



MACPAC FILMS LIMITED

**CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
MARCH 31, 2023**



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
MS. HAFSA ABBASY	INDEPENDENT DIRECTOR
MR. SHABBIR HAMZA KHANDWALA *	INDEPENDENT DIRECTOR

AUDIT COMMITTEE

MR. SHABBIR HAMZA KHANDWALA (CHAIRMAN)
MR. NAEEM ALI MUHAMMAD MUNSHI
MR. SHARIQ MAQBOOL ELAHI

HR & REMUNARATION COMMITTEE

MS. HAFSA ABBASY (CHAIRPERSON)
MR. SHARIQ MAQBOOL ELAHI
MR. EHTESHAM MAQBOOL ELAHI

MANAGEMENT TEAM

MR. HABIB ELAHI	OPERATIONS DIRECTOR
MR. M. FAISAL PANAWALA	CHIEF FINANCIAL OFFICER
MS. UM-E-FARWA	HEAD OF INTERNAL AUDIT
GROUP CAPTAIN SYED MANSOOR ALI (R)	GENERAL MANAGER ADMIN

* Mr. Shabbir Hamza Khandwala is appointed as Independent Director in BOD meeting held on February 16, 2023 after acceptance of resignation by Mr. Muhammad Omar Sabir.

**AUDITORS**

KPMG TASEER HADI & CO., CHARTERED ACCOUNTANTS

LEGAL ADVISORS

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

NAUSHEEN AHMAD, 21 C, ZAMZAMA COMMERCIAL LANE 5, PHASE V, DHA, KARACHI

SHARE REGISTRAR

CENTRAL DEPOSITORY COMPANY PAKISTAN LTD CDC HOUSE, 99-B, BLOCK 'B'
S.M.C.H.S, MAIN SHARA-E-FAISAL, KARACHI-74400 CUSTOMER SUPPORT
SERVICE: 0800-CDCPL (23275) FAX:92-21) 34326053

EMAIL: info@cdcpak.com, WEBSITE: <http://www.cdcpakistan.com>

BANKERS (IN ALPHABETICAL ORDER)

AL BARAKA BANK

BANK AL FALAH LIMITED

BANK AL HABIB LIMITED

DUBAI ISLAMIC BANK PAKISTAN LIMITED

FAYSAL BANK LIMITED

HABIB METROPOLITAN BANK LIMITED

JS BANK LIMITED

MEEZAN BANK LIMITED

SONERI BANK LIMITED

UNITED BANK LIMITED

REGISTERD OFFICE

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

TIPU SULTAN ROAD, KARACHI, PAKISTAN

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

WEBSITE

<http://www.macpacfilms.com>

FACTORY

PLOT NO. EZ/1/P-10 EASTERN INDUSTRIAL ZONE PORT QASIM AREA, KARACHI, PAKISTAN

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



MACPAC
FILMS Ltd.

DIRECTORS' REPORT

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

As'salam-o-Alaikum

Dear Members,

The Board of Directors of your Company are pleased to present the un-audited financial statement of the Company for the nine-month ended March 31, 2023.

Financial Performance

By the grace of Almighty Allah (SWT), your Company managed to increase its sale revenues by 31.8% during the period as compared to same period last year (SPLY). Your Company recorded Net Revenue of PKR 3,941.5 Mn during the period under review as compared to PKR 2,991.3 Mn for SPLY. The Gross Profit of the Company stood at PKR 879.8 Mn during the period as compared to PKR 437.5 Mn in SPLY, representing a Gross Profit margin of 22.3% in the current period as compared to 14.6% SPLY.

Accordingly, the Company achieved After Tax profit of PKR 303.3 Mn during the period as compared to PKR 172.9 Mn for the same period last year. The increase in Net Profit is attributed to effective business operations even after absorbing the adverse impact of Pak rupee depreciation against USD and higher finance cost.

By the grace of Almighty Allah (SWT), we maintained our growth momentum and delivered strong financial results in spite of the declining economic conditions. We have consistently sustained return on equity above the industry average and have focused on adding value for our shareholders.

Similarly, the earnings per share of your Company for the nine-month ended March 31, 2023 was PKR 5.12 as compared to PKR 2.92 during the same period last year.

