



**MACPAC FILMS LIMITED
CONDENSED INTERIM
FINANCIAL STATEMENTS**

**For the Half Year Ended
December 31, 2021**

COMPANY INFORMATION

BOARD OF DIRECTORS

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

MR. NAJMUL HASSAN (CHIEF EXECUTIVE OFFICER)

MR. EHTESHAM MAQBOOL ELAHI (EXECUTIVE DIRECTOR)

MR. SHARIQ MAQBOOL ELAHI (NON-EXECUTIVE DIRECTOR)

MR. FAHAD MUNSHI (NON-EXECUTIVE DIRECTOR)

MR. MUHAMMAD OMER SABIR (INDEPENDENT DIRECTOR)

AUDIT COMMITTEE OF THE BOARD

MR. NAEEM ALI MUHAMMAD MUNSHI

MR. SHARIQ MAQBOOL ELAHI

HR & REMUNARATION COMMITTEE

MR. SHARIQ MAQBOOL ELAHI (COMMITTEE CHAIRMAN)

MR. EHTESHAM MAQBOOL ELAHI

MR. NAEEM ALI MUHAMMAD MUNSHI

AUDITORS

KPMG TASEER HADI CHARTERED ACCOUNTANTS

LEGAL ADVISORS

ABDUL GHAFFAR KHAN F-72/1, KDA SCHEME 5, KEHKASHAN, CLIFTON, KARACHI

SHARE REGISTRAR

CENTRAL DEPOSITORY COMPANY PAKISTAN LTD CDC HOUSE, 99-8, BLOCK 'B'

S.M.C.H.S, MAIN SHARA-E-FAISAL, KARACHI-74400 CUSTOMER SUPPORT

SERVICE: 0800-CDCPL (23275) FAX:92-21) 34326053

EMAIL: INFO@CDCPAK.COM WEBSITE: WWW.CDCPAKISTAN.COM

BANKERS (IN ALPHABETICAL ORDER)

AL BARAKA BANK

BANK 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

REGISTER OFFICE

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

TIPU SULTAN ROAD, KARACHI, PAKISTAN

EMAIL: INFO@MACPACFILMS.COM

WEBSITE

WWW.MACPACFILMS.COM

FACTORY

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

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MACPAC FILMS LIMITED

DIRECTORS' REPORT

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

Assalam-o-Alaikum

Dear Members,

The Board of Directors of your Company is pleased to present the un-audited financial statement of the Company for the Half year ended December 31, 2021.

Financial Reporting

"Your Company has recorded net sales of PKR 1,917 Mn during the period as compared to PKR 1,441 Mn for the same period last year. This result in increase of Gross Profit from PKR 248.738 Mn for the corresponding quarter to PKR 271.196 Mn this period under review.

Alhamdulillah the Company has made PKR 85.373 Mn profit after tax during the period as compared to net profit of PKR 92.078 Mn for the same period last year. This includes the impact of depreciation of PKR against USD resulting to Rs 28.274 Mn exchange losses.

Earnings per share for the period is PKR 1.44 as compared to PKR 1.55 during the same period last year.

Future Outlook

During the period under review, Alhamdulillah, despite all challenges, the Company managed to increase its sales value by 33% as compared to corresponding period. Further, sales volume, if compared with corresponding quarter, is also increased by 37%. This indicates that Al-Hamdulillah Company is on its track and ready to accept future challenges.

Going forward, we believe that with increased demand, improved economic indicators including forex stability along with effective business strategies, your Company will achieve its targets and also the expectation of its stakeholders in times to come. In Sha Allah.

Acknowledgement

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

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

On behalf of the Board



CHIEF EXECUTIVE



DIRECTOR

February 24, 2022





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MACPAC Films Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **MACPAC Films Limited** ("the Company") as at 31 December 2021 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other Matter


The figures for the three months ended 31 December 2021 and 31 December 2020 in the condensed interim statement of profit or loss and the condensed interim statement of other comprehensive income have not been reviewed and we do not express a conclusion thereon.

