



**CONDENSED
INTERIM
FINANCIAL
INFORMATION**

**For the 3rd Quarter and
Nine Months Ended
March 31, 2013**

MACPAC FILMS LTD.



COMPANY INFORMATION

Board of Directors

Air Marshal Azim Daudpota	Chairman
Mr. Maqbool Elahi Shaikh	Chief Executive
Mr. Mohammad Sadiq Khan	
Mr. Naeem Ali Mohammad Munshi	
Mr. Ehtesham Maqbool Elahi	
Mr. Shariq Maqbool Elahi	
Mr. Fahad Munshi	
Mr. Mansoor Younus	
Mr. Atif Awan	

Audit Committee of the Board

Mr. Mansoor Younus	Chairman
Mr. Naeem Ali Mohammad Munshi	Member
Air Marshal Azim Daudpota	Member

HR & Remuneration Committee

Mr. Naeem Ali Mohammad Munshi	Chairman
Mr. Ehtesham Maqbool Elahi	Member
Mr. Shariq Maqbool Elahi	Member

Chief Financial Officer & Company Secretary

Mr. M. Javid Ansari

Auditors

Avais Hyder Liaquat Nauman
Chartered Accountants

Legal Advisor

Abdul Ghaffar Khan
F-72/1, KDA Scheme 5,
Kehkashan, Clifton, Karachi

Shares Registrar

Central Depository Company Pakistan Limited
CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Bankers

Al-Baraka Bank Pakistan Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
NIB Bank Limited

Registered Office

F/2, A-F, S.I.T.E. Karachi

City Office

43-H, II-A, P.E.C.H.S., Block-6,
Karachi.
Email : macpac@cyber.net.pk
Website : www.macpac.com.pk

Factory

Plot No. EZ/1/P-10
Eastern Industrial Zone
Port Qasim Area

MACPAC FILMS LIMITED

DIRECTORS' REVIEW

In the name of Allah, the most gracious, the most benevolent and the most merciful.

Assalam-o-Alaikum

The Directors of your Company are pleased to present the un-audited financial information of the Company for the third quarter and nine months ended March 31, 2013.

Operating and financial performance

By the grace of Almighty Allah, your Company shows continuing growth from the corresponding period and tries to further enhance the capacity utilization in coming months. The main focus in the coming quarters would be enhancing capacity utilization further to yield better results.

Sales performance

The net sales for half year reached to Rs. 1,131 million as compared to Rs.849 million for the corresponding period last year. Net sales of the Company are 33% higher than the corresponding period last year due to efficiently use of production capacity.

Profitability

The gross profit of the Company recorded for period under review is Rs. 219 million in the current year as compared to Rs.199 million last year which is 10% higher than the corresponding period last year. Although the margins per unit are shrinking due to higher costs and not so bullish demand, which makes it harder to pass on the gained costs to customer.

The bottom line and net results prove an upward trend which resulted in a net profit after taxation of Rs.282 million (includes Rs.127 million other income) during the period under review as compared to net profit after taxation of Rs.155 million in the corresponding period last year.

Earnings per share

Earnings per share of the Company is Rs. 7.27 per share as compared to Rs.4.00 per share during the corresponding period last year.

Future outlook

The business environment is still competitive and challenging. Raw material prices show continuous fluctuations. The regional shortages and shut downs of Raw material plants have caused supply and pricing pressures on cost of purchases in the future. Thus maintaining costs of purchases and selling price adjustments remain a hard task.

The management of the Company is continuously devoting their best efforts for achieving better results. We are confident that your company has the potential to sustain all challenges by maintaining its position in the market and keeping the current focus.

The market has become ever more competitive with new supplementary products competition but your company is geared up to continue and further provide vast variety of products for its customers to be on top of the curve.

Your company is focused on adding more products to its portfolio to add value to future sales revenues via mainly the upcoming Metaliser Project.

