا ہے کہ Macpac فلز لمیٹڈ (کمپنی) کے شیئر ہولڈرز کی منظوری سے کمپنی کو یہ اختیار دیا جاتا ہے کہ وہ سالانہ آڈٹ شدہ مالیاتی گوشواروں کو متعلقہ رپورٹس اور دستاویزات کے ساتھ اپنے ممبران کو QR فعال کوڈ اور ویب لنک کے ذریعے فراہم کیا جائے گا بجائے سی ڈی/وی ڈی/ایو ایس بی کے۔“

ڈائریکٹرز میں سے کسی کو بھی مذکورہ خصوصی کاروبار میں براہ راست یا بالواسطہ کوئی دلچسپی نہیں ہے۔

## 7. ڈویڈنڈ میٹریٹ (لازمی):

کمپنیز ایکٹ 2017 کے سیکشن 242، اور کمپنیز (ڈسٹری بیوٹن آف ڈویڈنڈ) ریگولیشنز 2017 کی دفعات کے مطابق، ایک فہرست شدہ کمپنی کسی بھی نقد ڈویڈنڈ کو خصوصی طور پر الیکٹرانک ذرائع سے براہ راست اہل شیئر ہولڈرز کے مخصوص بینک اکاؤنٹ میں ادا کرنے کی پابند ہے۔ کمپنی اور اس کے شیئر رجسٹرار نے متعدد بار شیئر ہولڈرز کو اس لازمی ضرورت کے بارے میں مطلع کیا ہے۔

جن ممبران نے ابھی تک اپنا آئی بی اے این فراہم نہیں کیا ہے ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ نیچے دیے گئے فارمیٹ کے مطابق معلومات فراہم کریں اور درست سی این آئی سی کی کاپی کے ساتھ کمپنی کے شیئر رجسٹرار کو ارسال کریں۔ الیکٹرانک شکل میں شیئرز کے حامل ممبران کو مشورہ دیا جاتا ہے کہ وہ اسے متعلقہ شریک / سی ڈی سی کو ارسال کریں۔

ممبر کی تفصیلات	
نام	
فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	
سی این آئی سی نمبر	
رابطہ نمبر	
بینک کی تفصیلات	
بینک اکاؤنٹ کا نام	
انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این)	
بینک کا نام	
برانچ کا نام اور پتہ	

## 8. سی ڈی سی اکاؤنٹ میں فزیکل شیئر جمع کرنا:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت، ہر فہرست شدہ کمپنی اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کی پابند ہے۔ لہذا فزیکل شیئرز کے حامل شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو جلد از جلد بک انٹری فارم میں تبدیل کریں۔

II. کارپوریٹ ادارے کی صورت میں، سالانہ اجلاس عام کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس میں نامزد شخص کے دستخط کے نمونے ہوں گے (جب تک کہ اسے پہلے فراہم نہ کیا گیا ہو) پیش کیا جائے گا۔

## B. پراسسز کی تقرری کیلئے:

I. افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر، نیز وہ شخص جس کی سیکورٹیز ایک گروپ اکاؤنٹ میں رکھی گئی ہوں جس کے اندراج کی تفصیلات سی ڈی سی کے ضوابط کے مطابق اپ لوڈ کی گئی ہوں وہ ضرورت کے مطابق پراسسز فارم جمع کروائے گا۔

II. پراسسز فارم پر دو افراد گواہ ہوں گے جن کے نام، پتے اور کمپیوٹرائزڈ شناختی کارڈ نمبر فارم پر درج ہوں گے۔

III. کمپیوٹرائزڈ شناختی کارڈ کی تصدیق شدہ کاپیاں یا سینٹیفشل اونرز کے پاسپورٹ اور پراسسز کو پراسسز فارم کے ساتھ پیش کیا جائے گا۔

IV. اجلاس کے وقت پراسسز اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

V. کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس میں نامزد شخص کے دستخط موجود ہوں، پراسسز فارم کے ساتھ کمپنی کو جمع کرایا جائے گا (جب تک کہ پہلے فراہم نہ کیا گیا ہو)۔

## 5. سالانہ رپورٹ کی تقسیم:

کمپنی سالانہ بیلنس شیٹ، نفع و نقصان کا حساب کتاب، آڈیٹرز رپورٹ اور ڈائریکٹرز رپورٹ بشمول سالانہ اجلاس عام کانفرنس (سالانہ رپورٹ) ایک سی ڈی/وی ڈی کے ذریعے تمام ممبران کو ان کے رجسٹرڈ پتے پر ارسال کر رہی ہے، اس کے علاوہ ان دستاویزات کو بذریعہ ای میل ان شیئر ہولڈرز کو بھیجا جا رہا ہے جنہوں نے اپنی ای میل آئی ڈی فراہم کی ہیں

کمپنی کے شیئر ہولڈرز جو کمپنی کی سالانہ رپورٹ کی بارڈ کاپی حاصل کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز، ہائوس B-99، بلاک B، ایس ایم سی ایچ ایس، شاہراہ فیصل کراچی، کو اپنی درخواست جمع کروائیں۔

