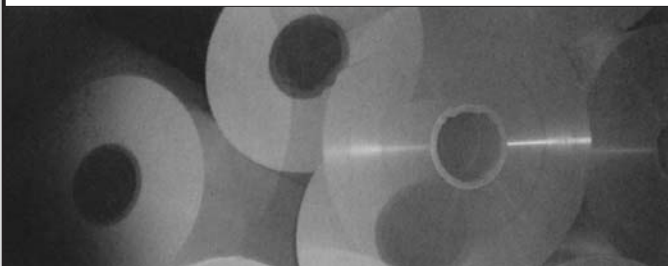


MACPAC FILMS LTD.



Pioneers of BOPP Films in Pakistan

CONDENSED INTERIM FINANCIAL INFORMATION

**For 2nd Quarter &
Six Months Ended
December 31, 2011
(Reviewed)**



COMPANY INFORMATION

Board of Directors

Mr. Maqbool Elahi	Chairman & Chief Executive
Mr. Mohammad Sadiq Khan	
Mr. Naeem Ali Mohammad	
Mrs. Rukhsana Maqbool	
Mr. Shariq Maqbool Elahi	
Mrs. Sana Nauman	
Air Marshal Azim Daudpota	

Audit Committee of the Board

Mr. Mohammad Sadiq Khan	Chairman
Mrs. Rukhsana Maqbool	Member
Air Marshal Azim Daudpota	Member

Company Secretary & Chief Financial Officer

Israr Ullah Khan

Bankers

Al-Baraka Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited

Auditors

Avais Hyder Liaquat Nauman
Chartered Accountants

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

Shares Registrar

Noble Computer Services (Pvt) Ltd
Mezzanine Floor, House of Habib Building (Siddiqsons Tower),
3-Jinnah Cooperative Housing Society,
Main Shahrah-e-Faisal,
Karachi - 75350

Legal Advisor

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

DIRECTOR'S 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 2nd quarter and six months ended December 31, 2011.

Business Overview

With the Blessings of ALL MIGHTY, ALLAH, your company has proven the potential and consistent growth for the last two years and achieved the ever highest production in the quarter under review. The Banks extended the credit line for L/Cs which has resulted the increase in production levels and profitability.

Financial Reporting

The net sales for six months ended December 31, 2011 of Rs. 526.42 million as compared to Rs. 328.218 million for the same period last year. This mark has been achieved due to efficient utilization of production capacity. Profit before tax for the period under review is Rs. 97.22 million as compared to Rs. 75 million for the same period last year.

Earnings per share of the company is Rs. 2.36 per share till December 31, 2011, which was Rs. 1.84 per share during the same period last year.

Future Outlook

The BOPP business is becoming competitive and challenging in Pakistan. Volatility of raw material prices, uncertain political situation and shortage of fuel/energy have badly affected the overall market while demand and supply remains very tricky. The performance of your company significantly improved and consistently showing upward trend. In 2012 the company would pay InshAllah major portion of its remaining debts and try to improve current ratio.

The management of the company is confident that after enhancement of LC limits and availability of working capital lines the company will able to increase current level of production and would recover unappropriate losses.

Acknowledgement

I take this opportunity to thank the financial institutions, customers, suppliers, colleagues and other stakeholders for the confidence they shown in the company and also wish to place on record my appreciation for the dedication and hard work of all members of our team.

On behalf of the Board

February 28, 2012

Maqbool Elahi
Chief Executive

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of MACPAC Films Limited as at December 31, 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the summary of significant accounting policies and other explanatory notes for the half year then ended (herein-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view of the financial position of the entity as at December 31, 2011, and of its financial performance, its cash flows for the six month period then ended in accordance with the approved accounting standards as applicable in Pakistan.