Acknowledgement

The Directors of the Company would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, Shareholders, Partners, Customers, Government Authorities, Autonomous bodies, Financial Institutions and Banks 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

Maqbool Elahi Shaikh
Chief Executive

April 29, 2013

Macpac Films Limited
Condensed Interim Balance Sheet (Un-audited)
As at March 31, 2013

	Notes	Unaudited March 31, 2013 Rupees	Audited June 30, 2012 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	508,253,945	540,839,060
Intangible asset		181,500	213,528
Long-term deposits	5	57,398,421	57,398,421
Deferred taxation	6	90,105,250	90,105,250
Current assets			
Stock-in-trade		270,676,975	213,889,611
Trade debts		188,691,923	155,584,374
Loans and advances		4,484,226	1,734,415
Trade deposits, prepayments and other receivables		14,987,098	8,852,147
Tax refund from Government		41,392,910	20,418,901
Advance income tax		31,438,209	32,914,599
Cash and bank balances		22,517,019	1,624,860
		574,188,360	435,018,907
TOTAL ASSETS		1,230,127,476	1,123,575,166
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	7	388,860,000	388,860,000
Reserves		79,930,000	79,930,000
Unappropriated profits / (losses)		116,841,175	(107,433,374)
		585,631,175	361,356,626
Non-current liabilities			
Staff retirement benefits - staff gratuity		10,152,990	10,141,460
Loans from directors and associated company		196,760,457	196,760,457
Deferred Markup		-	125,774,153
		206,913,447	332,676,070
Current liabilities			
Short-term finance		-	734,696
Current portion of long-term loans	8	-	90,070,368
Trade and other payables		431,928,679	326,782,959
Provision for taxation		5,654,175	11,954,447
		437,582,854	429,542,470
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		1,230,127,476	1,123,575,166

The annexed notes 1 - 14 form an integral part of these financial information.

Maqbool Elahi Shaikh
Chief Executive

Mohammad Sadiq Khan
Director

Macpac Films Limited

Condensed Interim Profit and loss accounts (Un-audited)

For the Nine months ended March 31, 2013

	Note	Nine Month Ended		Quarter Ended	
		March 31, 2013 Rupees	March 31, 2012 Rupees	March 31, 2013 Rupees	March 31, 2012 Rupees
Gross sales					
Local		1,039,525,243	805,880,900	376,464,541	289,326,362
Processing income		<u>272,243,325</u>	229,640,608	<u>79,726,819</u>	103,960,503
		1,311,768,568	1,035,521,508	456,191,360	393,286,865
Sales tax		<u>(180,933,596)</u>	(186,733,386)	<u>(62,922,947)</u>	(70,920,582)
Net sales		1,130,834,972	848,788,122	393,268,413	322,366,283
Cost of sales	10	<u>(911,262,304)</u>	(649,215,376)	<u>(329,466,226)</u>	(241,291,979)
Gross profit		219,572,668	199,572,746	63,802,187	81,074,304
Selling and marketing expenses		<u>(7,509,315)</u>	(4,440,824)	<u>(2,845,855)</u>	(1,715,907)
Administrative expenses		<u>(26,935,557)</u>	(19,511,133)	<u>(9,799,587)</u>	(8,640,946)
		<u>(34,444,872)</u>	(23,951,957)	<u>(12,645,442)</u>	(10,356,853)
Operating profit		185,127,796	175,620,789	51,156,745	70,717,451
Finance costs		<u>(4,540,116)</u>	(3,737,746)	<u>(3,388,830)</u>	(573,762)
Other income	11	127,925,029	484,438	1,045,000	(116,525)
Other expenses		<u>(20,254,985)</u>	(8,207,975)	<u>(300,000)</u>	(3,090,959)
		<u>103,129,928</u>	(11,461,283)	<u>(2,643,830)</u>	(3,781,246)
Profit before taxation		288,257,724	164,159,506	48,512,915	66,936,205
Taxation		<u>(5,654,175)</u>	(8,487,881)	<u>(1,965,496)</u>	(3,223,663)
Net profit for the period		<u>282,603,549</u>	<u>155,671,625</u>	<u>46,547,419</u>	<u>63,712,542</u>
Earning per share		<u>7.27</u>	4.00	<u>1.20</u>	1.64

The annexed notes 1 - 14 form an integral part of these financial information.

