



MACPAC FILMS LIMITED

**CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED
SEPTEMBER 30, 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
MR. AQUIL A. KHAN	COMPANY SECRETARY
MS. UM-E-FARWA	HEAD OF INTERNAL AUDIT
MR. ZAFFAR ULLAH	FACTORY MANAGER
GROUP CAPTAIN SYED MANSOOR ALI (R)	GENERAL MANAGER ADMIN
MR. ATIQ KHAN	MANAGER TECHNICAL
MS. MEHREEN SHAH KHALID	MANAGER HUMAN RESOURCE



AUDITORS

KPMG TASEER HADI & CO., CHARTERED ACCOUNTANTS

LEGAL ADVISORS

ABDUL GHAFAR 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 PAKISTAN LIMITED

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'salamu-Alaikum

Dear Members,

The Board of Directors of your Company are pleased to present the un-audited financial statement of the Company for the first quarter ended September 30, 2023.

Financial Performance

By the grace of Allah, your Company managed to increase its Net Revenue by 17.86% during the period as compared to same period last year (SPLY). Your Company recorded Net Revenue of PKR 1,462.2 Mn during the period under review as compared to PKR 1,240.6 Mn for SPLY. The Gross Profit of the Company stood at PKR 341.4 Mn during the period as compared to PKR 272.9 Mn in SPLY, representing a Gross Profit margin of 23.35% in the current period as compared to 21.99% in SPLY.

Accordingly, the Company achieved Net Profit of PKR 116.7 Mn during the period as compared to PKR 66.5 Mn for SPLY, representing a Net Profit margin of 7.98% in the current period as compared to 5.36% in SPLY. The Company was able to maintain its growth momentum and had an increase in bottom-line profitability even after absorbing the adverse impact of Pak rupee depreciation against USD, higher finance cost and super tax.

Similarly, the earnings per share of your Company for the first quarter ended September 30, 2023 is PKR 1.97 as compared to PKR 1.12 during the same period last year.

ESG initiatives

Your Company remains committed to being a good corporate citizen and continues to support ESG and other initiatives. In a commitment to foster a culture of well-being within our organization, during the quarter Macpac collaborated with a local health organisation to raise awareness for physical and mental well-being. Through the introduction of our Wellness Assistance Program, we aim to empower our employees to excel both personally and professionally.

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 our operations on the environment and by partnering with TGA Sustainability (Pvt) Ltd. to support the objective in providing recycling solutions for post-industrial and post-consumer waste.

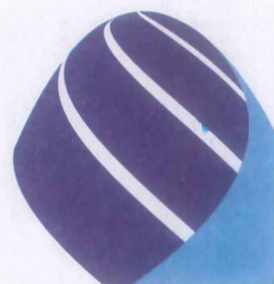
WEB: www.macpacfilms.com

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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.

Future Outlook

Demand is expected to remain under pressure due to slowdown of the economy, current account deficit, currency depreciation, tightening monetary policy to curb inflationary trend, and high power & freight costs. Moreover, recovery from the economic downturn remains slow and has exacerbated the near-term challenges.

Going forward, the Company will proactively manage the challenges stated above and your Company is focused in 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

October 16, 2023



DIRECTOR

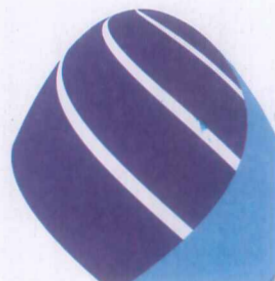
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MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023


	Note	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,932,058,659	1,884,453,068
Intangible assets		794,185	836,118
Long-term deposits		12,776,285	12,776,285
		<u>1,945,629,129</u>	<u>1,898,065,471</u>
CURRENT ASSETS			
Stock-in-trade	7	1,240,130,684	1,165,508,058
Stores and Spares		37,730,938	46,579,607
Trade debts-net	8	856,684,527	860,411,242
Loans and advances-unsecured, considered good		74,371,588	70,212,808
Short-term deposits, prepayments and other receivables		294,359,526	265,503,892
Taxation - net		53,109,289	33,316,703
Short Term Investment		72,324,062	10,524,062
Cash and bank balances		120,083,844	267,862,572
		<u>2,748,794,458</u>	<u>2,719,918,944</u>
TOTAL ASSETS		<u><u>4,694,423,587</u></u>	<u><u>4,617,984,415</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
70,000,000 (June 30, 2019: 70,000,000) ordinary shares of Rs.10/- each		<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid-up capital		593,011,500	593,011,500
Capital reserve		173,566,620	173,566,620
Revenue reserve		531,385,819	503,635,441
Surplus on revaluation of property, plant and equipment		<u>623,040,000</u>	<u>623,040,000</u>
		1,921,003,939	1,893,253,561
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement		26,040,091	31,585,665
Lease liabilities		28,784,786	776,392
Deferred taxation - net		190,014,568	193,206,958
Staff Retirement Benefits - Staff Gratuity		88,796,184	80,878,191
Provision for Gas Infrastructure Development Cess		47,873,767	59,504,493
		381,509,396	365,951,699
CURRENT LIABILITIES			
Trade and other payables		1,827,468,244	1,920,245,161
Short-term borrowings - secured		245,243,261	213,821,187
Accrued mark-up		6,870,186	6,696,989
Dividend Payable		89,804,936	853,211
Current portion of liabilities		<u>222,523,625</u>	<u>217,162,607</u>
		2,391,910,252	2,358,779,155
TOTAL EQUITY AND LIABILITIES		<u><u>4,694,423,587</u></u>	<u><u>4,617,984,415</u></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, 2023

	September 2023 Rupees	September 2022 Rupees
Sales - net	1,462,157,623	1,240,609,863
Cost of sales	(1,120,805,504)	(967,734,696)
Gross profit	<u>341,352,119</u>	<u>272,875,167</u>
Administrative expenses	(69,706,853)	(43,641,927)
Marketing and selling expenses	(31,721,633)	(25,841,563)
Finance costs	(33,415,233)	(32,967,755)
Other operating expenses	(22,467,131)	(80,004,110)
Other income	7,273,652	10,567,965
Profit before taxation	<u>191,314,921</u>	<u>100,987,777</u>
Taxation	(74,612,819)	(34,532,216)
Profit after taxation	<u>116,702,102</u>	<u>66,455,561</u>

Earning per share - basic and diluted 1.97 1.12

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, 2023

	September 2023 Rupees	September 2022 Rupees
Profit / Loss after taxation	116,702,102	66,455,561
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period, net of tax	<u>116,702,102</u>	<u>66,455,561</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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

	Reserves					Total
	Issued, subscribed and paid-up capital	Capital reserve - share premium	Rvaluation Surplus	Revenue reserve - unappropriated profits / (losses)	Total reserves	
 Rupees					
Balance as at July 01, 2022 - (Audited)	593,011,500	173,566,620	623,040,000	186,920,456	983,527,076	1,576,538,576
profit for the period	-	-	-	379,213,514	379,213,514	379,213,514
Other comprehensive income, net of tax	-	-	-	(3,197,382)	(3,197,382)	(3,197,382)
Total comprehensive loss	-	-	-	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	503,635,441	1,300,242,061	1,893,253,561
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	-	-	-	116,702,102	116,702,102	116,702,102
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	116,702,102	116,702,102	116,702,102
Final Cash Dividend for the year ended 30 June, 2023 at the rate of Rs. 1.5 per share				(88,951,724)	(88,951,724)	(88,951,724)
Balance as at September 30, 2023 (Un-audited)	593,011,500	173,566,620	623,040,000	531,385,819	1,327,992,439	1,921,003,939

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, 2023

	September, 30 2023	September, 30 2022
	-----Rupees-----	
CASH FLOWS GENERATED FROM OPERATIONS		
Profit before taxation	191,314,921	100,987,777
Adjustments for non-cash and other items:		
Depreciation	32,491,509	29,313,001
Amortisation	41,805	20,427
Gas infrastructure cess	-	(784,299)
Exchange loss / (gain) unrealised	(169,965)	16,570,751
Gain on sale of fixed asset	(24,934)	(4,796,491)
Provision for gratuity	8,708,019	7,348,320
Finance costs	33,415,233	32,967,755
	<u>74,461,667</u>	<u>80,639,464</u>
	265,776,588	181,627,241
Changes in working capital		
<i>Decrease / (increase) in current assets:</i>		
Stock-in-trade	(74,622,626)	(34,471,329)
Stores and Spares	8,848,669	-
Trade debts	3,726,715	(23,651,677)
Loans and advances	(4,158,780)	31,170,417
Trade deposits, short-term prepayments and other receivables	(28,855,634)	(3,359,988)
	<u>(95,061,656)</u>	<u>(30,312,577)</u>
<i>(Decrease) / increase in current liability:</i>		
Trade and other payables	(92,776,917)	(71,062,334)
Sales tax payable	(46,438,312)	-
	<u>(234,276,885)</u>	<u>(101,374,911)</u>
Cashflows generated from operations	31,499,703	80,252,330
Income tax paid - net	(13,653,367)	(5,184,111)
Gratuity paid	(790,026)	(1,230,405)
Finance costs paid	(33,242,036)	(32,427,344)
	<u>(47,685,429)</u>	<u>(36,591,860)</u>
Net cashflows generated from operating activities	(16,185,726)	43,660,470
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(72,947,100)	(31,501,016)
Proceeds from disposal of operating fixed assets	28,400	10,745,510
Short term Investment	(61,800,000)	-
Net cashflows (used) in investing activities	(134,718,700)	(23,005,506)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of diminishing musharika - net	(24,033,991)	(23,679,311)
Repayment of lease liabilities - net	(4,262,385)	(246,477)
(Payments)/Receipts of short term borrowings - net	31,422,074	(17,679,104)
Net cashflows used in financing activities	3,125,698	(41,604,892)
Net (decrease) / increase in cash and cash equivalents	(147,778,728)	(20,949,928)
Cash and cash equivalents at the beginning of the period	267,862,572	78,694,417
Cash and cash equivalents at the end of the period	<u>120,083,844</u>	<u>57,744,489</u>
Cash and cash equivalents		
Cash and bank balances	120,083,844	57,744,489
	<u>120,083,844</u>	<u>57,744,489</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, 2023

1. LEGAL STATUS AND OPERATIONS

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

2. GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNIT/PLANT IS AS FOLLOWS:

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

3. STATEMENT OF COMPLIANCE

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4. BASIS OF PREPARATION

- 4.1 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2023.

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, 2023.

6. PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
Operating fixed assets	1,909,699,759	1,864,214,266
Capital work-in-progress	22,358,900	20,238,802
	<u>1,932,058,659</u>	<u>1,884,453,068</u>

	(Un-audited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
7 STOCK-IN-TRADE		
Raw material:		
In hand	567,567,526	548,928,265
In transit	329,807,237	181,282,518
In bonded warehouse	125,821,581	226,617,915
	<u>1,023,196,344</u>	<u>956,828,698</u>
Work in process	188,729,297	133,110,261
Finished goods	28,205,043	75,569,099
	<u>216,934,340</u>	<u>208,679,360</u>
	<u>1,240,130,684</u>	<u>1,165,508,058</u>

8 TRADE DEBTS

8.1 Included herein Rs. 229.2 million (June 30, 2023: Rs. 265.3 million) due from related parties.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no major change in the status of contingencies and commitments as disclosed in the annual financial statements of the Company for the year ended June 30, 2023.

	Note	(Un-audited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
9.2 Commitments			
Outstanding bank guarantees		11,873,412	11,873,412
Outstanding letters of credit	9.2.1	182,071,799	384,962,278
9.2.1 The aforesaid letter of credit is secured against personal guarantee of directors.			

10 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors, key management personnel and staff retirement benefit fund. All the transactions with related parties are entered into at agreed terms as approved by the Board of Directors of the Company. The related parties' status of outstanding receivables and payables, if any, as at September 30, 2023 and 30 June 2023 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, 2023 Rupees	(Un-audited) September 30, 2022 Rupees
Directors and Key Management Personnel		
Remuneration	17,254,818	14,283,995
Office rent charged	-	3,087,750
Office rent paid	-	3,087,750
Common Directorship		
TOYO Packaging (Private) Limited		
Sale of goods / processing charges	60,913,751	39,019,253
Receipts against sale of goods / processing charges	113,747,441	66,500,000
Hilal Foods (Pvt) Ltd		
Sale of goods	11,014,773	8,621,427
Receipts against sale of goods	22,467,305	999,676
Shalimar Food Products (Private) Limited		
Sale of goods	8,736,761	-
Receipts against sale of goods	7,714,551	599,443
Mac Business Solutions (Private) Limited		
Sale of goods / processing charges	48,757,608	-
Receipts/(Payments) against sale of goods / processing charges	36,886,860	(5,797,452)
TGA Sustainability (Private) Limited		
Sale of goods / processing charges	32,793,118	81,791,804
Receipts against sale of goods / processing charges	17,553,361	73,806,618
Reimbursement of expenses	1,822,191	-
Rent received	1,027,500	-
Mac 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 16, 2023 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