## 6. سی این آئی سی / ایس این آئی سی / این ٹی این جمع کرانا (لازمی):

ایس ای سی پی کی ہدایات کے تحت، وہ شیئر ہولڈرز جن کے سی این آئی سی / ایس این آئی سی یا این ٹی این (کارپوریٹ ادارے کی صورت میں) شیئر رجسٹرار کے پاس دستیاب نہیں ہیں، شیئر ہولڈرز کے ڈیویڈنڈ کو روکا جاسکتا ہے۔ لہذا شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے درست سی این آئی سی / ایس این آئی سی کی ایک کاپی کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز، ہائوس B-99، بلاک B، ایس ایم سی ایچ ایس، شاہراہ فیصل کراچی کے پاس جمع کرائیں۔

اس مقصد کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی درج ذیل تفصیلات [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com) پر ای میل بھیج کر کمپنی کے ساتھ رجسٹرڈ کرائمز۔ ویڈیو لنک اور لاگ ان کی اسناد کا اشتراک صرف ان شیئر ہولڈرز پر اکسز کے ساتھ کیا جائے گا جن کی ای میل، نیچے درکار تمام معلومات پر مشتمل ہوں اور سالانہ اجلاس عام سے 48 گھنٹے قبل ای میل کے ذریعے موصول ہوئی ہوں۔

شیئر ہولڈر کا نام	کمپنی کا نام	فولیو/سی ڈی سی نمبر	شناختی کارڈ نمبر	موبائل نمبر	رجسٹرڈ ای میل آئی ڈی
	Macpac Films Limited				

شیئر ہولڈرز فراہم کردہ ای میل ایڈریس کا استعمال کر کے سالانہ اجلاس عام کے لیے مجوزہ ایجنڈا آئٹمز کے بارے میں اپنے تبصرے یا تجاویز بھی فراہم کر سکتے ہیں۔

لاگ ان کی سہولت 16 اکتوبر 2023 کو صبح 9:45 بجے کھولی جائے گی، جس سے شرکاء کو کارروائی میں شامل ہونے کا موقع ملے گا جو فوری طور پر صبح 10:00 بجے شروع ہوگی۔

### 3. ای دوئنگ اور پوسٹل بیلٹ پیپر کے ذریعے ووٹ دینے کا طریقہ کار:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 اور کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تحت، کمپنی مناسب وقت پر خصوصی کاروبار سے متعلق پوسٹل بیلٹنگ کے عمل کے لیے ہدایات فراہم کرے گی۔

### 4. سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) اکاؤنٹ ہولڈرز کے لیے رہنما خطوط:

سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ مورخہ 26 جنوری 2000 کے سرکلر 1 میں بیان کردہ رہنما خطوط پر بھی عمل کرنا چاہئے۔

### A. سالانہ اجلاس عام میں شرکت کیلئے:

I. افراد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر، نیز وہ شخص جس کی سیکورٹیز ایک گروپ اکاؤنٹ میں رکھی گئی ہوں جس کے اندراج کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہوں، انہیں سالانہ اجلاس عام میں شرکت کرتے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ/ایس این آئی سی یا اصل پاسپورٹ پیش کر کے اپنی شناخت کی تصدیق کرانی ہوگی۔

نوٹس:

## 1. شیئر ٹرانسفر بکس کی بندش:

کمپنی کی شیئر ٹرانسفر بکس مورخہ 10 اکتوبر 2023 سے 16 اکتوبر 2023 تک (بشمول دونوں ایام) بند رہیں گی۔ تمام درخواستیں کمپنی کے رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز، ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، شاہراہ فیصل کراچی، فون نمبر 500-111-111-111-92+، فیکس 34326053-21-92+ کو مورخہ 9 اکتوبر 2023 کو کاروبار کے اختتام تک موصول ہو جانی چاہئیں، بروقت موصول ہونے والی درخواستوں کو ڈیڈ لنڈ کا حقدار اور سالانہ اجلاس عام میں شرکت اور ووٹ دینے کیلئے اہل تصور کیا جائے گا۔ وہ ممبران جو سی ڈی سی کے ذریعہ حامل شیئر ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے شرکاء کے ساتھ اپنے پتہ اور زکوٰۃ کی حیثیت کو اپ ڈیٹ کریں۔

## 2. سالانہ اجلاس عام میں شرکت۔ ذاتی طور پر، کسی کے ذریعہ اوپن لٹک کے ذریعے:

وہ ممبران جن کے نام رجسٹر آف ممبرز میں 9 اکتوبر 2023 تک موجود ہیں، وہ سالانہ اجلاس عام میں شرکت اور ووٹ دینے کیلئے اہل ہیں۔ سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے حقدار ممبر کو شرکت کرنے، بولنے اور ووٹ دینے کے لیے ایک پراسی مقرر کرنے کا حق حاصل ہے۔ پراسی کو کمپنی کا ممبر ہونا ضروری ہے۔