Maqbool Elahi Shaikh
Chief Executive

Mohammad Sadiq Khan
Director

Macpac Films Limited

Condensed Interim Statement of Comprehensive Income (Un-audited) For the Nine months ended March 31, 2013

	Nine Months Ended		Quarter Ended	
	March 31, 2013 Rupees	March 31, 2012 Rupees	March 31, 2013 Rupees	March 31, 2012 Rupees
Net profit for the period	282,603,549	155,671,625	46,547,419	63,712,542
Other comprehensive Income for the period	-	-	-	-
Total comprehensive income for the period	282,603,549	155,671,625	46,547,419	63,712,542

Maqbool Elahi Shaikh
Chief Executive

Mohammad Sadiq Khan
Director

Macpac Films Limited Condensed Interim Statement of Changes in Equity (Un-audited) For the Nine months ended March 31, 2013

Particulars	Issued, subscribed & paid-up capital	Reserves share premium	Unappropriated (losses) / profit	Total
R U P E E S				
Balance as at July 01, 2011	388,860,000	79,930,000	(365,669,365)	103,120,635
Net Profit for the period	-	-	155,671,625	155,671,625
Balance as at March 31, 2012	<u>388,860,000</u>	<u>79,930,000</u>	<u>(209,997,740)</u>	<u>258,792,260</u>
Balance as at July 01, 2012	388,860,000	79,930,000	(107,433,374)	361,356,626
Net Profit for the period	-	-	282,603,549	282,603,549
Final dividend @ Rs. 10 / ordinary share for the year ended June 30, 2012	-	-	(38,886,000)	(38,886,000)
Interim dividend @ Rs. 5 / ordinary share for the half year ended December 31, 2012	-	-	(19,443,000)	(19,443,000)
Balance as at March 31, 2013	<u>388,860,000</u>	<u>79,930,000</u>	<u>116,841,175</u>	<u>585,631,175</u>

The annexed notes 1 - 14 form an integral part of these financial information.

Maqbool Elahi Shaikh
Chief Executive

Mohammad Sadiq Khan
Director

Macpac Films Limited

Condensed Interim Cash Flow Statement (Un-audited)

For the Nine months ended March 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
A. CASH GENERATED FROM OPERATIONS		
Profit before taxation	288,257,724	164,159,507
Adjustments:		
Depreciation	37,997,731	40,986,006
Amortization of intangible asset	32,028	40,038
Provision for Bad debts	-	4,024,658
Provision for gratuity	1,992,000	2,126,462
	2,024,028	6,191,158
Gain on sale of fixed assets	-	(569,321)
Financial charges	4,540,116	3,737,746
Other Income	(126,710,769)	-
	(82,148,894)	50,345,589
Operating cash flows before working capital changes	206,108,830	214,505,096
Changes in working capital		
(Increase)/decrease in current assets:		
Stock-in-trade	(56,787,364)	(350,333)
Trade debts	(33,107,549)	(108,398,847)
Loans and advances	(2,749,811)	(332,024)
Trade deposits and prepayments	(5,808,915)	(1,122,179)
	(98,453,639)	(110,203,382)
Increase/(decrease) in current liabilities:		
Short-term running finance	(734,696)	700,000
Trade and other payables	78,840,289	20,420,184
Income tax deducted at source	6,211,134	(282,994)
	84,316,727	20,837,190
	(14,136,912)	(89,366,192)
Cash generated from operation	191,971,918	125,138,904
Income tax paid	(31,452,066)	(23,669,878)
Gratuity paid	(1,980,470)	(1,527,842)
Financial charges (paid)/charged	(3,146,593)	7,077,423
Fund Utilized in Longterm deposit	-	(4,988,171)
	(36,579,129)	(23,108,468)
Net cash generated from operating activities	155,392,789	102,030,436
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(5,738,652)	(14,603,732)
Proceeds from disposal of fixed assets	-	635,214
Cash flow (used in) investing activities	(5,738,652)	(13,968,518)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(90,070,368)	(90,764,545)
Dividend paid	(38,691,610)	-
Net cash (Used in) financing activities	(128,761,978)	(90,764,545)
Net Increase / (decrease) in cash and cash equivalent (A + B + C)	20,892,159	(2,702,628)
Cash and cash equivalent at the beginning of the period	1,624,860	6,273,718
Cash and cash equivalent at the end of the period	22,517,019	3,571,090

The annexed notes 1 - 14 form an integral part of these financial information.

Maqbool Elahi Shaikh
Chief Executive

Mohammad Sadiq Khan
Director

Macpac Films Limited

Notes to the Condensed Interim Financial Information (Un-audited) For the Nine months ended March 31, 2013

1. Status and nature of the company

The Company is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi and Lahore Stock Exchanges. The address of its registered office is F/2, A-F, S.I.T.E., Karachi.