February 28, 2012

Chartered Accountants
Engagement Partner: **Adnan Zaman**

MACPAC FILMS LIMITED

Macpac Films Limited

Condensed Interim Balance Sheet (Reviewed)
as on December 31, 2011

	NOTE	Reviewed Dec 31 2011 Rupees	Audited Jun 30 2011 Rupees
Non current assets			
Property, Plant and Equipment	4.	563,913,902	577,507,431
Intangible		240,220	266,912
Long-term deposits	5.	51,600,000	51,735,250
Deferred taxation	6.	90,105,250	90,105,250
Current assets			
Stock-in-trade		147,000,358	155,734,668
Trade debts		134,501,194	46,995,849
Loans and advances		1,961,991	1,785,247
Trade deposits and prepayments		9,258,231	8,057,576
Tax refund from Government		44,062,690	33,323,002
Cash and bank balances		11,690,276	6,273,718
		348,474,741	252,170,060
		<u>1,054,334,113</u>	<u>971,784,903</u>
Equity and liabilities			
Share capital and reserves			
Share capital	7.	388,860,000	388,860,000
Reserves		79,930,000	79,930,000
Unappropriated losses		(273,710,280)	(365,669,365)
		195,079,720	103,120,635
Non current liabilities			
Staff retirement benefits - staff gratuity		10,318,376	9,690,177
Long term loans	8.	11,096,000	58,360,810
Due to directors and associated company		196,760,457	196,760,457
Deferred Markup		125,774,153	130,734,504
		343,948,986	395,545,948
Current liabilities			
Current portion of long-term liabilities		123,777,979	128,050,987
Trade and other payables		320,752,579	281,331,700
Accrued mark-up		70,774,849	63,735,633
		515,305,407	473,118,320
Contingencies and commitments	9.	-	-
Total equity and liabilities		<u>1,054,334,113</u>	<u>971,784,903</u>

The annexed notes 1 - 13 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED

Macpac Films Limited

Condensed Interim Profit and Loss Accounts (Reviewed)
for the Period ended December 31, 2011

	Note	Period Ended		Quarter Ended	
		Reviewed Dec 31 2011 Rupees	Reviewed Dec 31 2010 Rupees	Unaudited Dec 31 2011 Rupees	Unaudited Dec 31 2010 Rupees
Sales					
Gross sales					
- Local		516,554,539	332,871,231	297,142,408	198,037,486
- Processing income		125,680,105	70,823,434	79,342,305	56,804,389
		<u>642,234,644</u>	<u>403,694,665</u>	<u>376,484,713</u>	<u>254,841,875</u>
Sales tax		(115,812,805)	(72,205,550)	(67,890,686)	(45,581,474)
Special excise duty		-	(3,282,070)	-	(2,071,885)
Net sales		<u>526,421,839</u>	<u>328,207,045</u>	<u>308,594,027</u>	<u>207,188,516</u>
Cost of goods sold	10.	<u>(407,923,397)</u>	<u>(274,548,827)</u>	<u>(240,042,984)</u>	<u>(158,572,298)</u>
Gross profit		<u>118,498,442</u>	<u>53,658,217</u>	<u>68,551,043</u>	<u>48,616,218</u>
Selling and marketing expenses		<u>(2,724,917)</u>	<u>(1,853,536)</u>	<u>(1,954,629)</u>	<u>(869,343)</u>
Administrative expenses		<u>(10,870,187)</u>	<u>(9,224,696)</u>	<u>(5,717,851)</u>	<u>(4,254,022)</u>
		<u>(13,595,104)</u>	<u>(11,078,232)</u>	<u>(7,672,480)</u>	<u>(5,123,365)</u>
Operating profit		<u>104,903,338</u>	<u>42,579,985</u>	<u>60,878,563</u>	<u>43,492,853</u>
Financial charges		<u>(3,163,985)</u>	<u>(6,851,577)</u>	<u>(609,444)</u>	<u>(3,427,679)</u>
Other income		600,963	39,276,622	600,963	39,549,681
Workers profit participation fund		<u>(5,117,016)</u>	<u>-</u>	<u>(5,117,016)</u>	<u>-</u>
		<u>(7,680,038)</u>	<u>32,425,045</u>	<u>(5,125,497)</u>	<u>36,122,002</u>
Profit before taxation		<u>97,223,300</u>	<u>75,005,030</u>	<u>55,753,066</u>	<u>79,614,855</u>
Taxation		(5,264,218)	(3,282,070)	(3,085,940)	(2,071,885)
Profit after taxation		<u>91,959,082</u>	<u>71,722,960</u>	<u>52,667,126</u>	<u>77,542,970</u>
Earning per share		<u>2.36</u>	<u>1.84</u>	<u>1.35</u>	<u>1.99</u>