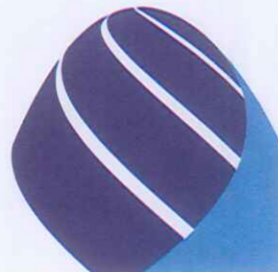
WEB: www.macpacfilms.com

FAX: +92-21-34305810

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

HEAD OFFICE: 21, Maqboolabad, J.C.H.S, Tipu Sultan Road, Karachi-Pakistan.

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





MACPAC
FILMS Ltd.

ESG Initiatives

Your Company remains committed to being a good corporate citizen and continues to support CSR and other initiatives. During the Quarter Macpac collaborated with a local NGO to raise funds and awareness for thalassemia prevention and support for patients, who suffer from this chronic blood disorder that requires lifelong treatment. A fund raiser was also held for the Sindh Marine unit to support conservation efforts for the green turtle which is endangered.

Additionally, the Company continued its financial support and encouraged its employees to conduct volunteering and mentoring activities to enrich the learning experience of the students of TCF School, Malir, Steel Town.

The Company recognizes and promotes awareness and adherence to HSE regulations and guidelines through regular training programs and safety audits to identify and address potential hazards, as well as focus robustly on initiatives to minimize the impact of its operations on the environment. The Company signed an MOU with TGA Sustainability (Pvt) Ltd. to collaborate in providing recycling solutions for post-industrial and post-consumer waste.

Future Outlook

The Company will continue to proactively manage current supply chain disruptions caused by the Country's economic situation, to ensure business continuity in order to provide product to its customers. Restrictions on imports have adversely affected domestic manufacturing in different sectors. Demand is expected to remain under pressure for the rest of FY23 due to the slowdown of the economy due to current account deficit, currency depreciation, tightening monetary policy to curb inflationary trend, and high freight costs. Further, domestic recovery from the unfortunate calamity caused by the recent floods also remains slow and has exacerbated the near-term challenges.

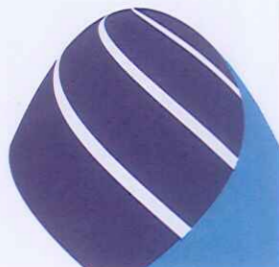
WEB: www.macpacfilms.com

FAX: +92-21-34305810

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

HEAD OFFICE: 21, Maqboolabad, J.C.H.S, Tipu Sultan Road, Karachi-Pakistan.

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





MACPAC
FILMS Ltd.

The Company is of the view that there is potential to increase export of Macpac Film products based on international inquiries which will also earn much needed FX for the Country. The Company's prior export performance is also an affirmation of its brand reputation and quality of product. The Board of Directors have authorized the Company to establish a wholly owned subsidiary overseas for the purposes of enhancing export sales.

Going forward, the Company will have to proactively manage the challenges caused by the macro-economic situation as well as constrained demand. The Company is committed to implementing effective business strategies to remain sustainable and to meet stakeholder expectations. Insha'Allah.

Acknowledgement

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

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

On behalf of the Board



CHIEF EXECUTIVE



DIRECTOR

April 27, 2023

WEB: www.macpacfilms.com

FAX: +92-21-34305810

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

HEAD OFFICE: 21, Maqboolabad, J.C.H.S, Tipu Sultan Road, Karachi-Pakistan.

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




MACPAC Films Limited
Condensed Interim Statement of Financial Position
As at March 31, 2023

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,913,875,933	1,948,072,161
Intangible assets		902,841	408,566
Long-term deposits		<u>12,776,285</u>	<u>20,026,285</u>
		<u>1,927,555,059</u>	<u>1,968,507,012</u>
CURRENT ASSETS			
Stock-in-trade		694,986,289	1,063,391,314
Stores and Spares		25,545,245	-
Trade debts	6	595,477,555	654,943,026
Loans and advances		65,623,124	53,632,107
Trade deposits, short-term prepayments and other receivables	7	404,164,239	80,337,467
Tax refund due from Government - net		115,714,416	147,323,874
Short Term Investment		10,524,062	-
Cash and bank balances		<u>112,290,120</u>	<u>78,694,417</u>
		<u>2,024,325,050</u>	<u>2,078,322,205</u>
TOTAL ASSETS		<u><u>3,951,880,109</u></u>	<u><u>4,046,829,217</u></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		430,960,658	186,920,457
Surplus on revaluation of property, plant and equipment		<u>623,040,000</u>	<u>623,040,000</u>
		<u>1,820,578,778</u>	<u>1,576,538,577</u>
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement		40,721,354	72,763,158
Deferred tax liability - net		110,474,452	61,608,317
Deferred gratuity		76,784,430	61,936,775
Other long-term liabilities		<u>22,816,184</u>	<u>61,725,756</u>
		<u>250,796,420</u>	<u>258,034,006</u>
CURRENT LIABILITIES			
Trade and other payables		1,280,254,960	1,543,463,545
Short-term borrowings		317,889,843	396,653,938
Accrued mark-up		6,128,277	11,220,483
Unclaimed dividend		853,211	735,322
Current portion of non-current liabilities		<u>275,378,620</u>	<u>260,183,347</u>
		<u>1,880,504,911</u>	<u>2,212,256,635</u>
TOTAL LIABILITIES		<u><u>2,131,301,331</u></u>	<u><u>2,470,290,641</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,951,880,109</u></u>	<u><u>4,046,829,217</u></u>
CONTINGENCIES AND COMMITMENTS			

8

The annexed notes from 1 to 14 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 Nine months and three months ended March 31, 2023

	Nine months ended		Three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- (Rupees) -----			
Turnover - net	3,941,494,160	2,991,297,472	1,350,482,224	1,074,040,592
Cost of sales	(3,061,689,417)	(2,553,812,086)	(1,033,512,504)	(907,752,128)
Gross profit	<u>879,804,744</u>	<u>437,485,386</u>	<u>316,969,721</u>	<u>166,288,464</u>
Administrative expenses	(140,857,186)	(106,034,019)	(49,507,477)	(40,293,899)
Marketing and selling expenses	(73,828,950)	(51,412,350)	(23,003,286)	(18,909,550)
Finance costs	(104,501,408)	(62,005,527)	(27,077,975)	(26,888,457)
Other operating expenses	(212,985,006)	(63,409,297)	(112,803,200)	(28,955,131)
Other income	106,804,153	70,459,662	91,317,812	58,371,764
Profit before taxation	<u>454,436,346</u>	<u>225,083,855</u>	<u>195,895,594</u>	<u>109,613,191</u>
Taxation	(151,094,999)	(52,183,306)	(64,675,877)	(22,085,771)
Profit after taxation	<u><u>303,341,348</u></u>	<u><u>172,900,549</u></u>	<u><u>131,219,718</u></u>	<u><u>87,527,420</u></u>
Earnings per share - basic and diluted	<u><u>5.12</u></u>	<u><u>2.92</u></u>	<u><u>2.21</u></u>	<u><u>1.48</u></u>


The annexed notes from 1 to 14 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 Nine months and three months ended March 31, 2023

	Nine months ended		Three months ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees)			
Profit for the period	303,341,348	172,900,549	131,219,718	87,527,420
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	<u>303,341,348</u>	<u>172,900,549</u>	<u>131,219,718</u>	<u>87,527,420</u>


The annexed notes from 1 to 14 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 Nine months ended March 31, 2023

	Share Capital	Capital Reserves		Revenue Reserve	Total reserves	Total
	Issued, subscribed and paid-up capital	Share premium reserve	Revaluation Surplus	Un- appropriated (losses) / profits		
	(Rupees)					
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)	<u>593,011,500</u>	<u>173,566,620</u>	<u>623,040,000</u>	<u>90,816,379</u>	<u>887,422,999</u>	<u>1,480,434,499</u>
Balance as at June 30, 2022 - (Audited)	593,011,500	173,566,620	623,040,000	186,920,457	983,527,077	1,576,538,577
Profit for the period	-	-	-	303,341,348	303,341,348	303,341,348
Transactions with Owner:						
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)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	244,040,201	244,040,201	244,040,201
Balance as at March 31, 2023 (Un-audited)	<u>593,011,500</u>	<u>173,566,620</u>	<u>623,040,000</u>	<u>430,960,658</u>	<u>1,227,567,278</u>	<u>1,820,578,778</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director