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

2. Compliance with statutory requirements

This condensed interim financial information is unaudited and has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2012.

The condensed interim financial statements comprise of the condensed interim balance sheet as at March 31, 2013 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the nine months period ended March 31, 2013.

The comparative balance sheet, presented in these condensed interim financial statements, as at June 30, 2012 has been extracted from the audited financial statements of the Company for the year ended June 30, 2012 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement are for the nine months period ended March 31, 2012 have been extracted from the condensed interim financial statements of the Company for the nine months period then ended. The comparative profit and loss account for the quarter ended March 31, 2012 is also included in these condensed interim financial statements.

3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2012.

		March 31 2013	June 30 2012
	Note	----- Rupees ----- (Unaudited)	----- (Audited)
4. Property, plant and equipment			
Operating fixed assets	4.1	505,491,027	540,839,060
Capital work in process		2,762,918	-
		<u>508,253,945</u>	<u>540,839,060</u>
4.1 Operating fixed assets			
Opening book value		540,839,060	577,507,431
Add: additions during the period	4.1.1	2,975,734	18,421,532
Less: disposals during the period (book value)	4.1.2	(326,036)	(170,029)
depreciation during the period		<u>(37,997,731)</u>	<u>(54,919,874)</u>
		<u>(38,323,767)</u>	<u>(55,089,903)</u>
		<u>505,491,027</u>	<u>540,839,060</u>
4.1.1 Additions during the period			
Building on-leased hold land		-	91,070
Plant and machinery		655,854	1,604,326
Furniture and fixtures		61,250	71,650
Refrigeration and air conditioning		534,630	62,177
Computers		154,000	303,880
Generators		-	12,721,229
Motor vehicles		1,570,000	3,567,200
		<u>2,975,734</u>	<u>18,421,532</u>

4.1.2 Disposals during the period

Description	Cost	Net Book Value	Sales proceed	Mode and particulars of purchaser
Motor vehicle - APD-188	980,500	326,036	326,036	Negotiation Mr. Nauman Sadiq
	<u>980,500</u>	<u>326,036</u>	<u>326,036</u>	

5. Long term deposits

Leased (ijarah) asset deposit	5.1	55,123,421	55,123,421
Margin against bank guarantee	5.2	2,175,000	2,175,000
Other deposits		100,000	100,000
		<u>57,398,421</u>	<u>57,398,421</u>

5.1 This represents deposit given to Toyo Packaging (Private) Limited - an associated Company, which has been submitted onward to Al Baraka Bank (Pakistan) Limited (formerly Emirates Global Islamic Bank Limited), as security deposit against lease (ijara) of primary splitter.

5.2 This represents 30% margin against guarantee issued by Faysal Bank Limited in favor of Sui Southern Gas Company Limited.

6. Deferred taxation

Amount shown in deferred taxation represents balance as at June 30, 2012. No deferred tax has been recognized during the period and shall be recorded in annual financial statements, if applicable.

	March 31, 2013 Rupees (Unaudited)	June 30, 2012 Rupees (Audited)
7 Share capital		
7.1 Authorized capital		
50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs.10/- each	<u>500,000,000</u>	<u>500,000,000</u>
7.2 Issued, subscribed and paid-up capital		
25,986,000 (June 30, 2012: 25,986,000) ordinary shares of Rs. 10/- each fully paid up in cash	259,860,000	259,860,000
12,900,000 (June 30, 2012: 12,900,000) ordinary shares of Rs.10/- each issued as fully paid bonus shares	129,000,000	129,000,000
	<u>388,860,000</u>	<u>388,860,000</u>
8 Current portion of long-term loans		

During the period, the company has settled / paid all of its loans obtained from financial institution and banks.

9 Contingencies & Commitments

Contingencies

Guarantees issued by banks on behalf of the Company	<u>5,500,000</u>	<u>7,250,000</u>
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Commitments

Letter of credits for purchase of raw material	<u>50,026,836</u>	<u>12,400,000</u>
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9.1 The total facilities for opening of letter of credits and for guarantees as at March 31, 2013 amounts to an aggregate of Rs. 271 million (June 30, 2012: Rs 271 million).