The annexed notes 1 - 13 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED

Macpac Films Limited

Condensed Interim Statement of Comprehensive Income (Reviewed)
for the 2nd quarter & six months ended Dec 31, 2011

	Period Ended		Quarter Ended	
	Dec 31, 2011 Rupees	Dec 31, 2010 Rupees	Dec 31, 2011 Rupees	Dec 31, 2010 Rupees
Net Income after taxation	91,959,083	71,722,960	52,667,127	77,542,971
Other comprehensive Income	-	-	-	-
Total Comprehensive income for the period	91,959,083	71,722,960	52,667,127	77,542,971

Macpac Films Limited

Condensed Interim Statement of Changes in Equity
for the 2nd quarter & six months ended Dec 31, 2011

Particulars	Issued, subscribed and paid-up capital	Reserves share premium	Unappropriated (losses)	Total
Balance as at July 1, 2010	388,860,000	79,930,000	(537,860,243)	(69,070,243)
Profit for the period	-	-	71,722,960	71,722,960
Balance as at , Dec 31, 2010	388,860,000	79,930,000	(466,137,283)	2,652,717
Balance as at July 1, 2011	388,860,000	79,930,000	(365,669,365)	103,120,635
Profit for the period	-	-	91,959,083	91,959,083
Balance as at , Dec 31, 2011	388,860,000	79,930,000	(273,710,282)	195,079,718

The annexed notes 1 - 13 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED

Macpac Films Limited

Condensed Interim Cash Flow Statement (Reviewed)
for the Period ended December 31, 2011

	Dec 31 2011 Rupees	Dec 31 2010 Rupees
A. CASH GENERATED FROM OPERATIONS		
Profit before taxation	97,223,301	75,005,031
Adjustments:		
Depreciation	27,105,353	30,158,937
Amortization of intangible asset	26,692	33,364
Provision for Bad debts	500,000	500,000
Provision for gratuity	1,313,231	809,430
	1,839,923	1,342,794
Gain on sale of fixed assets	(569,321)	(39,519,681)
Financial charges	3,163,985	6,851,577
Ijara Rental	-	21,144,060
	<u>31,539,940</u>	<u>19,977,686</u>
Operating cash flows before working capital changes	128,763,241	94,982,717
Changes in working capital		
(Increase)/decrease in current assets:		
Stock-in-trade	8,734,310	(24,404,644)
Trade debts	(88,005,345)	(37,586,397)
Loans and advances	(176,744)	(196,229)
Trade deposits and prepayments	(1,200,655)	(1,379,633)
	(80,648,434)	(63,566,903)
Increase/(decrease) in current liabilities:		
Trade and other payables	34,301,048	37,889,664
Income tax deducted at source	(367,412)	(298,337)
	<u>33,933,636</u>	<u>37,591,327</u>
	<u>(46,714,799)</u>	<u>(25,975,576)</u>
	<u>82,048,442</u>	<u>69,007,141</u>
Cash generated from/(used in) operation		
Income tax paid	(16,003,907)	(7,278,146)
Gratuity paid	(685,032)	(352,900)
Financial charges paid	4,402,123	(581,922)
Fund Utilized in Longterm deposit	135,250	(50,000)
	<u>(12,151,566)</u>	<u>(8,262,970)</u>
Net cash (used in) operating activities	69,896,876	60,744,171
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(13,577,505)	(4,117,865)
Proceeds from disposal of fixed assets	635,010	105,000,000
Cash flow (used in) / from investing activities	(12,942,494)	100,882,135
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(51,537,818)	(139,992,000)
Obligation paid for assets	-	(21,144,060)
Net cash outflow from financing activities	(51,537,818)	(161,136,060)
Net (decrease) / Increase in cash and cash equivalent (A + B + C)	5,416,564	490,246
Cash and cash equivalent at the beginning of the period	6,273,718	176,613
Cash and cash equivalent at the end of the period	<u>11,690,282</u>	<u>666,859</u>