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

Date: 25 February 2022

Karachi

UDIN: RR202110106o9WBa5nlp



KPMG Taseer Hadi & Co.
Chartered Accountants

MACPAC Films Limited
Condensed Interim Statement of Financial Position
As at December 31, 2021.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees)	(Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,919,725,438	1,913,023,144
Intangible assets		459,633	510,708
Long-term deposits		19,446,325	15,095,485
		<u>1,939,631,396</u>	<u>1,928,629,337</u>
CURRENT ASSETS			
Stock-in-trade	7	747,895,061	608,560,160
Trade debts		588,658,758	432,680,148
Loans and advances		63,421,226	35,650,689
Trade deposits, short-term prepayments and other receivables		73,983,495	67,053,953
Tax refund due from Government - net		141,088,107	122,871,638
Cash and bank balances		63,065,109	15,687,101
		<u>1,678,111,756</u>	<u>1,282,503,689</u>
TOTAL ASSETS		<u>3,617,743,152</u>	<u>3,211,133,026</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
AUTHORISED SHARE CAPITAL			
70,000,000 (June 30, 2021: 70,000,000) ordinary shares of Rs.10/- each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		593,011,500	593,011,500
Capital reserve		173,566,620	173,566,620
Revenue reserve		90,816,379	5,443,251
Surplus on revaluation of property, plant and equipment		<u>623,040,000</u>	<u>623,040,000</u>
		<u>1,480,434,499</u>	<u>1,395,061,371</u>
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement		116,312,201	163,289,035
Lease liabilities		-	862,364
Deferred income		-	2,183,380
Deferred tax liability - net		49,136,130	43,265,543
Deferred gratuity		53,297,977	48,502,400
Other long-term liabilities		<u>103,908,328</u>	<u>136,131,461</u>
		<u>322,654,636</u>	<u>394,234,183</u>
CURRENT LIABILITIES			
Trade and other payables		1,320,330,202	852,442,340
Short-term borrowings		270,118,994	359,890,485
Accrued mark-up		7,167,805	7,737,980
Unclaimed dividend		735,322	735,322
Current portion of non-current liabilities		<u>216,301,694</u>	<u>201,031,345</u>
		<u>1,814,654,017</u>	<u>1,421,837,472</u>
TOTAL LIABILITIES		<u>2,137,308,653</u>	<u>1,816,071,655</u>
TOTAL EQUITY AND LIABILITIES		<u>3,617,743,152</u>	<u>3,211,133,026</u>
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director

MACPAC Films Limited

Condensed Interim Statement of Profit or Loss (Un-audited)

For the six months and three months ended December 31, 2021.

		Six months ended		Three months ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note		(Rupees)			
Turnover - net	9	1,917,256,880	1,441,692,396	1,007,468,997	737,306,432
Cost of sales		(1,646,059,958)	(1,192,953,669)	(859,276,070)	(599,948,918)
Gross profit		271,196,922	248,738,727	148,192,927	137,357,514
Administrative expenses		(65,740,120)	(56,587,129)	(37,649,921)	(30,092,606)
Marketing and selling expenses		(32,502,800)	(30,096,387)	(18,759,979)	(16,350,795)
Finance costs	10	(35,117,071)	(48,049,924)	(17,968,011)	(23,266,914)
Other operating expenses		(34,454,166)	(8,288,087)	(6,646,542)	(8,049,245)
Other income	11	12,087,898	25,611,050	7,982,039	16,169,098
Profit before taxation		115,470,663	131,328,250	75,150,513	75,767,052
Taxation		(30,097,535)	(39,249,738)	(18,404,691)	(24,165,099)
Profit after taxation		85,373,128	92,078,512	56,745,822	51,601,953
Earnings per share - basic and diluted		1.44	1.55	0.96	0.87

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

MACPAC Films Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months and three months ended December 31, 2021.

	Six months ended		Three months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees)			
Profit for the period	85,373,128	92,078,512	56,745,822	51,601,953
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	<u>85,373,128</u>	<u>92,078,512</u>	<u>56,745,822</u>	<u>51,601,953</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.




Chief Executive


Chief Financial Officer


Director

MACPAC Films Limited

Condensed Interim Statement of Changes in Equity

For the six months ended December 31, 2021.

	Share Capital Issued, subscribed and paid-up capital	Capital Reserves Share premium reserve	Revaluation Surplus	Revenue Reserve Un- appropriated (losses) / profits	Total reserves	Total
	(Rupees)					
Balance as at June 30, 2020 - (Audited)	593,011,500	173,566,620	623,040,000	(177,791,039)	618,815,581	1,211,827,081
Profit for the period	-	-	-	92,078,512	92,078,512	92,078,512
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	92,078,512	92,078,512	92,078,512
Balance as at December 31, 2020 (Un-audited)	593,011,500	173,566,620	623,040,000	(85,712,527)	710,894,093	1,303,905,593
Balance as at June 30, 2021 - (Audited)	593,011,500	173,566,620	623,040,000	5,443,251	802,049,871	1,395,061,371
Profit for the period	-	-	-	85,373,128	85,373,128	85,373,128
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	85,373,128	85,373,128	85,373,128
Balance as at December 31, 2021 (Un-audited)	593,011,500	173,566,620	623,040,000	90,816,379	887,422,999	1,480,434,499

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

MACPAC Films Limited
Condensed Interim Statement of Cashflows (Un-audited)
For the six months ended December 31, 2021.

	Six months ended	
	December 31, 2021	December 31, 2020
	(Rupees)	
CASH FLOWS GENERATED FROM OPERATIONS		
Profit before taxation	115,470,663	131,328,250
Adjustments for non-cash and other items:		
Depreciation	59,984,166	65,802,637
Amortisation	51,075	63,838
Gain on discount of Gas Infrastructure Development Cess (GIDC)	(3,093,340)	(4,015,813)
Amortisation of deferred income	(2,183,380)	(2,186,456)
Exchange loss / (gain) - unrealised	8,430,487	(2,662,600)
(Gain) on sale of fixed asset	-	(4,561,691)
Provision for gratuity	8,257,228	10,397,601
Finance costs	35,117,071	48,049,924
	106,563,307	110,887,440
Changes in working capital		
(Increase) / Decrease in current assets:		
Stock-in-trade	(139,334,901)	(77,706,699)
Trade debts	(155,978,610)	(193,017,142)
Sales tax refundable	(7,375,793)	(830,514)
Loans and advances	(27,770,537)	(28,432,245)
Trade deposits, short-term prepayments and other receivables	(6,929,542)	128,456,402
	(337,389,383)	(171,530,198)
Increase in current liability:		
Trade and other payables	459,457,375	121,435,397
Cashflows generated from operations	344,101,962	192,120,889
Income tax (paid) / refund - net	(35,067,627)	56,270,266
Gratuity paid	(3,461,651)	(11,201,730)
Finance costs paid	(35,687,245)	(48,100,591)
	(74,216,523)	(3,032,055)
Net cashflows generated from operating activities	269,885,439	189,088,834
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(66,681,102)	(42,964,662)
Proceeds from disposal of operating fixed assets	-	12,415,295
Long-term deposits paid	(4,350,840)	-
Net cashflows used in investing activities	(71,031,942)	(30,549,367)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	-	(148,296)
Repayment of diminishing musharika - net	(46,976,834)	(46,973,234)
Repayment of lease liabilities - net	(14,727,165)	(13,321,014)
Repayment of short term borrowings - net	(89,771,490)	(87,772,070)
Net cashflows used in financing activities	(151,475,489)	(148,214,614)
Net increase in cash and cash equivalents	47,378,008	10,324,853
Cash and cash equivalents at the beginning of the period	15,687,101	18,194,200
Cash and cash equivalents at the end of the period	63,065,109	28,519,053

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

MACPAC Films Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months ended December 31, 2021.

1. STATUS AND NATURE OF BUSINESS

MACPAC Films Limited (the Company) was incorporated on August 19, 1993, in Pakistan as a limited liability Company under the repealed Companies Ordinance, 1984 [now Companies Act, 2017 (the Act)] and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Plot # 21, Maqboolabad, Jinnah Cooperative Housing Society, (J.C.H.S), Tipu Sultan Road, Karachi. The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the six months period ended December 31, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

2.2 These condensed interim financial statements have been prepared under the historical cost convention except as disclosed elsewhere.

2.3 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange. These condensed interim financial statements comprise of the statement of financial position as at December 31, 2021 and statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period ended December 31, 2021.

2.4 The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2021 has been extracted from the audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period ended December 31, 2020 have been extracted from the unaudited condensed interim financial statements for the period then ended.

2.5 These condensed interim financial statements of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.6 These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency and all financial statements presented in Pakistani Rupee have been rounded off to the nearest rupee, except otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. STANDARDS, AND AMENDMENTS TO PUBLISHED 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 January 1, 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 1, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Annual Improvements to IFRS standards 2018-2020

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after January 1, 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 1, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after January 1, 2023. These amendments in the standards have been added to further clarify when a liability is classified 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 shall apply those amendments retrospectively in accordance with IAS 8.



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
- 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 January 1, 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments 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 a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 1, 2023 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) – The amendments 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 January 1, 2023 with earlier application permitted.
- 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.

5. USE OF JUDGEMENTS AND ESTIMATES

- 5.1 The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 5.2 Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual financial statements as at and for the year ended June 30, 2021.
- 5.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2021.
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6. PROPERTY, PLANT AND EQUIPMENT

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees)	(Rupees)
Operating fixed assets	6.1	1,739,588,217	1,754,334,959
Right-of-use assets	6.2	103,838,218	109,762,435
Capital work-in-progress	6.3	76,299,003	48,925,750
		<u>1,919,725,438</u>	<u>1,913,023,144</u>

6.1 Operating fixed assets

Opening book value		1,754,334,959	1,805,100,201
Additions / transfers during period / year	6.1.1	39,307,849	79,210,115
Disposals / transfers during the period / year at book value		-	(15,938,125)
Depreciation during the period / year		(54,054,591)	(114,037,232)
		<u>1,739,588,217</u>	<u>1,754,334,959</u>

6.1.1 Additions / transfers to property, plant and equipment

Buildings on leasehold land		-	-
Plant and machinery		32,622,793	34,239,796
Furniture and fixtures		35,000	542,406
Electrical installations		105,260	1,158,535
Refrigeration and air conditioning		363,648	1,016,725
Generators		-	12,746,821
Office equipment		540,248	1,413,761
Computers		370,900	752,237
Motor vehicles		5,270,000	27,339,834
		<u>39,307,849</u>	<u>79,210,115</u>

6.2 Right-of-use assets

As at 1 July		109,762,435	121,756,182
Addition to right-of-use assets		5,358	1,504,419
Depreciation during the period / year		(5,929,575)	(13,498,166)
		<u>103,838,218</u>	<u>109,762,435</u>

6.3 Capital work-in-progress

Opening balance		48,925,750	8,806,487
Additions during the period / year		27,373,253	69,295,687
Transfers to operating fixed assets during the period / year		-	(29,176,424)
Closing balance		<u>76,299,003</u>	<u>48,925,750</u>

7. TRADE DEBTS

7.1 This includes an amount of Rs. 152.259 million (June 30, 2021: Rs. 137.999 million) due from related parties.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There have been no changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2021.

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	(Rupees)	(Rupees)
8.2 Commitments			
Outstanding bank guarantees		<u>11,873,412</u>	<u>11,873,412</u>
Outstanding letters of credit	8.2.1	<u>204,617,188</u>	<u>133,819,668</u>

8.2.1 The aforesaid letter of credit is secured against lien over import documents.

9. SALES-NET

December 31, 2021
(Un-audited)
December 31, 2020
(Un-audited)
----- (Rupees) -----

Gross Sales

- Local

- Exports

2,220,481,619	1,687,130,652
30,113,020	9,626,993
<u>2,250,594,639</u>	<u>1,696,757,645</u>

Less: Sales tax

(333,337,759)	(255,065,249)
<u>1,917,256,880</u>	<u>1,441,692,396</u>

10. FINANCE COSTS

This includes mark-up on financing arrangements of long term diminishing musharika and short term istisna arrangement of Rs. 15.587 million (2020: Rs. 15.587 million) and Rs. 1.689 million (2020: Rs. 1.689 million) respectively.

11. OTHER INCOME

This includes exchange gain Nil (2020: Rs. 9.458 million) and discount of Gas Infrastructure Development Cess (GIDC) of Rs. 7.253 million (2020: Rs. 4.016 million) respectively.

12. TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Basis of relationship	Transactions during the period	Six months ended	
			December 31, 2021	December 31, 2020
			----- (Un-audited) ----- ----- (Rupees) -----	
TOYO Packaging (Pvt.) Ltd.	Common Directorship	Sales	88,907,648	70,272,868
		Receipt	79,009,951	40,532,939
Hilal Foods (Pvt.) Ltd.	Common Directorship	Sales	17,825,200	6,522,136
		Receipt	13,929,140	6,637,581
Shalimar Food Products (Pvt.) Ltd.	Common Directorship	Sales	5,362,617	2,613,314
		Receipt	4,895,648	2,078,526
Mac Business Solution Pvt Limited	Common Directorship	Sales	5,736,394	-
		Receipt	4,229,897	-
Board of Directors (executive and non-executive) and Key Management Personnel	Key management personnel	Salary and other benefits	26,814,636	37,939,504
		Retirement benefits	130,000	2,704,919
		Office rent charged	5,370,000	3,210,000

12.1 Remuneration of key management personnel are in accordance with their terms of employment.

13. FAIR VALUES

Financial Assets & Financial Liabilities

The carrying values of all financial assets and other financial liabilities reflected in these condensed interim financial statements are estimated to approximate their fair values, as these are either short-term in nature or repriced accordingly.

14. GENERAL

14.1 Segment Reporting

These condensed interim financial statements have been prepared on the basis of single reportable segment. Geographically, Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at December 31, 2021 are located in Pakistan.

15. CORRESPONDING FIGURES

For better presentation the following reclassification have been made and accordingly, corresponding figures have been reclassified:

From	To	December 2020 (Rupees)
Cost of Sales - Cartage Expense	Sales & Marketing - Cartage Expense	18,345,326

16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on _____, 2022 by the Board of Directors of the Company.

✓


Chief Executive


Chief Financial Officer


Director