سالانہ اجلاس عام میں استعمال کے لیے ایک پراسی فارم اس نوٹس کے ساتھ منسلک ہے جو اراکین کو ارسال کیا گیا ہے۔ پراسی فارم کی اضافی کاپیاں باقاعدہ دفتری اوقات کے دوران کمپنی کے رجسٹرار آفس سے حاصل کی جاسکتی ہیں۔

درست مانے جانے کے لیے، پاور آف اٹارنی کے ساتھ ایک پراسی فارم یا کوئی دوسری اجازت (اگر کوئی ہو) جس کے تحت اس پر دستخط کیے گئے ہوں، یا اس طرح کی پاور یا اتھارٹی کی نوٹری سے تصدیق شدہ کاپی، کمپنی کے رجسٹرار آفس میں سالانہ اجلاس عام کے مقررہ وقت سے 48 گھنٹے قبل جمع کرائی جانی چاہئے۔

ممبران سے درخواست کی جاتی ہے کہ وہ اپنے کمپیوٹر انڈیڈ قومی شناختی کارڈ/اسمارٹ قومی شناختی کارڈ (سی این آئی سی / ایس این آئی سی) کی ایک کاپی جمع کرائیں، اگر پہلے سے فراہم نہیں کی گئی ہے، اور اگر ان کے پتہ میں کوئی تبدیلی کی گئی ہو تو ہمارے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ کو فوری طور پر مطلع کریں۔

اجلاس میں آن لائن شرکت کے خواہشمند شیئر ہولڈرز ویڈیو لنک <http://zoom.us/download> کے ذریعے شرکت کر سکتے ہیں۔

## MACPAC فلز لمیٹڈ

### نوٹس برائے اٹھائیسواں سالانہ اجلاس عام

بذریعہ ہذا نوٹس اطلاع دی جاتی ہے کہ Macpac فلز لمیٹڈ ("کمپنی") کا اٹھائیسواں سالانہ اجلاس عام بروز پیر مورخہ 16 اکتوبر 2023 کو بوقت 10:00 بجے صبح کمپنی کے رجسٹرڈ آفس بمقام 21 مقبول آباد، J.C.H.S، ٹیپو سلطان روڈ، کراچی میں منعقد کیا جائے گا جس میں ویڈیو کانفرنس کے بھی ذریعے درج ذیل امور پر غور کیا جائے گا:

#### عام کاروبار:

1. 30 جون 2023 کو ختم ہونے والی مالی سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں بشمول چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز رپورٹ کو وصول کرنا، ان کا جائزہ لینا اور منظور کرنا۔
2. سال 2023-24 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی، چارٹرڈ اکاؤنٹنٹس، اہل ہونے کے ناطے خود کو دوبارہ تقرری کے لیے پیش کر چکے ہیں۔
3. بورڈ آف ڈائریکٹرز کی تجویز کے مطابق، 30 جون 2023 کو ختم ہونے والے سال کیلئے 1.5 روپے فی حصص یعنی 15 فیصد کی شرح سے حتمی منافع منقسم پر غور کرنا اور اگر مناسب سمجھا جائے تو اس کی منظوری دینا۔

#### خصوصی کاروبار:

4. ممبران کو ارسال کئے گئے اجلاس کے نوٹس سے منسلک مادی حقائق کے بیان میں بیان کردہ ایک عام قرارداد پاس کر کے QR فعال کوڈ اور ایک ویب لنک کے ذریعے ممبران میں سالانہ آڈٹ شدہ مالیاتی گوشواروں کی تقسیم کی اجازت دینا۔

بحکم بورڈ  
عتیل اے خان  
کمپنی سیکریٹری

کراچی  
مورخہ: 20 ستمبر 2023



# پراکسی فارم

## میک فیلز لمیٹڈ

میں مسٹی / مسماة \_\_\_\_\_ ساکن \_\_\_\_\_  
ضلع \_\_\_\_\_ بحیثیت ممبر میک فیلز لمیٹڈ، مسٹی مسماة \_\_\_\_\_ ساکن \_\_\_\_\_ کو  
بطور مقرر (پراکسی) مقرر کرتا ہوں تاکہ وہ میری طرف سے کمپنی کو اجلاس عام / سالانہ / غیر معمولی اجلاس جو بتاریخ 16 اکتوبر 2023  
10:00am منعقد ہو رہا ہے میں ووٹ ڈالے۔

گواہان

01 دستخط \_\_\_\_\_ نام \_\_\_\_\_ پتہ \_\_\_\_\_  
شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

02 دستخط \_\_\_\_\_ نام \_\_\_\_\_ پتہ \_\_\_\_\_  
شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

Folio/CDC Account No.

Signature on revenue  
stamp of Rs. 5/-

نوٹ

- 1- یہ پراکسی فارم کمپنی کے شیئرز رجسٹرار آفس کو مینٹگ 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۔



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**Registrar:**

CDC Share Registrar Services Limited,  
Share Registrar Department, CDC  
House, 99-B, Block B, S.M.C.H.S, Main  
Shahra-e-Faisal, Karachi-74400

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**MACPAC**  
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