The annexed notes 1 - 13 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED

Macpac Films Limited

Notes to the Condensed Interim Financial Information For the 2nd quarter & six months ended Dec 31, 2011

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

These 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". These figures for the half year ended December 31, 2011 have, however been subject to limited scope review as required by the Code of Corporate Governance. 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, 2011.

The condensed interim financial statements comprise of the condensed interim balance sheet as at December 31, 2011 and the condensed interim profit and loss account, condensed interim statements of changes in equity and the condensed interim cash flow statement for the six months period ended December 31, 2011 which have been subjected to a review in accordance with the listing regulations but not audited. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended December 31, 2011 which is not subjected to review.

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, 2011.

4. PROPERTY, PLANT AND EQUIPMENT

	Reviewed Dec 31 2011 Rupees	Audited June 30 2011 Rupees
Opening book value	577,507,441	710,061,643
Add:		
Additions during the period	13,577,505	5,536,365
	<u>591,084,945</u>	<u>715,598,008</u>
Less:		
Disposals during the period (book value)	65,680	76,346,857
Depreciation charged during the period	27,105,353	61,743,720
	<u>27,171,033</u>	<u>138,090,577</u>
	<u>563,913,912</u>	<u>577,507,431</u>

Description	Cost	Net book value	Sales Proceeds	Mode of disposal	Particulars of purchaser
VEHICLE LXM-2358	670,500	43,769	475,000	Sold	Sheikh Iqbal Ahmed
VEHICLE AAZ-784	181,400	21,910	160,000	Sold	Mr. Abdullah S/o Ghafoor
	<u>851,900</u>	<u>65,679</u>	<u>635,000</u>		

5. LONG TERM DEPOSITS

Leased asset deposits	5.1	50,000,000	50,000,000
Others		1,600,000	1,735,250
		<u>51,600,000</u>	<u>51,735,250</u>

5.1 The deposit amount has been given to TOYO Packaging (Private) Limited related party for onward submission with Al Baraka Bank (Pakistan) Limited (Formerly Emirates Global Islamic Bank Limited) for security deposit against lease of Primary Slitter.

6. DEFERRED TAXATION

Amount shown in deferred taxation represents balance as at June 30, 2011. No deferred tax has been recognized during the period and shall be recorded in annual financial statement if applicable.

7. AUTHORIZED CAPITAL

40,000,000 (June 2011: 40,000,000) Ordinary shares of Rs.10/- each	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid-up capital		
25,986,000 (June 2011: 25,986,000) Ordinary shares of Rs. 10/- each fully paid up in cash	259,860,000	259,860,000
12,900,000 (June 2011: 12,900,000) Ordinary shares of Rs.10/- each	129,000,000	129,000,000
	<u>388,860,000</u>	<u>388,860,000</u>

8. LONG-TERM LOANS		Reviewed Dec 31 2011 Rupees	Audited June 30 2011 Rupees
Secured			
Commercial bank	8.1	77,768,000	111,104,000
Financial institution	8.2	57,105,979	42,423,139
		<u>134,873,979</u>	<u>153,527,139</u>
Term installment due		-	32,884,658
		<u>134,873,979</u>	<u>186,411,797</u>
Less: Current portion shown under current liabilities		123,777,979	95,166,329
Term installment due		-	32,884,658
		<u>11,096,000</u>	<u>58,360,810</u>

8.1 As per understanding reached with Habib Bank Limited and in accordance with the order of the court, out of total liability of Rs. 248.36, Rs. 170.59415 million has been paid till Dec 2011. The remaining amount will be paid in installment of Rs. 5.56 million per month as accordance to the agreement. The facility is secured by the pari passu charges over existing and future assets of the Company to the tune of Rs. 485.131 million.

8.2 Saudi Pak Industrial and Agriculture Company Limited (SAPICO) term loan facility has been restructured for the period of four years. The initial rate of mark up was 3 months KIBOR plus 4% per annum and will be reduced to 3 months KIBOR plus 3% w.e.f the date of restructuring i.e. July 01, 2008, thereafter 03 months KIBOR plus 2% from January 2010 onward. Repayment of principle is on the quarterly basis starting from July 2009. The facility is secured by pari passu charge over existing and future assets of the company to the extent of Rs. 189.962 million.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 The Company was allowed tax holiday under clause 118-C to the Second Schedule of the Income Tax Ordinance, 1979 for a period of eight years from the assessment year 1995-96 i.e. 1st July 1995. The company claimed tax holiday up to December 2003. The Deputy Commissioner of Income Tax reopened the assessment initially for the assessment year 1995-96 alleging that the company was not entitled to the Tax Holiday earlier allowed under the above clause. Being aggrieved by the notice under section 65 of the Income Tax Ordinance, 1979, the company filed a writ petition before the Honourable High Court of Sindh which was dismissed allegedly on account of non-maintainability. A petition for leave to appeal was filed against the dismissal of the writ petition which has been granted by the Honourable Supreme Court of Pakistan, the Honourable Supreme Court of Pakistan has also suspended the judgment of the Honourable High Court of Sindh and ordered maintenance of status quo.

The Deputy Commissioner of Income Tax then reopened the cases for the assessment years 1996-97 to 1998-99 and proceeded to finalize the assessment for the assessment year 1999-2000 under section 62 of the Income Tax Ordinance, 1979. The writ against these notices was dismissed by the Honourable High Court of Sindh whereas the civil petition for leave has been granted by the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan has also stayed the proceedings for these years.

Although the Honourable Supreme Court of Pakistan has accepted the petition for leave to appeal and the company's lawyers are very hopeful that the tax holiday will be restored. However in case of an adverse decision by the Honourable Supreme Court of Pakistan, it is certain that the Deputy Commissioner of Income Tax shall disallow the tax holiday. Subject to appeal and assuming that the Deputy Commissioner of Income Tax does not make any other addition for these years a liability of Rs. 67,938,844 will arise for which no provision has been made as the company is reasonably confident that such a contingency will not arise and the petitions shall be decided in its favor.

While finalizing the orders the assessing officers have made various mistakes, for which rectification applications have been made. No provision for these tax liabilities have been made in these financial statements because the management feels that after rectification of mistakes, there will not be any tax liability in respect of these years.

9.1.2 Bank Alfalah Ltd, is being claimed Rs. 1.5 m against termination of Lease Finance Facility on account of Additional Ijara Rentals at the rate of 0.1% per day on all delayed payments of rentals. The Management of the Company believes that they will settle these dues amicably. Currently no provision has been made in these financial statements.

9.1.3 NIB Bank Limited, formally PICIC Commercial Bank Ltd., is being claimed Rs. 1.3 m against termination of Lease Finance Facility on account of all delayed rentals/late payment charges. The Management of the Company believes that they will settle these dues amicably. Currently no provision has been made in these financial statements.

9.1.4 In continuation of Note. 8.1 the Court decided in the consent decree that in case of default in their obligations to repay the agreed liability, the Company is jointly and severally have to pay the mark-up amount of Rs. 147.89 million otherwise it will be write off. Currently, the Company has provided Rs. 125.77 million as a deferred mark-up and however no provision has been made for difference of Rs. 22.12 million in these financial statements. The management of the Company believes that it will be able to pay off the whole amount of principal within the time allowed and the mark up will be waived.

9.1.5 Guarantees issued by banks on behalf of the Company to Sui Southern Gas Company Limited amounting to Rs. 7.25 million (June 2011: Rs. 2.25 million).

10. COST OF SALES	Half Year ended		Quarter Ended	
	Reviewed	Reviewed	Unaudited	Unaudited
	Dec 31 2011	Dec 31 2010	Dec 31 2011	Dec 31 2010
Opening work-in-process	36,988,545	15,407,860	59,529,490	20,686,365
Material consumed	319,243,251	194,982,755	189,794,316	126,634,479
Salaries, wages and other benefits	12,443,945	10,194,836	7,238,267	5,329,339
Oil and lubricants/diesel	3,235,421	2,559,408	1,733,618	1,668,946
Packing material consumed	4,128,945	4,929,864	2,970,599	2,874,414
Consumable stores	972,716	530,185	641,167	408,852
Water charges	254,000	328,600	83,300	282,500
Traveling and Accomodation	-	8,700	-	90,451
Repair and maintenance	3,986,669	1,602,825	1,719,331	736,327
Vehicle running and maintenance	602,504	716,164	343,831	388,296
Power/electricity/gas	30,812,412	22,496,896	17,734,072	13,459,982
Insurance	2,459,416	2,568,503	1,229,708	1,240,955
Telephone	189,100	158,503	97,850	95,120
Cartage and octori	3,000,919	1,853,661	1,648,765	1,194,956
Consultancy charges	1,080,000	1,814,159	540,000	807,742
Rent, rates and Taxes	263,261	349,297	263,261	349,297
Staff welfare	775,544	386,446	441,950	268,440
Security charges	482,115	576,236	253,866	219,236
Depreciation	26,374,114	29,663,843	13,257,801	14,843,665
Ijara Rentals	21,290,192	21,144,060	10,626,247	10,572,030
Other expense	13,620	127,756	8,530	127,756
Transportation	1,601,519	1,212,415	817,866	504,209
	470,198,207	313,612,972	310,973,834	202,783,357
Less: Closing work-in-process	(63,835,430)	(41,116,890)	(63,835,430)	(41,116,890)
Cost of goods manufactured	406,362,777	272,496,082	247,138,404	161,666,467
Opening stock of finished goods	24,203,360	8,574,715	15,547,320	3,427,800
	430,566,137	281,070,797	262,685,724	165,094,267
Less: Closing stock of finished goods	(22,642,740)	(6,521,970)	(22,642,740)	(6,521,970)
	<u>407,923,397</u>	<u>274,548,827</u>	<u>240,042,984</u>	<u>158,572,297</u>

11. Related party disclosures

A. Related parties with whom the company had transactions:

		Dec 31 2011	Dec 31 2010
i. Related party	Nature of transactions		
TOYO Packaging (Private) Limited	Sales of goods/Processing charges	<u>120,697,059</u>	<u>57,611,208</u>
	Ijara Rentals	<u>21,290,192</u>	<u>21,144,060</u>

B. Disclosure of transactions between the company and Associated Companies:

ii. Associated companies	Nature of transactions		
Hilal Confectionery (Private) Limited	Sales of goods	<u>2,143,982</u>	<u>-</u>
Kings Foods (Private) Limited	Sales of goods	<u>2,522,221</u>	<u>57,488</u>
Metaplast (Pvt.) Ltd.	Sales of goods/Processing charges	<u>3,205,594</u>	<u>-</u>

C. Related parties with whom the company had no transactions:

iii. Associated companies	National Management Consultancy Services (Private) Limited.		
	Print-O-Slit (Private) Limited		

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

"Related party transactions are stated at prices considered equivalent to prices that would prevail in arm's length transactions substantiated in the following manner:"

For certain goods and services at prices determined in accordance with the methods prescribed in the Fourth Schedule to the Companies Ordinance, 1984.

The related party status of outstanding balances as at December 31, 2011 are included in creditors, accrued and other liabilities, trade debts and other receivables respectively.

12. DATE OF ISSUE

These condensed interim financial information was authorized for issue on February 28, 2012 by the Board of Directors.

13. GENERAL

13.1 Figures have been rounded off to the nearest rupee.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director