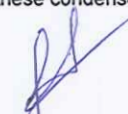
MACPAC Films Limited
Condensed Interim Statement of Cashflows (Un-audited)
For the Nine months ended March 31, 2023

	Nine months ended	
	March 31, 2023	March 31, 2022
	(Rupees)	
CASH FLOWS GENERATED FROM OPERATIONS		
Profit before taxation	454,436,346	225,083,856
Adjustments for non-cash and other items:		
Depreciation	92,578,933	90,395,469
Amortisation	61,281	119,107
Gain on discount of Gas Infrastructure Development Cess (GIDC)	-	(3,093,340)
Amortisation of deferred income	-	(2,183,380)
Exchange loss / (gain) - unrealised	34,949,343	4,251,054
(Gain) on sale of fixed asset	(5,657,191)	-
Provision for gratuity	21,967,541	16,981,752
Finance costs	104,501,408	62,005,527
	248,401,315	168,476,189
Changes in working capital		
<i>(Increase) / Decrease in current assets:</i>		
Stock-in-trade	368,405,025	(282,346,900)
Stores and Spares	(25,545,245)	-
Trade debts	59,465,471	(159,476,538)
Sales tax refundable	23,121,788	217,773
Loans and advances	(11,991,017)	(14,967,097)
Trade deposits, short-term prepayments and other receivables	(323,826,772)	(63,340,765)
	89,629,250	(519,913,527)
<i>Increase in current liability:</i>		
Trade and other payables	(298,157,927)	324,243,856
	494,308,984	197,890,374
Cashflows generated from operations		
Income tax (paid) / refund - net	(93,741,193)	(48,892,178)
Gratuity paid	(7,119,886)	(5,565,541)
Finance costs paid	(109,593,614)	(59,721,853)
	(210,454,693)	(114,179,572)
Net cashflows generated from operating activities	283,854,291	83,710,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(60,546,464)	(129,252,236)
Proceeds from disposal of operating fixed assets	12,050,510	-
Investment in Term Deposit Receipts	(10,524,062)	-
Long-term deposits (paid)/received	7,250,000	(4,350,840)
Net cashflows used in investing activities	(51,770,016)	(133,603,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(59,183,258)	-
Repayment of diminishing musharika - net	(60,326,405)	(70,465,251)
Repayment of lease liabilities - net	(214,816)	(19,889,554)
Received/(Repayment) of short term borrowings - net	(78,764,093)	159,494,147
Net cashflows used in financing activities	(198,488,572)	69,139,342
Net increase in cash and cash equivalents	33,595,703	19,247,068
Cash and cash equivalents at the beginning of the period	78,694,417	15,687,101
Cash and cash equivalents at the end of the period	112,290,120	34,934,169


The annexed notes from 1 to 14 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 Nine months ended March 31, 2023

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 Nine months ended March 31, 2023 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 of the Company do 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 30 June 2022. 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 financial statements.

2.3 These condensed interim financial statements are presented in Pakistani rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

2.4 The comparative statement of financial position presented in these condensed interim financial statements as at March 31, 2023 has been extracted from the audited financial statements of the Company for the year ended June 30, 2022, 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 ended March 31, 2022 have been extracted from the unaudited condensed interim financial statements for the period then ended.

2.5 These condensed interim financial statements are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

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, 2022.

3.2 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, 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 the 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) 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 January 1, 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 January 1, 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) amend 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.

4. USE OF JUDGEMENTS AND ESTIMATES

- 4.1** In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- 4.2** The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the financial statements for the year ended June 30, 2022.

5. PROPERTY, PLANT AND EQUIPMENT		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees)	
Operating fixed assets	5.1	1,886,690,517	1,837,188,145
Right-of-use assets	5.2	631,658	839,412
Capital work-in-progress	5.3	26,553,758	110,044,604
		<u>1,913,875,933</u>	<u>1,948,072,161</u>
5.1 Operating fixed assets			
Opening book value		1,837,188,145	1,754,334,960
Additions / transfers during period / year	5.1.1	148,027,870	192,464,883
Disposals / transfers during the period / year at book value		(6,154,319)	(151,590)
Depreciation during the period / year		(92,371,179)	(109,460,108)
		<u>1,886,690,517</u>	<u>1,837,188,145</u>
5.1.1 Additions / transfers to property, plant and equipment			
Buildings on leasehold land		12,651,804	3,618,082
Plant and machinery		108,540,950	77,585,829
Furniture and fixtures		1,142,582	930,616
Electrical installations		2,629,600	3,918,108
Refrigeration and air conditioning		2,007,890	1,683,979
Generators		4,065,379	85,099,732
Office equipment		1,386,430	2,867,378
Computers		1,568,152	1,265,387
Motor vehicles		14,035,083	15,695,772
		<u>148,027,870</u>	<u>192,664,883</u>
5.2 Right-of-use assets			
As at 1 July		839,412	109,762,435
Addition to right-of-use assets		-	5,568
Transfer to Owned Asset		-	(97,344,478)
Depreciation during the period / year		(207,754)	(11,584,113)
		<u>631,658</u>	<u>839,412</u>
5.3 Capital work-in-progress			
Opening balance		110,044,604	48,925,750
Additions during the period / year		71,488,389	136,455,520
Transfers to operating fixed assets during the period / year		(154,979,235)	(75,336,666)
Closing balance		<u>26,553,758</u>	<u>110,044,604</u>
6. TRADE DEBTS			
6.1 This includes an amount of Rs. 215 million (June 30, 2022: Rs.148.384 million) due from related parties.			
7. Trade deposits, short-term prepayments and other receivables			
Margin against Letter of Credit		272,715,631	107,070
Containers		23,298,638	27,458,546
Nazir high court		9,525,757	9,525,757
Prepaid Insurance		1,103,994	-
Prepaid Expenses		906,519	1,803,534
Others		96,613,700	41,442,560
		<u>404,164,239</u>	<u>80,337,467</u>
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, 2022.			

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	(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>94,970,009</u>	<u>98,149,509</u>

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

		March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
		(Rupees)	
9. SALES-NET			
Gross Sales			
- Local		4,640,449,730	3,459,687,631
- Exports		-	52,116,232
		<u>4,640,449,730</u>	<u>3,511,803,863</u>
Less: Sales tax		<u>(698,955,570)</u>	<u>(520,506,391)</u>
		<u>3,941,494,160</u>	<u>2,991,297,472</u>

10. FINANCE COSTS

This includes mark-up on financing arrangements of long term diminishing musharika and short term istisna arrangement of Rs. 12.268 million (2022 : Rs. 14.723 million) and Rs. 53.432 million (2022 : Rs. 7.535 million) respectively.

11. 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	Nine months ended	
			March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
			(Rupees)	
TOYO Packaging (Pvt.) Ltd.	Common Directorship	Sales	197,647,969	141,185,891
		Receipt	211,500,000	130,500,000
Hilal Foods (Pvt.) Ltd.	Common Directorship	Sales	23,635,698	26,768,227
		Receipt	20,092,822	29,416,637
Shalimar Food Products (Pvt.) Ltd.	Common Directorship	Sales	6,288,480	6,590,732
		Receipt	6,094,758	6,144,991
Mac Business Solution Pvt Limited	Common Directorship	Sales	-	81,023,404
		Receipt	4,202,548	70,455,577
TGA Sustainability (Private) Limited	Common Directorship	Sales	286,363,910	-
		Receipt	207,156,618	-
		Office rent received	2,617,200	-
Board of Directors (executive and non-executive) and key management personnel	Key management	Salary and other benefits	64,213,200	47,104,102
		Office rent paid	9,263,250	8,055,000

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

12. 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.

Non financial assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable input and fair value measurement
<i>Revalued property, plant and equipment</i>			
- Land	June 30, 2020	The valuation has been carried out by the independent valuer based on prevailing market condition, market information from different real estate agents from within the same vicinity and relevant factors affecting saleability of the land.	The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

13. GENERAL

13.1 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 March 31, 2023 are located in Pakistan.

14. DATE OF AUTHORISATION

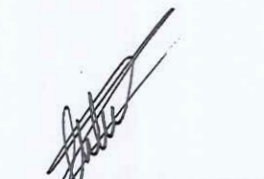
These condensed interim financial statements were authorised for issue on April 27, 2023 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director