



MACPAC FILMS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
SEPTEMBER 30, 2024

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. Shabbir Hamza Khandwala – Independent Director
Ms. Hafsa Abbasy – Independent Director
Mr. Shariq Maqbool Elahi – Non-Executive Director
Mr. Fahad Munshi – Non-Executive Director

Board Audit Committee (BAC)

Mr. Shabbir Hamza Khandwala – Chairman
Mr. Naeem Ali Muhammad Munshi – Member
Mr. Shariq Maqbool Elahi – Member

Human Resource & Remuneration Committee (HR&RC)

Ms. Hafsa Abbasy – Chairperson
Mr. Shariq Maqbool Elahi – Member
Mr. Ehtesham Maqbool Elahi – Member

Management Team

Mr. Habib Elahi – Operations Director
Mr. Muhammad Faisal Panawala – Chief Financial Officer
Mr. Aquil A. Khan – Company Secretary
Mr. Mohammad Fahad – Head of Internal Audit & Secretary to the Board's Audit Committee (BAC)
Ms. Um-e-Farwa – Head of Digital Transformation
Mr. Atiq Khan – Manager Technical
Ms. Mehreen Shah Khalid – Manager Human Resources

The Management Team is also supported by:

Ms. Muneeza Kassim – Group CFO
Ms. Meher Mobed – Group Chief People Officer

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Abdul Ghaffar Khan

Address: F-72/1, KDA Scheme 5, Kehkashan, Clifton, Karachi

Nausheen Ahmad

Address: 21C, Zamzama Commercial Lane 5, Phase V, DHA, Karachi

Share Registrar

CCD Share Registrar Services Limited

Address: 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

Al Baraka Bank Limited

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

Addresses

Registered Office: 44-C, Block-6, P.E.C.H.S., Main Razi Road, Karachi, Pakistan

Factory: Plot# EZ/I/P-10 Eastern Industrial zone Port Qasim Area, Karachi, Pakistan

North Sales Office: Room #21, 2nd Floor, Lahore Center, Gulberg, Lahore-54660, Pakistan

Contact Details & Website

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

Email: info@macpacfilms.com , company.secretary@macpacfilms.com

Website: www.macpacfilms.com



**MACPAC
FILMS** Ltd.

DIRECTORS' REPORT

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

As'salamu-Alaikum

Dear Members,

The Board of Directors of your Company is pleased to present the un-audited financial statement of the Company for the first quarter ended September 30, 2024.

Economic Overview

The economic outlook for FY25 presents a cautiously optimistic forecast for Pakistan. After facing significant financial strain in the last two fiscal years due to the sharp rise in borrowing costs and the devaluation of the Pakistani Rupee, we believe, the economy is expected to see some relief. Additionally, the Extended Fund Facility (EFF) agreement with the International Monetary Fund (IMF) will contribute to stabilizing the economy by enhancing fiscal discipline thereby increasing investor confidence.

Nevertheless, challenges such as inflation, currency fluctuations, rising costs of raw materials and energy will continue to test profitability and dampen growth across various sectors.

Financial Performance

By the grace of Allah, your Company saw a 0.9% increase in Net Revenue during the first quarter of FY25, reaching PKR 1,475.1 Mn compared to PKR 1,462.2 Mn in the same period last year (SPLY). This steady growth reflects the Company's ability to maintain revenue levels despite the challenging market environment. However, Gross Profit for the period was PKR 168.9 Mn, with a margin of 11.5%, down from PKR 341.4 Mn and a margin of 23.3% in SPLY, primarily due to rising gas prices and other inflationary pressures. Additionally, during the quarter, maintenance activities led to some production downtime, which slightly impacted production volumes due to lost operational days. However, this maintenance is expected to enhance efficiency and operational resilience, driving stronger performance and positioning the Company for long-term operational excellence and profitability.

Similarly, Net Profit stood at PKR 7.5 Mn, compared to PKR 116.7 Mn in SPLY, with a Net Profit margin of 0.5% and 7.9% respectively. The Company has demonstrated resilience and continued to sustain its profit momentum.

Earnings per share (EPS) for the quarter ended September 30, 2024, were PKR 0.13, compared to PKR 1.97 in SPLY. While profitability was affected, the Company's ability to navigate these economic challenges highlights its operational strength, and management remains focused on enhancing future profitability and delivering value to shareholders.

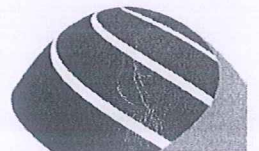
WEB: www.macpacfilms.com

FAX: +92-21-34305810

UAN: +92-21-111-635-111

REGISTERED OFFICE: 44-C, P.E.C.H.S, Block 6, Main Razi Road, Karachi-Pakistan.

REGIONAL OFFICE: Room #21, 2nd Floor, Lahore Center Gulberg Lahore.



Digital Transformation

Over the past year, your Company has made remarkable advancements in its digital transformation, driving operational efficiency, data security, and business agility to new heights. A key achievement was the successful implementation of SAP S/4HANA and Salesforce CRM, which has optimized workflows, enhanced efficiencies, and strengthened data integrity. This allows for secure, real-time management of critical information, empowering business intelligence and enabling informed, real-time decision-making. In addition to these milestones, the Company is embracing other emerging technologies, laying the foundation for future insights and automation across various functions. These technological upgrades reflect the Company's commitment to continuous innovation, sustainable growth, and operational excellence, positioning it for future challenges and opportunities in an increasingly competitive landscape.

Renewable Energy Initiatives

As part of our ongoing commitment to sustainability and environmental stewardship, the Company has initiated the installation of a 1 MW solar power system at the manufacturing facility. This project serves as a cornerstone of our renewable energy strategy, aiming to significantly reduce our carbon footprint and leverage clean energy sources. Once operational, the solar power system is projected to generate approximately 1.4 million kWh annually, thereby greatly reducing our dependence on non-renewable energy.

In addition to reinforcing our dedication to eco-friendly practices, this initiative is expected to deliver considerable long-term cost savings. By integrating solar energy into our operations, we are setting a benchmark for sustainable manufacturing in the industry and contributing to a cleaner, greener future. The project is well underway and is expected to be completed by 2nd quarter of the current fiscal year.

ESG Initiatives

Your Company remains dedicated to being a responsible corporate citizen and continues to actively support Environmental, Social & Governance (ESG) and Diversity, Equity & Inclusion (DEI) initiatives. In line with our commitment to fostering a culture of well-being, Macpac recently collaborated with a local mental health organization to raise awareness about physical and mental wellness. Through the launch of our Wellness Assistance Program, we aim to empower employees to thrive both personally and professionally.

The Company also emphasizes strict adherence to HSE regulations, promoting awareness through regular training programs and safety audits to proactively address potential risks. We remain focused on minimizing the environmental impact of our operations. These efforts reflect our dedication to sustainability, safety, and the well-being of our workforce.

Future Outlook

Looking ahead, your Company is cautiously optimistic about navigating Pakistan's evolving economic landscape. While the recent IMF agreement is expected to restore some investor confidence and stabilize the economy through fiscal discipline and structural reforms.

However, we remain vigilant regarding the persistent challenges of inflation, currency volatility, and rising fuel and energy costs, which are expected to continue impacting margins across the industry.


To offset these challenges and the trend of relatively weak market demand, the management is focused on enhancing operational efficiency, leveraging our digital transformation initiatives, and implementing cost-saving strategies like our renewable energy projects. By remaining adaptable and proactive, your Company anticipates that it will sustain profitability while delivering long-term value to shareholders despite the volatile environment.

Acknowledgement

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

The Directors are also pleased to acknowledge the dedication of Macpac team, for their valuable and untiring efforts and services to the Company.

On behalf of the Board



CHIEF EXECUTIVE

October 24, 2024



DIRECTOR




MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,241,002,114	2,234,636,499
Intangible assets		16,668,725	17,668,898
Long-term deposits		16,815,042	16,815,042
		<u>2,274,485,881</u>	<u>2,269,120,439</u>
CURRENT ASSETS			
Inventories	7	1,105,571,046	1,131,640,060
Stores and Spares		79,779,886	61,475,107
Trade receivables - net	8	974,216,852	899,842,277
Loans and advances		41,968,264	47,299,910
Short-term deposits, prepayments and other receivables		161,911,320	164,491,272
Taxation - net		99,076,862	74,674,822
Short Term Investment		15,524,062	10,524,062
Cash and bank balances		86,461,498	146,593,352
		<u>2,564,509,790</u>	<u>2,536,540,862</u>
TOTAL ASSETS		<u>4,838,995,671</u>	<u>4,805,661,301</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (June 30, 2024: 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		580,681,079	647,353,151
Surplus on revaluation of property, plant and equipment		823,040,000	823,040,000
		<u>2,170,299,199</u>	<u>2,236,971,271</u>
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement		14,561,796	16,721,796
Lease liabilities		43,626,935	47,262,164
Deferred tax liability		144,134,345	152,528,133
Employee benefits obligations		142,659,096	140,549,985
		<u>344,982,172</u>	<u>357,062,078</u>
CURRENT LIABILITIES			
Trade and other payables		1,666,522,596	1,605,188,067
Short-term borrowings - secured		314,000,000	325,180,889
Accrued mark-up		7,961,364	13,972,124
Unpaid / unclaimed dividend		75,335,727	1,209,289
Current portion of liabilities		259,894,613	266,077,583
		<u>2,323,714,300</u>	<u>2,211,627,952</u>
TOTAL EQUITY AND LIABILITIES		<u>4,838,995,671</u>	<u>4,805,661,301</u>

CONTINGENCIES AND COMMITMENTS

9

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


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER

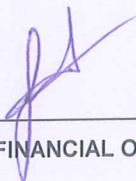

 DIRECTOR

MACPAC FILMS LIMITED**STATEMENT OF PROFIT OR LOSS****FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

	September 2024 Rupees	September 2023 Rupees
Revenue from contract with customers - net	1,475,069,527	1,462,157,623
Cost of sales	(1,306,165,344)	(1,120,805,504)
Gross profit	168,904,183	341,352,119
Administrative expenses	(78,381,208)	(69,706,853)
Marketing and distribution expenses	(45,884,007)	(31,721,633)
Finance costs	(26,541,603)	(33,415,233)
Other operating expenses	(6,943,418)	(22,467,131)
Other income	6,345,000	7,273,652
Profit before taxation	17,498,947	191,314,921
Taxation	(10,044,581)	(74,612,819)
Profit after taxation	7,454,366	116,702,102
Earning per share - basic and diluted	0.13	1.97

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



CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

MACPAC FILMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 2024 Rupees	September 2023 Rupees
Profit after taxation	7,454,366	116,702,102
Other comprehensive income	-	-
Total comprehensive income for the period, net of tax	<u>7,454,366</u>	<u>116,702,102</u>

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September, 30 2024	September, 30 2023
	-----Rupees-----	
CASH FLOWS GENERATED FROM OPERATIONS		
Profit before taxation	17,498,947	191,314,921
Adjustments for non-cash and other items:		
Depreciation	34,399,717	32,491,509
Amortisation	1,033,444	41,805
Exchange gain unrealised	(158,749)	(169,965)
Gain on sale of fixed asset	(1,609,941)	(24,934)
Provision for gratuity	8,708,022	8,708,019
Finance costs	26,294,058	33,415,233
	<u>68,666,551</u>	<u>74,461,667</u>
	86,165,498	265,776,588
Changes in working capital		
<i>Decrease / (increase) in current assets:</i>		
Inventories	26,069,013	(74,622,626)
Stores and Spares	(18,304,779)	8,848,669
Trade receivables	(74,374,575)	3,726,715
Loans and advances	5,331,646	(4,158,780)
Short-term deposits, prepayments and other receivables	2,579,952	(28,855,634)
	<u>(58,698,743)</u>	<u>(95,061,656)</u>
<i>(Decrease) / increase in current liability:</i>		
Trade and other payables	61,493,279	(92,776,917)
Sales tax payable	-	(46,438,312)
	<u>2,794,536</u>	<u>(234,276,885)</u>
Cashflows generated from operations	88,960,034	31,499,703
Income tax paid - net	(42,840,409)	(13,653,367)
Gratuity paid	(6,598,911)	(790,026)
Finance costs paid	(32,304,818)	(33,242,036)
	<u>(81,744,138)</u>	<u>(47,685,429)</u>
Net cashflows generated from operating activities	7,215,896	(16,185,726)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(41,068,662)	(72,947,100)
Proceeds from disposal of operating fixed assets	1,880,000	28,400
Short term Investment	(5,000,000)	(61,800,000)
Net cashflows (used) in investing activities	(44,188,662)	(134,718,700)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of diminishing musharika - net	(8,342,970)	(24,033,991)
Repayment of lease liabilities - net	(3,635,229)	(4,262,385)
(Payments)/Receipts of short term borrowings - net	(11,180,889)	31,422,074
Net cashflows used in financing activities	(23,159,088)	3,125,698
Net (decrease) / increase in cash and cash equivalents	(60,131,854)	(147,778,728)
Cash and cash equivalents at the beginning of the period	146,593,352	267,862,572
Cash and cash equivalents at the end of the period	<u>86,461,498</u>	<u>120,083,844</u>

Cash and cash equivalents

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


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR


**MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

	Reserves					Total
	Issued, subscribed and paid-up capital	Capital reserve - share premium	Revaluation Surplus	Revenue reserve - unappropriated profits / (losses)	Total reserves	
	Rupees					
Balance as at July 01, 2023 - (Audited)	593,011,500	173,566,620	623,040,000	503,635,441	1,300,242,061	1,893,253,561
Profit for the period	-	-	-	257,720,309	257,720,309	257,720,309
Other comprehensive income, net of tax	-	-	200,000,000	(25,050,874)	174,949,126	174,949,126
Total comprehensive loss	-	-	200,000,000	232,669,435	432,669,435	432,669,435
Final Cash Dividend for the year ended 30 June, 2023 at the rate of Rs. 1.5 per share	-	-	-	(88,951,725)	(88,951,725)	(88,951,725)
Balance as at June 30, 2024	<u>593,011,500</u>	<u>173,566,620</u>	<u>823,040,000</u>	<u>647,353,151</u>	<u>1,643,959,771</u>	<u>2,236,971,271</u>
Balance as at July 01, 2024 - (Audited)	593,011,500	173,566,620	823,040,000	647,353,151	1,643,959,771	2,236,971,271
Profit for the period	-	-	-	7,454,366	7,454,366	7,454,366
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	7,454,366	7,454,366	7,454,366
Final Cash Dividend for the year ended 30 June, 2024 at the rate of Rs. 1.25 per share	-	-	-	(74,126,438)	(74,126,438)	(74,126,438)
Balance as at September 30, 2024 - (Un-audited)	<u>593,011,500</u>	<u>173,566,620</u>	<u>823,040,000</u>	<u>580,681,079</u>	<u>1,577,287,699</u>	<u>2,170,299,199</u>

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

MACPAC FILMS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

1. LEGAL STATUS AND OPERATIONS

Macpac Films Limited (the Company) was incorporated on August 19, 1993, in Pakistan as a limited liability company under the repealed Companies Ordinance, 1984 [now Companies Act, 2017 (the Act)] and is listed on the Pakistan Stock Exchange Limited. The 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
44-C, P.E.C.H.S, Block 6, Main Razi Road, Karachi	Registered Office & Head Office
Plot # Ez/1/P-10 East Industrial Zone, Karachi	Production Plant
Room # 21, Second floor, Lahore Centre, Gulberg	North Sales Office

3 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS 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 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2024.

5 SIGNIFICANT ACCOUNTING POLICIES

- 5.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2024.

	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
6 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	2,044,269,929	2,073,196,043
Right-of-use assets	46,247,881	49,217,902
Capital work-in-progress	150,484,304	112,222,554
	<u>2,241,002,114</u>	<u>2,234,636,499</u>

	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
7 INVENTORIES		
Raw material:		
In hand	317,244,547	361,687,093
In transit	336,598,328	220,228,749
In bonded warehouse	198,330,750	188,935,924
	<u>852,173,625</u>	<u>770,851,766</u>
Work in process	221,177,932	269,044,165
Finished goods	20,019,473	81,152,675
Packing	12,200,016	10,591,454
	<u>253,397,421</u>	<u>360,788,294</u>
	<u>1,105,571,046</u>	<u>1,131,640,060</u>

8 TRADE RECEIVABLES

8.1 Included herein Rs. 211.4 million (June 30, 2024: Rs. 233.6 million) due from related parties.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no major change in the status of contingencies and commitments as disclosed in the annual financial statements of the Company for the year ended June 30, 2024.

	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
9.2 Commitments		
Outstanding bank guarantees	17,774,062	12,774,062
Outstanding letters of credit	531,954,506	572,127,586
9.2.1 The aforesaid letter of credit is secured against personal guarantee of directors.	9.2.1	

10 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors, key management personnel and staff retirement benefit fund. All the transactions with related parties are entered into at agreed terms as approved by the Board of Directors of the Company. The related parties' status of outstanding receivables and payables, if any, as at September 30, 2024 and June 30, 2024 are disclosed in respective notes to these condensed interim financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

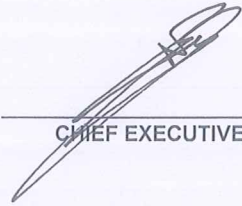
	(Un-audited) September 30, 2024 Rupees	(Un-audited) September 30, 2023 Rupees
<u>Directors and Key Management Personnel</u>		
Remuneration	22,656,570	17,254,818
<u>Common Directorship</u>		
TOYO Packaging (Private) Limited		
Sale of goods / processing charges	42,846,579	60,913,751
Receipts against sale of goods / processing charges	86,258,417	113,747,441
Hilal Foods (Pvt) Ltd		
Sale of goods	10,833,830	11,014,773
Receipts against sale of goods	6,480,857	22,467,305
Shalimar Food Products (Private) Limited		
Sale of goods	4,036,510	8,736,761
Receipts against sale of goods	6,886,198	7,714,551
Mac Business Solutions (Private) Limited		
Sale of goods / processing charges	69,060,230	48,757,608
Receipts/(Payments) against sale of goods / processing charges	54,000,000	36,886,860
TGA Sustainability (Private) Limited		
Sale of goods / processing charges	25,615,939	32,793,118
Receipts against sale of goods / processing charges	3,500,000	17,553,361
Receipts against utilities	-	1,822,191
Receipts against rent	-	1,027,500
Macpac Properties (Private) Limited		
Office rent charged	-	3,396,525
Office rent paid	-	3,396,525

11 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on October 24, 2024 by the Board of Directors of the Company.

12 GENERAL

- 12.1 All figures have been rounded off to the nearest rupee, unless otherwise stated.
- 12.2 Corresponding figures and balances have been rearranged/reclassified, where considered necessary, for the purpose of comparison and better presentation the effects of which are not material.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR