

Manufacturers of Multi Layer Co-extruded BOPP Films



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MACFL

Annual Report **2009**



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COMPANY INFORMATION

Board of Directors

Mr. Maqbool Elahi
Mr. Mohammad Sadiq Khan
Mr. Naeem Ali Mohammad
Mrs. Rukhsana Maqbool
Mr. Shariq Maqbool Elahi
Ms. Sana Nauman
Air Marshal Azim Daud Pota

Chief Executive

Audit Committee

Mr. Mohammad Sadiq Khan
Mrs. Rukhsana Maqbool
Air Marshal Azim Daud Pota

Chairman

Company Secretary

Mr. Zafar Ahsan

Chief Financial Officer

Israr Ullah Khan

Bankers

Faysal Bank Limited
Habib Bank Limited
Bank Alfalah Limited
Emirates Global Islamic Bank
NIB Bank Limited
Muslim Commercial Bank Limited

Auditors

Avais Hyder Liaquat Nauman
Chartered Accountants

Registered Office

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

Unit I

Plot No. 1-6, Gadani Industrial Area,
Lasbela Baluchistan.

Unit II & III

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

Registrar Office

Nobel Computer Services (Pvt) Limited
2nd Floor, Sohni Centre, BS 5&6, Karimabad
Block-4, Federal B Area, Karachi.

Legal Advisor

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

VISION / MISSION STATEMENT

VISION

To be the Market Leaders Recognized Locally and Internationally as the top Quality Manufacturers of Multilayered Packaging Materials

MISSION STATEMENT

The company will:

Aim to gain the confidence of its stakeholders by earning a reputation of a responsible and progressive enterprise that is prepared to change for benefit of its stakeholders.

Aim to keep the highest level of quality in the manufacture of its products thereby adding value for all stakeholders.

Focus on the changing customer's needs and requirements and strive to improve and innovate the product line for the benefit of its customers.

Be ethical in practice and fulfill its social responsibilities by contributing towards the environment as good corporate citizen.

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of Macpac Films Limited will be held on Saturday 24th day of October, 2009 at 3:00 PM at the registered office of the company, F/2 A-F, S.I.T.E. Karachi, to converse on the following agenda.

ORDINARY BUSINESS

- To confirm the minutes of the 13th Annual General Meeting held on October 25, 2008.
- To receive, consider and adopt the audited accounts of the Company for the year ended on June 30, 2009 together with the Directors' and Auditors' reports thereon.
- To appoint Auditors for the next financial year and fix their remuneration. The retiring auditors M/s Avas Hyder Liaquat Nauman Chartered Accountants being eligible offered themselves for reappointment. The Audit Committee has also recommended their name.
- To elect (7) Directors of the company for a period of 3 years commencing from November 1, 2009 in accordance with the provision of Section 178 of the Companies Ordinance, 1984. The names of retiring directors are as under:

1. Mr. Maqbool Elahi
2. Mr. Muhammad Sadiq Khan
3. Mr. Naeem Ali Muhammad
4. Mrs. Rukhsana Maqbool
5. Mr. Shariq Maqbool Elahi
6. Ms. Sana Maqbool
7. Air Marshal. Azim Dawood Pota

The following persons have given their consent for election to the office of Director,

1. Mr. Maqbool Elahi
2. Mr. Muhammad Sadiq Khan
3. Mr. Naeem Ali Muhammad
4. Mrs. Rukhsana Maqbool
5. Mr. Shariq Maqbool Elahi
6. Ms. Sana Maqbool
7. Air Marshal. Azim Dawood Pota
- 8.

- To transact any other business with the permission of the Chair.

By Order of the Board

Karachi: October 3rd, 2009

ZAFAR AHSAN
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from 5th October to 12th October, 2009 (both days inclusive). Transfers received at the Share Registrar office, M/s Noble Computers (Pvt.) Limited, Mezzanine Floor, House of Habibi Building 3-Jinnah CH Society Main Shah-rah-e Faisal, Karachi, at the close of business on 4th October, 2009 will be treated in time.
2. A member entitled to attend and vote at the meeting shall be entitled to appoint another person, as his/her proxy to attend, demand, join in demanding a poll, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. Proxies in order to be effective should reach the Registered Office of the company at least 48 hours before the meeting. A proxy must be a member of the Company.
3. Any member who seeks to contest the election to the office of the Director shall, file with the company, not later than 14 days before the date of the meeting at which elections are to be held, a notice of his intention to offer himself for election as a director. Declaration in accordance with the listing regulations along with consent to act as Director under section 184 of the Companies Ordinance, 1984 is also to be filed.
4. Members are requested to notify any change in their addresses immediately to our Share Registrar.
5. CDC Shareholders or their proxies must bring with them their Original National Identity Card or Passport along with the Participant's I.D. number and their account number at the time of attending the Annual General Meeting in order to authenticate their identity. Representatives of corporate member should bring usual documents require for such purpose.

REPORT OF THE BOARD OF DIRECTORS

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

Assalam-o-alaikum

Business Overview

BOPP Film business in the country during the year remained good with a growing trend in demand. Prices of raw material have been at lower levels due to dip in oil prices. whereas , Macpac Films Limited in spite of the fire incidence of October ,2007 at Port Qasim plant, kept on operating its Gadani plant to serve the close and permanent customers . During this period a good level of production have been achieved and sold in the local market. The effect of the prices of raw material was adequately passed on to the customers. Summary of financial results is being presented in the subsequent pages as part of this report.

Alhamdulillah by the grace of Almighty ALLAH OUR Port Qasim Plant is in operation now.

Financial Reporting

The net sales of the Company decreased from Rs 335 Million to Rs 133 Million showing decrease of about 202 Million from June 2008. This decrease was because of the following reasons:

- Destruction of machinery which resulted in lesser production.
- Shift in patron of production from own sales to operating on toll manufacturing basis which resulted reduced turnover.

The Company has suffered a pretax loss of 100 Million which is mainly due to heavy depreciation and financial charges which could not be absorbed by the level of production achieved due to fire and closure of port Qasim Plant.

Earning per share has improved to Rs (2.82) per share from Rs (4.29) per share.

Future Outlook

During the year replacement of the Machinery destroyed has been completed by import of slitting and other auxiliary equipment and these have already been put in place and have started commercial production. With anticipated decrease in price of raw materials owing to the lower oil prices internationally Macpac Films Limited will play its due role by not only supplying good quality BOPP films at competitive prices to its valued customers in the local market but also save much needed foreign exchange for the country.

Corporate Governance

Various aspects of the corporate law and rules framed there-under determine broad based functions of Board of Directors. The Board is fully aware of its corporate responsibility with the issuance of Code of Corporate Governance by the Securities and Exchange Commission of Pakistan and is pleased to certify that:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and change in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements of the Company and accounting estimates are based on reasonable and prudent judgment.

- International Accounting Standards as applicable in Pakistan have been followed in preparation of the Company's financial statements.
- The system of internal control of the Company is sound in design and has been efficiently implemented and monitored.
- There are no doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- Key operating and financial data of last six years is annexed to the report.
- The Directors, CEO, CFO, Company Secretary and the spouse and minor children carried out no trade in shares of the listed Company.

Attendance of Directors at Board Meeting

During the year four meeting of Board of Directors were held. Attendance by each Director is as under:

Name of Director	Number of Meeting	Remarks attended
Mr. Maqbool Elahi	4	—
Mr. Sadiq Khan	4	—
Mr. Naeem Ali Mohammed	1	—
Mrs. Rukhsana Maqbool	2	—
Mrs. Sana Nauman	2	—
Mr. Shariq Maqbool Elahi	4	—
Air Marshal Azim Daudpota	4	—

Leave of absence was availed by the directors who could not attend any of the above meetings.

Auditors

The present Auditors Messers Avais Hyder Liaqat Nauman, Chartered Accountants retire and offer themselves for reappointment.

Audit Committee

The audit committee of the Board has been in existence since the enforcement of Code of Corporate Governance which consists of two executive Directors and one non-executive Director. During the year four meeting of the committee were held. The committee has its terms of reference which were determined by the Board of Directors in accordance with the listing regulations.

Material Changes

There have been no material changes since June 30, 2009 and the Company has not entered into any commitment, which could effect the financial position of the company at that date.

Pattern of shareholding

Pattern of shareholding of the company at June 30, 2009 is annexed.

Contribution to Economy and Society

As a good corporate citizen the Company is providing quality products to its customers who are multinationals or big national companies thus helping in import substitution, creation of jobs in local community and as a source of revenue generation for the treasury in the form of taxes. Your company has always helped in social causes which can help in alleviating the suffering of humanity.

Human Capital and Employee Relations

The human capital of the company is the driving force to integrate the other resources like equipment and technology systems to produce the performance desired by the Company. The directors of the company wish to record their appreciation for the dedicated hard and focused work put in by the company employees in achieving the performance during the year.

The need of the company changes all the time and it is changing at faster pace now because of the increasingly demanding business environment. Effective human resource management requires constant analysis of the pool of human assets in the Company for any skill gaps and training requirements, so the human capital can be better utilized and rewarded for their efforts one way of development human skills is getting exposure to the latest technology in our business.

Acknowledgement

The Board acknowledges and expresses its gratitude towards the efforts and dedication of the staff and workers of the Company especially after the fire incident for the efforts made by them in respect of rehabilitation and reinstatement of plant and is confident that they will continue the same for achieving the hard set targets in the competitive economies for the progress and prosperity of the Company in the years to come.

The Board takes the opportunity to thank its financial institutions, customers and other stakeholders and shareholders for the confidence shown in the Company.

For & on behalf of the Board

Maqbool Elahi
Chairman & Chief Executive

Karachi, October 3rd, 2009

KEY OPERATING AND FINANCIAL DATA FOR LAST SIX YEARS

JUNE 2009	JUNE 2008	JUNE 2007	JUNE 2006	JUNE 2005	JUNE 2004
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----- Amount in Pak Rupees -----

Profit & Loss Account

Sales *	133,066,218	335,116,290	406,891,529	476,249,354	95,265,234	274,780,787
Gross Profit/(Losses)	(57,380,198)	(28,817,748)	(53,715,569)	7,304,746	3,216,979	64,893,659
Gross Margin %	(43.12)	(8.60)	(13.20)	1.53	3.38	23.6
Operating Profit / (Loss)	(100,319,945)	(57,815,001)	(81,786,654)	(16,231,385)	19,501,156	41,287,907
Operating Margin %	(75.39)	(17.25)	(20.10)	(3.41)	20.47	15.0
Profit / (Loss) Before Tax	(100,319,945)	(230,535,798)	(202,007,455)	(89,004,214)	7,809,357	35,506,548
Profit / (Loss) After Tax	(109,638,834)	(166,812,568)	(142,530,923)	(204,826,437)	36,142,166	29,098,135

Balance Sheet

Current Assets	95,001,538	226,153,021	136,308,910	177,252,549	197,907,703	173,917,229
Current Liabilities	(505,348,502)	427,183,574	311,735,510	622,821,110	419,339,800	222,950,345
Net Working Capital	(410,346,964)	(201,030,553)	(175,426,600)	(445,568,561)	(221,432,097)	(49,033,116)
Fixed and Long Term Assets	906,391,937	907,441,122	1,255,738,079	1,389,806,132	1,487,843,297	1,152,332,084
	704,410,569	704,410,569	1,080,311,479	944,237,571	1,266,411,200	1,103,298,968

Represented by

Long Term Liabilities	(537,430,126)	638,156,888	845,245,230	566,640,399	711,130,327	584,160,261
Equity & Reserves	(41,385,153)	68,253,681	235,066,249	377,597,172	555,280,873	519,138,707
	(578,815,279)	706,410,569	1,080,311,479	944,237,571	1,266,411,200	1,103,298,968

Key Ratios

Current (In times)	(0.19)	0.53	0.44	0.28	0.47	0.78
Debt Equity (In times)	12.90	9.35	3.60	1.50	1.28	1.13
FPS (In Rupees)	(2.82)	(4.29)	(3.67)	(4.57)	0.93	0.75

* Sale of Trial Production not included

- - - - - 283,257,084 20,859,117

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has implemented the requirements of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan and adopted by the Stock Exchanges in their Listing Regulations. The provisions of the code relevant to the year ended June 30, 2009 have been duly complied with by the Company.

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation number 37 of the listing regulations of Karachi Stock Exchange (Guarantee) Limited and chapter XIII of Lahore Stock Exchange (Guarantee) Limited for the purposes of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its board of director. At present the board includes two non-executive directors, none of whom represent minority shareholders.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, Development Financial Institution or Non-Banking Financial Institution. None of the Directors is member of any Stock Exchange of Pakistan.
4. No casual vacancy occurred in the board during the year ended June 30, 2009.
5. The Company has prepared the "Statement of Ethics and Business Practices", which has been signed by all the directors and senior management of the company.
6. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the chief executive officer (CEO) and other executive directors, have been taken by the board. Significant matters are documented by a resolution passed by the board.
8. The meetings of the board were presided over by the chairman, and in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors have been provided sufficient material with regard to Code of Corporate Governance and they are well conversed with their duties and responsibilities.
10. The board has approved the appointment of company secretary, chief financial officer and head of internal audit including their remuneration and terms and conditions of employment as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval by the Board.

13. The directors, CEO and executive do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the code.
15. The Board has formed an audit committee. It comprises of three members, one of whom is non executive director. The chairman of the audit committee is an executive director.
16. The meetings of audit committee were held at least once in every quarter prior to approval of interim and final results of the company as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has set-up an effective internal audit function.
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under quality control review program of Institute of Chartered Accountant of Pakistan that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles relevant for the year ended June 30, 2009 have been complied with.

Maqbool Elahi
Chairman & Chief Executive

Date: October 03, 2009
Place: Karachi

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of MACPAC FILMS LIMITED, to comply with the listing regulations No. 37 of the Karachi Stock Exchange (Guarantee) Limited and chapter XIII of Lahore Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statement we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control and effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (XIII) of Listing Regulation 37 notified by Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the board of directors for their consideration and approval related party transaction distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transaction and transactions which are not executed at arm length price recording proper justification for using such alternate price mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

We have observed that Company has not complied with Code of Corporate Governance to the extent as required under clause (xxxvi) "Internal audit report are provided for the review of external auditors" of the Listing Regulation.

Based on our review, with the exception of the matters described in the preceding paragraph, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2009.

AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants
Engagement partner: Adnan Zaman

Date: October 03, 2009
Karachi

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of MACPAC Films Limited as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) confirmation of balances in respect of long term loans of Rs. 558.406 million have not been received therefore, the balance remain unconfirmed;
- (b) the valuation of Company's gratuity plan has not been done by actuarial valuation methods as required by International Accounting Standard 19 "Employee benefits";
- (c) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (d) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (e) in our opinion, except for the effect if any on the financial statements of the matters referred to in paragraph 'a' and 'b', if any above, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2009 and of the loss, its cash flows and changes in equity for the year then ended;
- (f) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

- (g) without further qualifying our opinion we draw attention to the fact that the company has during the year incurred a loss after tax of Rs.109.64 million, its accumulated losses have reached Rs.510.17 million and its current liability exceeds its current assets by Rs.410.35 million. These conditions, along with the other matters set forth in Note 2.2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern;

AVAIS HYDER LIAQUAT NAUMAN
Chartered Accountants
Engagement partner: Adnan Zaman

Date: October 3, 2009
Karachi

BALANCE SHEET
AS AT JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
Non current assets			
Property, Plant and Equipment	3	796,740,542	840,230,578
Intangible	4	417,048	521,308
Long-term Deposits	5	53,237,300	1,373,300
Deferred Cost	6	-	-
Deferred Taxation	7	55,997,047	65,315,936
Current Assets			
Stock-in-trade	8	15,251,757	35,104,843
Trade debts	9	45,255,628	42,412,994
Loans and advances	10	904,969	5,085,363
Trade deposits and prepayments	11	7,979,923	9,832,681
Other receivables	12	21,691,234	70,913,138
Cash and bank balances	13	3,918,027	62,804,002
		95,001,538	226,153,021
		1,001,393,475	1,133,594,143
Equity and liabilities			
Share capital and reserves			
Share capital	14	388,860,000	388,860,000
Reserves	15	79,930,000	79,930,000
Unappropriated losses		(510,175,153)	(400,536,319)
		(41,385,153)	68,253,681
Non current liabilities			
Staff retirement benefits-staff gratuity	16	8,527,150	6,957,650
Long term loans	17	332,142,519	434,438,781
Due to directors and associated company	18	196,760,457	196,760,457
Liability against assets subject to finance lease	19	-	-
		537,430,126	638,156,888
Current liabilities			
Short-term finance	20	-	20,000,000
Current portion of long-term liabilities	21	317,225,901	204,820,408
Trade and other payables	22	66,739,609	67,750,286
Accrued mark-up	23	121,382,992	134,612,880
		505,348,502	427,183,574
Contingencies and Commitments			
	24	1,001,393,475	1,133,594,143

The annexed notes 1-40 form an integral part of these financial statements.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

**PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 Rupees	2008 Rupees
Net Sales	25	133,066,218	335,116,290
Cost of goods sold	26	<u>(190,446,416)</u>	<u>(363,934,038)</u>
Gross (loss)		(57,380,198)	(28,817,748)
Selling and marketing expenses	27	<u>(4,856,156)</u>	<u>(7,911,361)</u>
Administrative expenses	28	<u>(17,855,322)</u>	<u>(21,085,892)</u>
		<u>(22,711,478)</u>	<u>(28,997,253)</u>
Operating (loss)		(80,091,676)	(57,815,001)
Financial charges	29	<u>(48,703,774)</u>	<u>(96,845,005)</u>
Other income	30	<u>28,475,505</u>	<u>2,425,376</u>
Loss due to fire	31	<u>-</u>	<u>(78,301,168)</u>
		<u>(20,228,269)</u>	<u>(172,720,797)</u>
(Loss) Before Taxation		(100,319,945)	(230,535,798)
Taxation	32	<u>(9,318,889)</u>	<u>63,723,230</u>
(Loss) After Taxation		<u>(109,638,834)</u>	<u>(166,812,568)</u>
Earnings/(loss) per share	33	<u>Rs. (2.82)</u>	<u>Rs. (4.29)</u>

The annexed notes 1 - 40 form an integral part of these financial statements.

Maqbool Elahi
 Chief Executive

Mohammad Sadiq Khan
 Director

**CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 Rupees	2008 Rupees
A. CASH GENERATED FROM OPERATIONS			
(Loss) before taxation		(100,319,945)	(230,535,798)
Adjustments:			
Depreciation		79,688,335	98,197,610
Amortization of deferred cost		-	4,194,082
Amortization of intangible asset		104,260	47,392
Provision for gratuity		2,467,500	2,017,520
		2,571,760	6,211,602
Loss due to acceptance of claim of fire		-	78,301,168
Other income		(26,148,796)	-
Gain on sale of fixed assets		(66,709)	(428,382)
Financial charges		48,703,774	96,845,005
		<u>104,748,364</u>	<u>279,174,395</u>
Operating cash flows before working capital changes		4,428,419	48,638,597
Changes in Working Capital			
(Increase)/decrease in current assets:			
Stock-in-trade		19,853,086	5,257,470
Trade debts		(2,842,634)	7,784,349
Loans and advances		4,180,394	(850,873)
Trade deposits and prepayments		1,852,758	11,221,549
Other receivables		50,787,912	(52,132,849)
		<u>73,831,516</u>	<u>(28,720,354)</u>
Increase/(decrease) in current liabilities:			
Short term finance		(16,147,656)	(2,988,732)
Short-term running finance		-	(19,970,234)
Trade and other payables		(3,691,702)	(68,915,648)
Income tax deducted at source		1,946,607	157,085
		<u>(17,892,751)</u>	<u>(91,717,529)</u>
		55,938,765	(120,437,883)
Cash Generated from/(used in) operation		<u>60,367,184</u>	<u>(71,799,286)</u>
Income tax paid		(900,680)	(1,317,934)
Gratuity paid		(898,000)	(990,000)
Financial charges paid		(22,328,863)	(25,444,431)
Long term deposits		(51,864,000)	5,000,000
		<u>(75,991,543)</u>	<u>(22,752,365)</u>
Net cash flow from operating activities		<u>(15,624,359)</u>	<u>(94,551,651)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(36,306,616)	(7,131,197)
Fixed assets written off due to fire		-	234,782,233
Proceeds from disposal of fixed assets		175,000	650,000
Cash flow (used in)/from investing activities		<u>(36,131,616)</u>	<u>228,301,036</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance		(7,130,000)	-
Obligation paid for assets		-	(72,254,250)
Net cash flow from financing activities		<u>(7,130,000)</u>	<u>(72,254,250)</u>
Net (decrease) increase in cash and cash equivalent (A + B + C)		<u>(58,885,975)</u>	61,495,135
Cash and cash equivalent at the beginning of the year		62,804,002	1,308,867
Cash and cash equivalent at the end of the year		<u>3,918,027</u>	<u>62,804,002</u>

The annexed notes 1 - 40 form an integral part of these financial statements.

Maqbool Elahi
 Chief Executive

Mohammad Sadiq Khan
 Director

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2009**

Particulars	Issued, subscribed and paid-up capital	Reserves Premium on shares	Unappropriated (loss)	Total
R U P E E S				
Balance as at July 1, 2007	388,860,000	79,930,000	(233,723,751)	235,066,249
Net (loss) for the year	-	-	(166,812,568)	(166,812,568)
Balance as at June 30, 2008	388,860,000	79,930,000	(400,536,319)	68,253,681
(Loss) for the year	-	-	(109,638,834)	(109,638,834)
Balance as at June 30, 2009	388,860,000	79,930,000	(510,175,153)	(41,385,153)

The annexed notes 1 - 40 form an integral part of these financial statements.

Maqbool Elahi
 Chief Executive

Mohammad Sadiq Khan
 Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**

1. Nature and status of business

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. Summary of significant accounting policies

2.1 Accounting convention

These financial statements have been prepared under the "historical cost".

2.2 Statement of compliance

The Company has incurred after tax loss of Rs. 109.638 million for the year ended June 30, 2009 and has accumulated losses of Rs. 510.175 million as at that date. The Company is under heavy debt burden and its long-term finance from banks amounting to Rs 649.368 million have further deteriorated its debt equity ratio. These factors raise doubt that the Company will be able to continue as going concern.

These financial statements however have been prepared on the basis of going concern on the expectation of future profitability and support from financial institutions and continuous support of the sponsors. The Company has taken major steps to reduce expenses. The financial institutions have approved rescheduling and restructuring of its long term finances after considering viability of project and future prospects of the company. The production unit of the Company located at Port Qasim which was damaged due to fire and was inoperational since October 2007 has been re-commissioned after repair and replacement of damaged components from March 2009. Further, the Company has also made market valuations of its operating fixed assets, which exceeds the book value.

As a result these financial statements have been prepared on assumption that based on management's plan for restructuring, the Company will continue as a going concern and subsequently do not include an adjustment that might result had the Company not be able to continue as a going concern.

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Accounting Standards (IAS) / IFRS as notified under the provision of Companies Ordinance, 1984.

Whenever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.3 Critical accounting estimate and judgments

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and associated assumption that affect the application of policies and the related amount of assets and liabilities and income and expenses. The judgments/estimates and the associated assumption are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on periodic basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned against the respective standard or interpretation.

Standard or interpretations	Effective date (accounting periods beginning on or after)
IAS 1-Presentation of Financial Statements (Revised)	January 01, 2009
IAS 23-Borrowing Costs (Revised)	January 01, 2009
IAS 27-Consolidated and Separate Financial Statements (Revised)	January 01, 2009
IFRS 3-Business Combinations	January 01, 2009
IFRS 8-Operating Segments	January 01, 2009
IFRIC 12-Service Concession Arrangements	January 01, 2009
IFRIC 14-The Limit on Defined Benefit Asset, Minimum Funding Requirement and their interpretations	January 01, 2009

2.5 Property, plant & equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation except for freehold land, which is stated at cost.

Depreciation is charged using the reducing balance method at the rates specified in note 3 except those assets which are not rendering for their intended use or commercial productions has not commenced.

Depreciation on additions are charged from the month the assets are available for use while no depreciation is charged for the month in which is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Exchange difference in respect of foreign currency translation relating to an asset is incorporated in the cost of the relevant asset, if any.

Gains and losses on disposal of fixed assets are included in income currently.

2.6 Intangible assets

Intangible assets acquired are capitalized at cost and stated at cost less amortization. The rate of amortization is 20% applying reducing balance method.

2.7 Impairment of assets

At each balance sheet date, the company reviews the carrying amount of its assets for identifications of impairment/loss. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying value, the carrying value of the assets is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

2.8 Provisions

Provisions are recognized when the company has present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.9 Cash and cash equivalents

Cash-in-hand and at banks are carried at cost. For the purpose of cash flow statement, cash equivalents are short term highly liquid instruments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

2.10 Stock in trade

These are valued at lower of cost and net realizable value applying the following basis:

Raw material	weighted average cost
Work in process	weighted average cost
Finished goods	weighted average cost

Weighted average cost in relation to work in process and finished goods signify average manufacturing cost including direct material, labour and proportionate share of related direct overheads.

Net realizable value signifies the selling price prevailing in the market less selling expenses incidental to sale.

2.11 Stores, spares

Stores, spares are valued at cost calculated on weighted average basis less provision for obsolescence except for the items in transit which are value at cost accumulated to the balance sheet date.

2.12 Trade debts and other receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

2.14 Taxation

Current

The provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates and exemptions available, if any.

Deferred

The Company recognizes deferred taxation using the liability method, deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is charged or credited in the profit and loss account.

2.15 Staff retirement benefits

The company operates an unfunded Gratuity Scheme for all employees. Actuarial valuation, as required under IAS-19 is not carried out to make an estimate of the amount of benefit. The provision is made to meet the obligation under the scheme for all employees who have completed one year service with the company.

2.16 Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported using the rates of exchange approximating those prevailing on the balance sheet date, except where forward exchange purchases have been made for payment of liabilities, in that case the contracted rates are applied. Exchange gains and losses are included in income currently except exchange gains and losses on foreign currency loans for acquiring plant and machinery are capitalized.

2.17 Financial instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provision to the instrument. Any gain or loss on de-recognition of the financial assets and liabilities are included in the net profit/ loss for the period in which it arises.

2.18 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet when there is a legal enforceable right to set-off the transactions is available and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.19 Borrowing cost

Borrowing cost are recognized as an expense in the period in which they are incurred except for those that are directly attributable to the acquisition, construction or production of a qualifying asset, which are capitalized as part of the cost of such asset.

2.20 Revenue recognition

Sales are recorded on dispatch of goods to customers and in case of export when the goods are shipped.

Returns on deposits and investments are recognized on accrual basis.

	Note	2009 Rupees	2008 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets-cost less accumulated depreciation	3.1	796,740,542	839,430,835
Capital work-in-progress	3.4	-	799,743
		<u>796,740,542</u>	<u>840,230,578</u>

3.1 Summary of operating fixed assets

Particulars	COST			Depreciation			WDV As on June 30, 2009	Rate
	As on July 01, 2008	Addition / (deletion)	As on June 30, 2009	As on July 01, 2008	For the year/ Adjustment	As on June 30, 2009		
OWNED ASSETS								
Land-leased hold	30,980,000	-	30,980,000	-	-	-	30,980,000	-
Building on - leased hold land	55,951,486	21,889,095	77,840,581	10,303,728	2,373,593	12,677,321	65,163,260	5%
Plant and machinery	1,032,772,496	13,235,264	1,046,007,760	371,730,048	66,404,486	438,134,534	607,873,226	10%
Furniture and Fixture	1,716,687	1,825,600	3,542,287	604,971	126,719	731,690	2,810,597	10%
Electric Installation	8,595	15,100	23,695	6,165	1,252	7,417	16,278	10%
Refrigeration and air conditioning	1,213,520	30,300	1,243,820	399,215	81,949	481,164	762,656	10%
Generators	4,280,000	-	4,280,000	2,715,336	156,468	2,871,804	1,408,196	10%
Office equipment	779,675	-	779,675	400,181	37,956	438,137	341,538	10%
Computers	1,358,050	111,000	1,469,050	983,934	109,718	1,093,652	375,398	25%
Motor vehicles	17,354,972	-	16,981,425	10,884,838	1,291,818	11,911,400	5,070,025	20%
		(373,547)			(265,256)			
	1,146,415,481	37,106,359 (373,547)	1,183,148,293	398,028,416	70,583,959 (265,256)	468,347,119	714,801,174	
LEASED ASSETS								
Plant and machinery	31,448,398	-	31,448,398	7,673,412	2,377,500	10,050,912	21,397,486	10%
Generators and fittings	88,979,841	-	88,979,841	21,711,083	6,726,876	28,437,959	60,541,882	10%
	120,428,239	-	120,428,239	29,384,495	9,104,376	38,488,871	81,939,368	
June 30, 2009	1,266,843,720	37,106,359 (373,547)	1,303,576,532	427,412,911	79,688,335 (265,256)	506,835,990	796,740,542	

The following fixed asset was disposed off during the year:

Description	Cost	Accumulated depreciation	Net book value	Sales Proceeds	Mode of disposal	Particulars of purchaser
	-----Rupees-----					
Motor Vehicle						
Vehicle	373,547	265,256	108,291	175,000	Negotiation	Mr. Muhammad Ali Lakhani, House No. 8/1, Street No. 2, Muslimabad Karachi.

The lease liability against the above leased assets has been fully paid. However, the leasing companies have not yet transferred the same in the name of the Company due to their claims of late payment penalties. The Company has shown these late payment charged in contingencies. The management is of the view that a substantial portion of these charges will be waived by the leasing companies.

3.2 Summary of operating fixed assets

2008

Particulars	COST			Depreciation			WDV As on June 30, 2008	Rate
	As on July 01, 2007	Addition / (deletions)	As on June 30, 2008	As on July 01, 2007	Depreciation for the year	As on June 30, 2008		
OWNED ASSETS								
Leasehold land	30,980,000	-	30,980,000	-	-	-	30,980,000	-
Building on - leased hold land	70,174,958	6,554,227 (20,777,699)	55,951,486	10,027,522	2,603,780 (2,327,574)	10,303,728	45,647,758	5%
Plant and machinery	1,104,883,209	1,589,950 (73,700,663)	1,032,772,496	323,805,825	74,956,128 (27,031,905)	371,730,048	661,042,448	10%
Furniture and Fixture	1,364,687	450,000 (98,000)	1,716,687	545,701	80,347 (21,077)	604,971	1,111,716	10%
Electric Installation	1,512,333	- (1,503,738)	8,595	246,493	42,375 (282,703)	6,165	2,430	10%
Refrigeration and air conditioning	1,197,120	135,400 (119,000)	1,213,520	340,286	81,305 (22,376)	399,215	814,305	10%
Generators	4,280,000	-	4,280,000	2,541,484	173,852	2,715,336	1,564,664	10%
Office equipment	814,275	- (34,600)	779,675	363,544	43,141 (6,504)	400,181	379,494	10%
Computers	1,344,400	96,050 (82,400)	1,358,050	899,414	119,713 (35,193)	983,934	374,116	25%
Motor vehicles	17,020,372	1,625,500 (1,290,900)	17,354,972	10,443,070	1,511,050 (1,069,282)	10,884,838	6,470,134	20%
	1,233,571,354	10,451,127 (97,607,000)	1,146,415,481	349,213,339	79,611,691 (30,796,614)	398,028,416	748,387,065	
LEASED ASSETS								
Plant and machinery	333,946,238	866,400 (303,364,240)	31,448,398	53,431,399	11,111,607 (56,869,594)	7,673,412	23,774,986	10%
Generators and fittings	88,979,841	-	88,979,841	14,236,771	7,474,312	21,711,083	67,268,758	10%
	422,926,079	866,400 (303,364,240)	120,428,239	67,668,170	18,585,919 (56,869,594)	29,384,495	91,043,744	
June 30, 2008	1,656,497,433	11,317,527 (400,971,240)	1,266,843,720	416,881,509	98,197,610 (87,666,208)	427,412,911	839,430,835	

	Note	2009 Rupees	2008 Rupees
3.3 Depreciation allocated as follows:			
Cost of goods sold		78,438,896	96,814,637
Selling and marketing expenses		136,988	138,256
Administration expenses		1,112,451	1,292,109
		<u>79,688,335</u>	<u>98,245,002</u>
3.4 Capital Work-in-progress			
Opening balance			
Civil works		799,743	5,554,773
Additions during thde year		<u>27,182,608</u>	<u>1,799,197</u>
		27,982,351	7,353,970
Transferred to operating fixed assets		<u>(27,982,351)</u>	<u>(6,554,227)</u>
Closing balance		-	799,743
4. INTANGIBLE-SOFTWARE			
Opening		521,308	568,700
Amortized during the year		<u>(104,260)</u>	<u>(47,392)</u>
Closing balance		<u>417,048</u>	<u>521,308</u>
5. LONG-TERM DEPOSITS			
Leased assets deposits	5.1	50,000,000	-
Others		3,237,300	1,373,300
		<u>53,237,300</u>	<u>1,373,300</u>
5.1		The deposit amount has been given to TOYO Packaging (Private) Limited a related party for onward deposit with Emirates Global Islamic Bank Limited as security deposit against lease of Primary Slitter.	
6. DEFERRED COST			
Opening balance		-	4,194,082
Amortized during the year		-	<u>(4,194,082)</u>
		<u>-</u>	<u>-</u>
7. DEFERRED TAXATION			
Deferred tax liability arising due to:			
Accelerated tax depreciation allowance		(141,101,338)	(116,901,583)
Deferred tax asset arising due to:			
Provision for unfunded staff retirement gratuity		863,625	2,435,178
Tax loss-to the extent of unutilise tax depreciation		196,234,760	179,782,341
		<u>197,098,385</u>	<u>182,217,519</u>
		<u>55,997,047</u>	<u>65,315,936</u>
7.1 Reconciliation of deferred tax asset			
Deferred tax asset/(liability) as at July 1,		65,315,936	(96,606)
Charge for the year		<u>(9,318,889)</u>	<u>65,412,542</u>
Deferred tax asset/(liability) as at June 30,		<u>55,997,047</u>	<u>65,315,936</u>
8. STOCK-IN-TRADE			
Raw material		3,364,307	16,616,488
Work-in-process		4,460,550	13,789,040
Finished goods		7,426,900	4,699,315
		<u>15,251,757</u>	<u>35,104,843</u>

	Note	2009 Rupees	2008 Rupees
9. TRADE DEBTS - UNSECURED			
Considered good:			
Associated undertaking	9.1	77,721	77,721
Others	9.2	47,555,692	42,335,273
Provision for bad debts		(2,377,785)	-
		<u>45,177,907</u>	<u>42,335,273</u>
		<u>45,255,628</u>	<u>42,412,994</u>
9.1 The maximum aggregate amount due from associated undertakings at the end of any month during the year was Rs.0.077million (2008: Rs. 0.077 million).			
9.2 This amount includes Rs. 29.179 million (2008: 20.691 million) due from related party.			
10. LOANS AND ADVANCES			
Advances considered good			
Suppliers		472,015	1,657,933
Construction work		73,696	3,293,400
Staff		359,258	134,030
		<u>904,969</u>	<u>5,085,363</u>
11. TRADE DEPOSITS AND PREPAYMENTS			
Deposits		7,619,620	7,603,612
Prepayments		360,303	2,229,069
		<u>7,979,923</u>	<u>9,832,681</u>
12. OTHER RECEIVABLES			
Advance income tax		19,895,672	18,329,664
Sales tax refundable		1,739,058	102,226
Insurance Claim Receivable		-	44,962,293
Other Receivable	12.1	56,504	7,518,955
		<u>21,691,234</u>	<u>70,913,138</u>
12.1 Other receivable includes an amount of Rs. Nil (2008: 7.2 million) due from a related party of the Company.			
13. CASH AND BANK BALANCES			
Cash in hand		161,694	154,446
Cash at banks - in current accounts		3,756,333	62,649,556
		<u>3,918,027</u>	<u>62,804,002</u>

	Note	2009 Rupees	2008 Rupees
14. SHARE CAPITAL			
14.1 Authorized capital			
40,000,000 (2008: 40,000,000) Ordinary shares of Rs.10/- each		400,000,000	400,000,000
14.2 Issued, subscribed and paid-up capital			
25,986,000 (2008: 25,986,000 Ordinary shares of Rs. 10/- each fully paid up in cash		259,860,000	259,860,000
12,900,000 (2008: 12,900,000 Ordinary shares of Rs.10/- each issued as fully paid bonus shares		129,000,000	129,000,000
38,886,000 (2008: 38,886,000 Ordinary shares of Rs.10/- each		388,860,000	388,860,000
15. RESERVES			
Capital reserves			
Share premium		79,930,000	79,930,000
16. STAFF RETIREMENT BENEFITS - STAFF GRATUITY			
Balance at the beginning of the year		6,957,650	5,930,130
Allocation during the year		2,467,500	2,017,520
		9,425,150	7,947,650
Paid during the year		(898,000)	(990,000)
Balance at the end of the year		8,527,150	6,957,650
17. LONG TERM LOANS			
Secured			
Commercial bank	17.1	160,468,769	272,885,954
Commercial bank	17.2	260,000,000	212,676,833
Financial institutions	17.3	137,937,666	106,853,733
		558,406,435	592,416,520
Term installment due		90,961,985	39,494,435
		649,368,420	631,910,955
Less: Current portion shown under current liabilities		226,263,916	157,977,739
Term installment due		90,961,985	39,494,435
		332,142,519	434,438,781

17.1 Habib Bank Limited's term loan was restructured for a period of five years. The effective date of restructuring was January 01, 2007. The rate of mark up is 3 months KIBOR plus 4% per annum (2008: 3 months KIBOR plus 4% per annum) payable quarterly on the outstanding balance starting from July 01, 2007. Repayment of the principal is on the quarterly basis starting from April 2008. The facility is secured by pari passu charge over existing and future assets of the company to the tune of Rs. 485.131 million.

Habib Bank Limited, has filed a suit for recovery of all facilities previously given to the company along with mark up till December 2008, in the High Court of Sindh, the detail of which is refer to the note 24.1.2.

17.2 The Company and Faysal Bank Limited have signed a Memorandum of Understanding (MoU), in which all past, present and future mark up has been frozen and the total liabilities in the term of all facilities have been agreed Rs. 260 million which will be payable in 24 equal installments on monthly basis except initial and last payment of Rs 15 million starting from July 2009.

Previously this facility under morahaba financing agreement was restructured for the period of five years including grace period of one year. The effective date of restructuring was January 01, 2007. The rate of mark up is 03 months KIBOR plus 4% per annum (2008: 03 months KIBOR plus 4% per annum) payable quarterly on the outstanding balance starting from July 2007. Repayment of the principal is on the quarterly basis starting from April 2008. The facility is secured by pari passu charge over existing and future assets of the company to the tune of Rs. 378.092 million.

17.3 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 principal 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 tune of Rs. 189.962 million.

	Note	2009 Rupees	2008 Rupees
18. DUE TO DIRECTORS AND ASSOCIATED COMPANIES			
Loan from directors - unsecured		136,998,800	136,998,800
Loan from associated companies - unsecured		59,761,657	59,761,657
		<u>196,760,457</u>	<u>196,760,457</u>

The directors of the company and associated companies provided interest free loan to mitigate the working capital requirement. These loans are subordinated to the long term loans.

19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

Present value of minimum lease payments		—	7,348,234
Less: Current portion shown under current liabilities		—	(7,348,234)
		<u>—</u>	<u>—</u>
Due within one year		—	7,348,234
Due after one year but within five years		—	—
		<u>—</u>	<u>7,348,234</u>
Less: Financial charges		—	—
Present value of minimum lease payments		<u>—</u>	<u>7,348,234</u>

	Note	2009 Rupees	2008 Rupees
20. SHORT-TERM FINANCES			
Secured			
Murabaha financing	20.1	-	20,000,000
		<u>-</u>	<u>20,000,000</u>
20.1 Murabaha financing			
Short term murabaha financing had obtained from a commercial bank for a period of 12 months for the settlement of running finance facility obtained from an other commercial bank. The rate of mark up is 3 months KIBOR plus 4% per annum.			
21. CURRENT PORTION OF LONG-TERM LIABILITIES			
Current maturity		226,263,916	157,977,739
Term loan installments due		90,961,985	39,494,435
Liabilities against assets subject to - finance lease		-	7,348,234
		<u>317,225,901</u>	<u>204,820,408</u>
22. TRADE AND OTHER PAYABLES			
Creditors		12,471,373	8,992,386
Accrued liabilities		8,927,094	11,943,611
Advance from customers		895,282	2,433,921
Audit fee		200,000	150,000
Workers' profit participation fund	22.1	13,307,347	12,572,929
Income tax deducted at source		2,107,261	160,654
Sales tax		8,017,074	2,026,337
Import bills for goods		-	25,680,580
Others		20,814,178	3,789,868
		<u>66,739,609</u>	<u>67,750,286</u>
22.1 Workers' profit participation fund			
Balance at the beginning of the year		12,572,929	11,836,499
Interest on fund utilised in company's business		734,418	736,430
		<u>13,307,347</u>	<u>12,572,929</u>
Paid during the year		-	-
Balance at the end of the year		<u>13,307,347</u>	<u>12,572,929</u>
22.2 The Workers' Profit Participation Fund had been calculated on the profits for the previous year as per the applicable law.			
23. ACCRUED MARK-UP			
Mark-up accrued on:			
- Long term loan		121,382,992	131,102,967
- Murabaha financing		-	922,812
- Short term loan		-	2,587,101
		<u>121,382,992</u>	<u>134,612,880</u>

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 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 Honorable 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 Honorable Supreme Court of Pakistan, the Honorable Supreme Court of Pakistan has also suspended the judgment of the Honorable 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 Honorable High Court of Sindh whereas the civil petition for leave has been granted by the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has also stayed the proceedings for these years.

Although the Honorable 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 Honorable 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.

24.1.2 The Habib Bank Limited, has filed a suit for the recovery of Rs. 366.73 million against all facilities along with mark up till December 2008 in the High Court of Sindh. The term loan and running finance facilities has been restructured previously but the Bank didn't accept it and filed a suit against the initial facilities which will become due on March 2010. The management of the Company is defending its position in the Court and is fully confident that the decision of the case shall be decided in its favour.

24.1.3 Bank AlFalah Limited is claiming Rs. 1.5 million against termination of lease finance facility on the account of additional lease rental at the rate of 0.1% per day on all delayed payments of rentals. The management of the Company believes that they shall settle these dues amicably. Currently no provision has been made in these financial statements.

24.1.4 NIB Bank Limited, (formally PICIC Commercial Bank Limited) is claiming Rs. 1.3 million against termination of Lease Finance Facility on the account of all delayed rentals/late payment charges. The management of the Company believes that they shall settle these dues amicably. Currently no provision has been made in these financial statements.

24.2 Commitments

There is no commitment on balance sheet date.

	Note	2009 Rupees	2008 Rupees
25. SALES			
Gross sales			
- Local		26,284,917	274,426,099
- Export		-	2,747,076
- Processing income		<u>136,055,869</u>	<u>127,742,614</u>
		<u>162,340,786</u>	<u>404,915,789</u>
Sales tax		(27,943,906)	(66,475,253)
Special excise duty		<u>(1,330,662)</u>	<u>(3,324,246)</u>
		<u>133,066,218</u>	<u>335,116,290</u>
26. COST OF GOODS SOLD			
Opening stock of raw material		16,616,488	7,035,766
Purchase during the year		<u>3,562,534</u>	<u>204,808,320</u>
Raw material available for use		20,179,022	211,844,086
Closing stock of raw material		<u>(3,364,307)</u>	<u>(16,616,488)</u>
Raw material consumed		16,814,715	195,227,598
Others manufacturing overheads:			
Salaries, wages and other benefits	26.1	18,658,141	17,143,339
Oil and lubricants/diesel		10,361,474	8,441,949
Packing material consumed		6,488,926	6,232,764
Consumable stores		658,113	313,725
Water charges		500,160	557,144
Travelling and conveyance		288,945	248,987
Repair and maintenance		4,408,560	4,819,852
Vehicle running and maintenance		1,552,518	1,456,184
Power/electricity/gas		33,192,303	22,259,462
Insurance		4,702,182	3,916,153
Telephone		137,833	198,993
Cartage and octroi		2,101,277	2,192,692
Consultancy charges		2,240,000	2,160,000
Staff welfare		173,918	281,978
Security charges		1,462,490	1,102,000
Depreciation		78,438,896	96,814,637
Other expense		1,040,134	2,593,835
Transportation		624,926	394,230
		<u>167,030,796</u>	<u>171,127,924</u>
		183,845,511	366,355,522
Work-in process - stock			
Opening		13,789,040	24,531,620
Closing		<u>(4,460,550)</u>	<u>(13,789,040)</u>
Stock destroyed due to fire		-	(16,565,785)
Cost of goods manufactured		<u>193,174,001</u>	<u>360,532,317</u>
Finished goods - stock			
Opening		4,699,315	8,101,036
Closing		<u>(7,426,900)</u>	<u>(4,699,315)</u>
		<u>190,446,416</u>	<u>363,934,038</u>

26.1 Salaries, wages and other benefits includes staff retirement benefits (gratuity) amounting to Rs.1,435,440 (2008: Rs. 1,198,720).

	Note	2009 Rupees	2008 Rupees
27. SELLING AND MARKETING EXPENSES			
Salaries, wages and other benefits	27.1	3,548,487	6,057,536
Vehicle maintenance		497,226	693,972
Travelling and accommodation		56,460	161,964
Rent, rates and taxes		247,500	225,000
Postage and stationery		15,075	19,367
Telephone		76,433	93,745
Power/electricity		32,004	15,201
Staff welfare		12,601	5,999
Sales promotion		156,872	255,352
Other expenses		76,510	109,558
Export expenses		—	135,411
Depreciation		136,988	138,256
		4,856,156	7,911,361

27.1 Salaries, wages and other benefits includes staff retirement benefits (gratuity) amounting to Rs. 188,900 (2008: Rs. 398,200).

28. ADMINISTRATIVE EXPENSES

Directors' remuneration		4,200,000	3,675,000
Salaries, wages and other benefits	28.1	4,570,591	5,548,887
Vehicle maintenance		658,832	777,312
Legal and professional charges		1,000	882,810
Travelling and accommodation		512,146	639,109
Insurance		168,718	—
Fees and subscription		593,463	365,958
Rent, rates and taxes		260,220	127,657
Advertisement		155,645	103,207
Conveyance		—	10,569
Postage and stationery		193,608	255,292
Donation		110,000	150,000
Consultancy charges		750,000	1,105,000
Telephone		241,557	251,898
News paper and periodicals		8,606	7,546
Bad debts expenses		2,377,785	—
Amortization of deferred cost		—	4,146,690
Amortization of intangible		104,260	47,392
Power/electricity		79,100	118,136
Auditors' remuneration	28.2	343,500	290,000
Depreciation		1,112,451	1,292,109
Repair and maintenance		41,445	150,489
Staff welfare		244,288	141,003
Security charges		753,873	727,200
Water charges		306,300	210,774
Other expenses		67,934	61,854
		17,855,322	21,085,892

28.1 Salaries, wages and other benefits includes staff retirement benefits (gratuity) amounting to Rs. 409,160 (2008: Rs. 420,600).

	Note	2009 Rupees	2008 Rupees
28.2 Auditors' Remuneration			
Audit fee		200,000	150,000
Half yearly review		30,000	30,000
Code of corporate governance		30,000	30,000
Tax consultancy		50,000	50,000
Other certification		15,000	10,000
Out-of-pocket		18,500	20,000
		<u>343,500</u>	<u>290,000</u>
29. FINANCIAL CHARGES			
Mark up on Term Finance		43,788,590	85,916,659
Mark-up on finance leases		3,868,545	6,047,689
Mark-up running finance		-	3,692,096
Interest on workers' profits participation fund		734,418	736,430
Bank charges		312,221	452,131
		<u>48,703,774</u>	<u>96,845,005</u>
30. OTHER INCOME			
Rent Income		1,210,000	1,996,994
Gain on sale of fixed asset		66,709	428,382
Liability no more payable	30.1	26,148,796	-
Scrap sale		1,050,000	-
		<u>28,475,505</u>	<u>2,425,376</u>
30.1 These include an amount of Rs. 20.36 million revised due to restructuring of loan which was previously shown as liability.			
31. LOSS DUE TO FIRE			
Net assets written off due to fire		-	338,301,168
Less : Claim accept by insurance company		-	(260,000,000)
		<u>-</u>	<u>78,301,168</u>
32. TAXATION			
Current		-	1,689,312
Deferred	32.1	9,318,889	(65,412,542)
		<u>9,318,889</u>	<u>(63,723,230)</u>
32.1 Relationship between tax expense at accounting profit.			
The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the company doesnot have any tax liability.			
33. EARNING/(LOSS) PER SHARE			
Loss after taxation attributable to ordinary shareholders		<u>(109,638,836)</u>	<u>(166,812,568)</u>
Number of ordinary shares issued and subscribed at the end of the year		<u>38,886,000</u>	<u>38,886,000</u>
Earning/(loss) per share		<u>(2.82)</u>	<u>(4.29)</u>

34. CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES REMUNERATION

The aggregate amount charged in the financial statements in respect of remuneration, perquisites and benefits to the Chief Executive, Directors and Executives are as follows:

Particulars	2009			2008		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	-----Rupees-----					
Directors' fee	-	-	-	-	-	-
Remuneration	1,500,000	2,700,000	6,627,750	1,500,000	2,250,000	10,992,082
Re-imburement of medical expenses	67,509	-	136,830	67,509	-	160,049
Company's contribution to gratuity funds	-	-	-	-	-	712,000
Other perquisites, benefits and utilities						
Rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Other perquisites (Motor vehicle etc.)	150,940	145,594	681,900	150,940	145,594	818,290
Total	1,718,449	2,845,594	7,446,480	1,718,449	2,395,594	12,682,421
No. of Persons	1	2	6	1	2	8

The above figures do not include amounts and facilities paid or provided for by associated companies to the Chief Executive and other directors.

35. RELATED PARTY DISCLOSURES

A. Related parties with whom the company had transactions:

- i. Related party TOYO Packaging (Private) Limited

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

- ii. Associated companies
 National Management Consultancy Services (Pvt.) Limited
 Metaplast (Private) Limited
 Hilal Confectionery (Private) Limited
 Print-O-Slit (Private) Limited
 Kings Foods (Private) Limited

C. Disclosure of transactions between the company and related parties.

Relationship with the company	Nature of transactions	2009 Rupees	2008 Rupees
Related party	Leased security deposit	50,000,000	-
	Sales of goods/Processing charges	136,055,869	127,742,614
	Lease rentals	3,868,545	-

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 with substantiated in the following manner:

- a) 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 June 30, 2009 are included in creditors, accrued and other liabilities, trade debts and other receivables respectively.

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(i) Financial Assets and Liabilities

Particulars	Interest/mark-up bearing			Non interest/mark-up bearing			Total 2009
	Maturity up to one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
R U P E E S							
BALANCE SHEET ITEMS							
Financial Assets							
Long term deposits	-	-	-	-	53,237,300	53,237,300	53,237,300
Trade debts	-	-	-	45,255,628	-	45,255,628	45,255,628
Loans and advances	-	-	-	904,969	-	904,969	904,969
Trade deposits and prepayments	-	-	-	7,979,923	-	7,979,923	7,979,923
Other receivable	-	-	-	21,691,234	-	21,691,234	21,691,234
Cash and bank balances	-	-	-	3,918,027	-	3,918,027	3,918,027
	-	-	-	79,749,781	53,237,300	132,987,081	132,987,081
Financial Liabilities							
Long term loan	226,263,916	332,142,519	558,406,435	-	-	-	558,406,435
Due to director and associate	-	-	-	-	196,760,457	196,760,457	196,760,457
Trade and other payables	-	-	-	127,960,322	-	127,960,322	127,960,322
Accrued mark-up	-	-	-	121,382,992	-	121,382,992	121,382,992
Accrued liabilities	-	-	-	8,927,094	-	8,927,094	8,927,094
Other liabilities	-	-	-	20,814,178	-	20,814,178	20,814,178
	226,263,916	332,142,519	558,406,435	279,084,586	196,760,457	475,845,043	1,034,251,478
Off Balance sheet Items							
Financial Liabilities							
Letter of Credit/Capital Commitments	-	-	-	-	-	-	-

The rate of mark-up on long term loan is 3 months KIBOR plus 4% per annum.

(ii) Financial risk management

The company finance its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

(iii) Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. Out of the total financial assets of Rs.129.027 million (2007:Rs.83.516 million) the financial assets which are subject to credit risk Rs. 47.498 million (2007:Rs.54.780 million). The company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the Company applies credit limits to its customers and also obtains collaterals.

(iv) Foreign exchange risk management

Foreign currency risk arises mainly where payables exist due to transactions with foreign undertakings. Payables exposed to foreign currency risks are covered through forward foreign exchange contracts.

(v) Liquidity risk management

The company manage liquidity risk by maintaining sufficient cash and the availability of financing through banking arrangements.

(vi) Capital management

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capitl and the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

(vii) Fair values of financial assets and liabilities

The Carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(i) Financial Assets and Liabilities

Particulars	Interest/mark-up bearing			Non interest/mark-up bearing			Total 2008
	Maturity up to one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
R U P E E S							
BALANCE SHEET ITEMS							
Financial Assets							
Long term deposits	-	-	-	-	1,373,300	1,373,300	1,373,300
Trade debts	-	-	-	42,412,994	-	42,412,994	42,412,994
Loans and advances	-	-	-	5,085,363	-	5,085,363	5,085,363
Trade deposits and prepayments	-	-	-	9,832,681	-	9,832,681	9,832,681
Other receivable	-	-	-	7,518,955	-	7,518,955	7,518,955
Cash and bank balances	-	-	-	62,804,002	-	62,804,002	62,804,002
	-	-	-	127,653,995	1,373,300	129,027,295	129,027,295
Financial Liabilities							
Long term loan	157,977,739	434,438,781	592,416,520	-	-	-	592,416,520
Due to director and associate	-	-	-	-	196,760,457	196,760,457	196,760,457
Liability Against Assets subject to finance lease secured	7,348,234	-	7,348,234	-	-	-	7,348,234
Short term finance	20,000,000	-	20,000,000	-	-	-	20,000,000
Trade and other payables	-	-	-	8,992,386	-	8,992,386	8,992,386
Accrued mark-up	-	-	-	134,612,880	-	134,612,880	134,612,880
Accrued liabilities	-	-	-	11,943,611	-	11,943,611	11,943,611
Other liabilities	-	-	-	46,814,289	-	46,814,289	46,814,289
	185,325,973	434,438,781	619,764,754	202,363,166	196,760,457	399,123,623	1,018,888,377
Off Balance sheet Items							
Financial Liabilities							
Letter of Credit/Capital Commitments	-	-	-	-	-	-	-

The rate of mark-up on long term loan is 3 months KIBOR plus 4% per annum.

(ii) Financial risk management

The company finance its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

(iii) Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. Out of the total financial assets of Rs.129.027 million (2007:Rs.83.516 million) the financial assets which are subject to credit risk Rs. 47.498 million (2007:Rs.54.780 million). The company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the Company applies credit limits to its customers and also obtains collaterals.

(iv) Foreign exchange risk management

Foreign currency risk arises mainly where payables exist due to transactions with foreign undertakings. Payables exposed to foreign currency risks are covered through forward foreign exchange contracts.

(v) Liquidity risk management

The company manage liquidity risk by maintaining sufficient cash and the availability of financing through banking arrangements.

(vi) Fair values of financial assets and liabilities

The Carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

37. CAPACITY AND PRODUCTION

	2009		2008	
	Capacity	Production	Capacity	Production
Operational capacity				
BOPP - Port Qasim Authority	15,000	1,140	15,000	1,378
BOPP - Gadani Baluchistan	3,000	1,218	3,000	1,054
CPP - Port Qasim Authority	-	-	4,000*	1

* Before fire

38. NUMBER OF EMPLOYEES

Total number of employees at the year end was 65 (2008: 66)

39. DATE OF ISSUE

These financial statements were authorized for issue on 3rd October, 2009 by the Board of Directors of the Company.

40. GENERAL

40.1 Figure have been rounded to the nearest rupee.

40.2 Prior years figures have been reclassified for the purpose of better presentation and comparison.

Reclassification from component	Reclassification component	Amount
Property, plant and equipment		
Efro Financials & IBS	Intangible	417,048
Trade and other payables		
Creditors	Others	12,691,712
Term installment due	Long term loans	90,961,985

Maqbool Elahi
 Chief Executive

Mohammad Sadiq Khan
 Director

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2009

NO. OF SHARE HOLDERS	S H A R E H O L D I N G		TOTAL SHARES HELD
	FROM	TO	
14	1	100	89
662	101	500	330,236
228	501	1,000	227,750
269	1,001	5,000	755,499
58	5,001	10,000	438,999
17	10,001	15,000	212,427
20	15,001	20,000	351,928
6	20,001	25,000	140,000
4	25,001	30,000	110,500
1	30,001	35,000	34,000
3	35,001	40,000	112,214
5	40,001	45,000	212,500
3	45,001	50,000	145,000
1	50,001	55,000	54,000
1	55,001	60,000	59,500
1	60,001	65,000	61,500
2	65,001	70,000	140,000
1	70,001	75,000	72,500
1	80,001	85,000	84,000
2	95,001	100,000	200,000
4	105,001	110,000	426,500
1	115,001	120,000	117,500
1	145,001	150,000	150,000
1	180,001	185,000	182,143
2	210,001	215,000	425,500
1	365,001	370,000	369,750
2	490,001	495,000	990,000
1	495,001	500,000	500,000
1	1,450,001	1,455,000	1,451,193
1	2,730,001	2,735,000	2,732,143
1	4,665,001	4,670,000	4,666,000
1	5,825,001	5,830,000	5,827,235
1	8,460,001	8,465,000	8,464,179
1	8,840,001	8,845,000	8,841,215
1,318			38,886,000

CATEGORY NO.	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	NUMBER OF SHAREHOLDERS	CATEGORY WISE NUMBER OF SHARES HELD	PERCENTAGE OF SHARES HELD(%)
1.	INDIVIDUALS	-	1,284	5,851,392	15.05
2.	INVESTMENT COMPANIES	-	2	17,500	0.05
3.	JOINT STOCK COMPANIES	-	21	724,000	1.86
4.	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN		7	27,543,108	70.83
	MR. MAQBOOL ELAHI	8,841,215			
	MR. MOHAMMAD SADIQ KHAN	1,451,193			
	MR. NAEEM ALI MOHAMMAD MUNSHI	5,827,235			
	MS. SANA MAQBOOL	2,732,143			
	MR. SHARIQ MAQBOOL	182,143			
	MRS. RUKHSANA MAQBOOL	8,464,179			
	W/O MR. MAQBOOL ELAHI				
	MR. MUHAMMAD AZIM DAUDPUTA	45,000			
5.	EXECUTIVES	-	-	-	-
6.	NIT / ICP	-	-	-	-
7.	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	-	-	-	-
8.	PUBLIC SECTOR COMPANIES AND CORPORATIONS	-	-	-	-
9.	BANKS, DFIs, NBFIs, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS	-	2	57,500	0.15
10.	FOREIGN INVESTORS	-	1	26,500	0.07
11.	CO-OPERATIVE SOCIETIES	-	-	-	-
12.	CHARITABLE TRUSTS	-	-	-	-
13.	OTHERS	-	1	4,666,000	12.00
	TOTAL	-	1,318	38,886,000	100.00

SHARE HOLDERS HOLDING TEN PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

TOTAL PAID-UP CAPITAL OF THE COMPANY 38,886,000 SHARES
 10% OF THE PAID-UP CAPITAL OF THE COMPANY 3,888,600 SHARES

NAME(S) OF SHARE-HOLDER(S)	DESCRIPTION	NO OF SHARES HELD	PERCENTAGE %
MR. MAQBOOL ELAHI	FALLS IN CATEGORY # 4	8,841,215	22.74
MRS. RUKHSANA MAQBOOL	FALLS IN CATEGORY # 4	8,464,179	21.77
MR. NAEEM ALI MOHAMMAD	FALLS IN CATEGORY # 4	5,827,235	14.99
EMPLOYEES OLD-AGE BENEFITS INSTITUTION	FALLS IN CATEGORY # 13	4,666,000	12.00
	TOTAL	27,798,629	71.49

FORM OF PROXY

I/We _____
of _____
being member(s) of MACPAC FILMS LIMITED holding _____
ordinary shares hereby appoint _____
of _____ or failing him/her _____
of _____ who is/ are also member(s) of MACPAC FILMS LIMITED
as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 14th Annual
General Meeting of the company to be held on October 24, 2009, at F/2, A-F, S.I.T.E., Karachi and/or any
adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2009.

Signed by _____

in the presence of _____

Folio No.

Signature
on
Revenue Stamp

- Note:
1. The Proxy Form should be deposited in the Registered Office of the Company, as soon as possible but not later than 48 hours before the time of holding the meeting, failing which, Proxy Form will not be treated as valid.
 2. No Person shall act as proxy unless he/she is a member of the Company.