9.2 The contingency stated in note 23.1.2 to the annual financial statements of the Company for the year ended June 30, 2012 no longer exist as the Company has amicably settled the claim at an amount of Rs. 586,712/- and NOC's have been received from respective bank.

9.3 The contingency stated in note 23.1.4 to the annual financial statements of the Company for the year ended June 30, 2012 no longer exist as the Company has amicably settled the claim and NOC's have been received from respective bank.

9.4 There has been no change in the status of contingencies as stated in note 23.1.1 and 23.1.3 to the annual financial statements of the Company for the year ended June 30, 2012.

Nine months ended		Quarter ended	
March 31 2013	March 31 2012	March 31 2013	March 31 2012
----- Rupees -----		----- Rupees -----	

10 Cost of sales

Raw material consumed	777,099,367	508,074,029	302,882,066	188,830,778
Other manufacturing overheads:				
Salaries, wages and other benefits	23,282,077	18,716,754	8,081,748	6,272,809
Oil and lubricants/diesel	5,557,107	5,238,627	1,623,607	2,003,206
Packing material consumed	11,895,269	6,948,264	4,354,065	2,819,319
Consumable stores	4,388,907	1,679,596	872,630	706,881
Water charges	757,759	269,000	224,559	15,000
Repair and maintenance	5,289,231	5,229,567	2,188,340	1,242,898
Vehicle running and maintenance	1,161,437	890,989	404,623	288,485
Power/electricity/gas	61,127,526	51,046,609	20,599,914	20,234,197
Insurance	4,464,107	4,245,767	1,467,957	1,786,351
Telephone	348,510	290,850	108,190	101,750
Cartage and octroi	6,972,199	4,613,001	2,529,921	1,612,082
Consultancy charges	2,484,600	1,620,000	864,000	540,000
Staff welfare	1,568,345	1,080,474	516,309	304,930
Security charges	1,129,297	873,079	386,708	390,964
Depreciation	36,652,348	39,888,497	12,373,224	13,514,383
Ijara Rentals	-	31,908,594	-	10,618,402
Transportation	3,167,202	2,417,490	995,240	815,971
Other expense	1,432,801	422,954	441,662	146,073
	171,678,722	177,380,112	58,032,697	63,413,701
	948,778,089	685,454,141	360,914,763	252,244,479
Work-in-process - stock				
Opening	54,174,895	36,988,545	69,372,975	63,835,430
Closing	(82,871,315)	(64,063,710)	(82,871,315)	(64,063,710)
Cost of goods manufactured	920,081,669	658,378,976	347,416,423	252,016,199
Finished goods - stock				
Opening	32,550,370	24,203,360	23,419,538	22,642,740
Closing	(41,369,735)	(33,366,960)	(41,369,735)	(33,366,960)
	911,262,304	649,215,376	329,466,226	241,291,979

11 Other income

Other income includes reversal of deferred mark up of Rs. 125.7 million due to settlement made with HBL.

12 Related party transactions

March 31 2013	March 31 2012
----- Rupees -----	

A. Related parties with whom the company had transactions:

i Key management personnel

Director

Class of transactions

Loan acquired during the period	-	11,800,000
Loan repaid during the period	12,736,800	-

ii Associated companies

Toyo Packaging (Private) Limited

Class of transactions

Sales of goods/processing charges	51,636,286	153,218,589
Purchase of raw material	33,016,760	-
Ijarah rentals	-	31,908,594

Hilal Confectionery (Private) Limited

Class of transactions

Sales of goods	1,315,422	3,746,664
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Kings Foods (Private) Limited

Class of transactions

Sales of goods	3,637,659	8,295,647
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Shalimar Food Products (Private) Limited

Class of transactions

Sales of goods	11,991,278	17,534,907
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Metaplast (Private) Limited

Class of transactions

Sales of goods/processing charges	-	5,057,318
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B Related parties with whom the company had no transactions:

Associated companies National Management Consultancy Services (Private) Ltd

There were no transactions with the key management personnel other than under their terms of employment.

All related party transactions are stated at prices considered equivalent to prices that would prevail in arm's length transactions.

13 Date of issue

This interim condensed financial information was authorized for issue on April 29, 2013 by the Board of Directors.

14 General

Corresponding figures have been re-arranged wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made.

Maqbool Elahi Shaikh
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED