

Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

Head Office

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Road, Rawalpindi
PABX: (051) 5974098 & 99
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Registered Office and Factory

112-113, Phase V, Industrial
Estate, Hattar, District Haripur
Khyber Pakhtunkhwa
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www.ecopack.com.pk

**Financial Statements for the Half Year
Ended December 31, 2013**

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Vision & Mission Statement

To Systematically and cost effectively manufacture and supply consistently high quality products and services, thus achieving customer satisfaction profitably, thereby ensuring the financial well being of the company and maximum returns to the shareholders.

Corporate Strategy

Retain market share leadership through quality and price competitiveness while creating value as a low cost producer.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Ayesha Khan	Chairperson
Mr. Hussain Jamil	Chief Executive Officer
Mr. Shahid Jamil	
Mr. Amjad Awan	Alternate Director of Mr. Shahid Jamil
Mrs. Deborah Jamil	
Ms. Laila Jamil	
Mr. Asad Ali Sheikh	
Mr. Mohammad Raza Chinoy	

AUDIT COMMITTEE

Mr. Asad Ali Sheikh	Chairman	Non-Executive Director
Mrs. Ayesha Khan	Member	Non-Executive Director
Ms. Laila Jamil	Member	Non-Executive Director

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Laila Jamil	Chairperson
Mr. Hussain Jamil	Member
Mr. Asad Ali Sheikh	Member
Mrs. Ayesha Khan	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Ali Adil

COMPANY SECRETARY

Mr. Muhammad Ali Adil

BANKERS

Askari Bank Limited	MCB Bank Ltd
Habib Bank Limited	Standard Chartered Bank Ltd
Allied Bank Limited	Faysal Bank Limited
JS Bank Limited	

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
 Chartered Accountants

SHARE REGISTRAR

M/s Technology Trade (Private) Limited.
 Ballotter, Share Registrar & Transfer Agent

LEGAL ADVISOR

M/s. Ebrahim Hosain Advocate & Corporate Counsel

REGISTERED OFFICE AND FACTORY

112-113, Phase V, Hattar Industrial, Estate Hattar, District Haripur, Khyber Pakhtunkhwa
 Tel: (0995) 617720-23, 617347, Fax: (0095) 617074
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DIRECTORS' REPORT

The board of directors of Ecopack Limited is pleased to present the reviewed financial statements and auditors' report for the half-year ended December 31, 2013:

OVERVIEW:

The momentum of sales slowed down considerably as was expected while entering the 2nd quarter of the financial year falling in the winter season, especially in the central and northern parts of the country. As sales and production decreased substantially compared to the previous quarter, fixed costs per unit produced shot up sharply. However, significant improvements in financial results were still achieved for the half year ended December 2013 compared to the corresponding 6 months of the prior year, as reflected in the financial highlights below.

The company's costs remained largely in control as inflation stayed in single digits in this period as the Pak Rupee showed some stability versus the US Dollar and oil prices too stayed within a narrow band. Thus PET resin, the main raw material of the company for its products also remained stable mostly. The company commenced the annual maintenance of its production assets in line with the same practice of its customers in the beverage industry, in preparation of the advent of the summer season of high sales/demand in February/March.

Financial charges also reduced slightly as long term debt continued to reduce although short term working capital was temporarily increased over the commensurate 6 month period last year.

SALES & FINANCIAL HIGHLIGHTS:

As expected, the sales trend get slower during the second quarter of the fiscal year. Focus was mainly on bottle sales which increased by 59% in value terms. Your Company is looking forward to the next six months and is expecting healthy sales and margins through improved utilization of machines.

Net sales value increased from Rs. 751 million to approximately Rs. 1 billion this half-year compared to the same period last year, mainly on account of higher value added sales as well as a more favorable sales mix of comparatively larger size Bottles and Preforms. Bottles sales increased by 44% in unit terms and 59% in value terms, while Preform sales decreased by 31% in units and 4% in value terms. This reflects a significant turnaround & a huge increase in Gross profit which escalated by Rs. 74.6 million (116%) as compared to the corresponding period of the prior year.

Operating profit increased by Rs. 58 million from Rs. 16 million to Rs. 74 million i.e. an increase of 361% over the comparative period last year. Net profit before tax has been posted at Rs. 21.1 million for the period under review against a loss of Rs. 37.2 million during last year's corresponding half year. However, due to incidence of 1% turnover tax compared to 0.5% last year and the provision of deferred tax, the after tax loss is Rs. 4.2 million against after tax loss of Rs. 32.2 million compared to last year's corresponding half year. On the back of significant & consistent growth in the demand for your company's products, the financial results continue to signify an improved picture.

Future Outlook & Risks:

The company anticipates higher volumes of sales and production for the rest of the financial year which would mitigate some of the high fixed costs, however, sharp increases in electricity charges and unforeseen long periods of electricity outages &/or load-shedding are the main deterrents to profitability that could limit your company's prospects for the rest of the financial year.

Your company's management and workers remain aligned to efficiently meeting the expected buoyant demand coming from the growth being witnessed by an aggressive and dynamic beverage industry.

For and on behalf of the board of Directors

Hussain Jamil
Chief Executive Officer

Dated : February 25, 2014

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of EcoPack Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information Performed by the Independent Auditor of the Entity". A review of interim financial information consist 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 condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi.
Dated: February 25, 2014

Chartered Accountants
Engagement Partner: **Muhammad Waseem**

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013**

	Un-audited December 31, 2013	Audited June 30, 2013
Note	----- Rupees in '000' ----- Restated	----- Restated
NON-CURRENT ASSETS		
Property, plant & equipment	5 1,048,655	1,077,226
Long term security deposits	6,565	6,754
Intangibles	675	712
CURRENT ASSETS		
Stores, spares and loose tools	6 58,179	51,229
Stock in trade	126,788	157,447
Trade debts - unsecured considered good	100,125	227,427
Loans and advances - unsecured considered good	23,009	30,133
Short term deposits, prepayments & other receivables	22,508	29,709
Taxation - Net	15,935	15,429
Cash and bank balances	6,922	24,289
	<u>353,466</u>	<u>535,663</u>
TOTAL ASSETS	<u>1,409,361</u>	<u>1,620,355</u>
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
50,000,000 (June 2013 : 50,000,000) Ordinary shares of Rs. 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	229,770	229,770
Unappropriated Loss	<u>(84,640)</u>	<u>(99,866)</u>
	145,130	129,904
Surplus on revaluation of property, plant and equipment	174,172	187,002
NON-CURRENT LIABILITIES		
Long term loans - secured	7 198,380	180,890
Liabilities against assets subject to finance lease	1,437	3,842
Deferred liabilities	191,404	178,351
	391,221	363,083
CURRENT LIABILITIES		
Trade and other payables	401,381	445,743
Accrued mark-up	14,956	19,846
Short term borrowings - secured	8 202,821	311,778
Current portion of long term liabilities	79,680	162,999
	698,838	940,366
TOTAL EQUITY AND LIABILITIES	<u>1,409,361</u>	<u>1,620,355</u>
CONTINGENCIES AND COMMITMENTS	9	

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

	Note	Half year ended		Second quarter ended	
		Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Rupees in '000'					
Sales - Net	10	1,006,935	751,224	287,439	154,808
Cost of sales	11	(867,760)	(686,740)	(264,376)	(173,920)
Gross Profit		139,175	64,484	23,063	(19,112)
Operating expenses					
Distribution costs		(38,672)	(27,729)	(14,226)	(8,211)
Administrative expenses		(26,434)	(20,686)	(14,054)	(11,092)
		(65,106)	(48,415)	(28,280)	(19,303)
Operating profit / (loss)		74,069	16,069	(5,217)	(38,415)
Finance costs		(54,871)	(56,596)	(27,842)	(24,413)
Other income		3,009	3,255	(1,979)	1,161
Other charges		(1,057)	-	-	-
		(52,919)	(53,341)	(29,821)	(23,252)
Profit / (Loss) before taxation		21,150	(37,272)	(35,038)	(61,667)
Taxation - Current		(10,122)	(3,773)	(2,894)	(774)
- Deferred		(15,242)	8,832	(15,242)	3,572
		(25,364)	5,059	(18,136)	2,798
Loss after taxation		(4,214)	(32,213)	(53,174)	(58,869)
Loss per share - Basic and diluted		(0.18)	(1.40)	(2.31)	(2.56)

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

	Half year ended		Second quarter ended	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
	----- Rupees in '000' -----			
	Restated			
Profit / (Loss) for the period	(4,214)	(32,213)	(53,174)	(42,687)
Other comprehensive income:				
Defined benefit plan actuarial (losses) - net of tax	-	(531)	-	-
Transfer from surplus on revaluation of fixed assets in respect of -Incremental depreciation - net of tax	19,440 19,440	18,187 17,656	- -	- -
Total comprehensive Income / (loss) for the period transferred to equity	<u>15,226</u>	<u>(14,557)</u>	<u>(53,174)</u>	<u>(42,687)</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

 CHIEF EXECUTIVE OFFICER

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	----- Rupees in '000' -----		
Balance as at July 01, 2012	229,770	(138,149)	91,621
Impact of change in accounting policy (Note 3.1)	-	(4,190)	(4,190)
Restated balance as at July 01, 2012	<u>229,770</u>	<u>(142,339)</u>	<u>87,431</u>
Total comprehensive loss for the half year ended December 31, 2012			
- Loss for the period	-	(32,213)	(32,213)
- Defined benefit plan actuarial losses - net of tax	-	(531)	(531)
- Transfer from Surplus on revaluation of property, plant and Equipment - net of deferred tax	-	18,187	18,187
Balance as at December 31, 2012	<u>229,770</u>	<u>(156,896)</u>	<u>72,874</u>
Total comprehensive loss for the half year ended June 30, 2013			
- Loss for the period	-	34,676	34,676
- Defined benefit plan actuarial losses - net of tax	-	(531)	(531)
- Transfer from Surplus on revaluation of property, plant and Equipment - net of deferred tax (restated)	-	22,885	22,885
Balance as at June 30, 2013	<u>229,770</u>	<u>(99,866)</u>	<u>129,904</u>
Total comprehensive loss for the half year ended December 31, 2013			
- Loss for the period	-	(4,214)	(4,214)
- Defined benefit plan actuarial losses - net of tax	-	-	-
- Transfer from Surplus on revaluation of property, plant and Equipment - net of deferred tax (restated)	-	19,440	19,440
Balance as at December 31, 2013	<u>229,770</u>	<u>(84,640)</u>	<u>145,130</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

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**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
 FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	For the half year ended	
	December 31,	December 31,
	2013	2012
Note	----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	21,150	(37,272)
Adjustments for:		
Depreciation	45,160	49,191
Amortization	38	-
Loss on disposal of property, plant & equipment	147	441
Provision for gratuity	4,761	4,989
Bad debt written off	1,678	-
Finance cost	54,871	56,596
	<u>106,655</u>	<u>111,217</u>
Cash generated from operating activities before working capital changes	127,805	73,945
Changes in working capital		
(Increase) / Decrease in Stores, spares and loose tools	(6,950)	4,132
Decrease in Stock in trade	30,659	52,740
Decrease in Trade debts	125,624	74,964
Decrease / (Increase) in Loans & advances	7,124	(23,467)
Decrease / (Increase) in Short term deposits, prepayments and other receivables	7,201	(750)
Decrease in Trade and other payables	(44,362)	(162,239)
	<u>119,296</u>	<u>(54,620)</u>
Cash generated from operations	247,101	19,325
Finance cost paid	(59,889)	(56,589)
Gratuity paid	(238)	(502)
Taxes Paid	(10,628)	(8,555)
Net cash generated from / (used in) operating activities	<u>176,346</u>	<u>(46,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(16,782)	(2,838)
Capital work-in-progress	-	(175)
Long term security deposits	189	136
Proceeds from disposal of fixed assets	46	165
Net cash used in investing activities	(16,547)	(2,712)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loans	(65,581)	(45,173)
Repayment of finance lease liability	(2,629)	(4,273)
Net cash used in financing activities	(68,210)	(49,446)
Net decrease in cash and cash equivalents	91,590	(98,478)
Cash and cash equivalents at the beginning of the period	(287,489)	(227,595)
Cash and cash equivalents at the end of the period	13 <u>(195,899)</u>	<u>(326,070)</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

1. STATUS AND NATURE OF BUSINESS

The company was incorporated on 25 August 1991 as a private limited company under the Companies Ordinance, 1984. It was converted as a public limited company on April 29, 1992 and subsequently in March 1994 was listed at Karachi Stock Exchange. The principal activity of the company is to manufacture and sale of Poly Ethylene Terephthalat (PET) bottles and preforms for beverage and non-beverage industry. The Company's manufacturing facility and registered office is situated at 112-113, Phase-V, Industrial Estate Hattar, district Haripur, Khyber Pakhtunkhwa.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of, and directives issued under the Companies Ordinance 1984; in case, where the requirements of the International Accounting Standard differ, the provisions of, and directives issued under the Companies Ordinance 1984, have been followed. This interim financial information has however been subject to limited scope review by the auditors, as required by the Code of Corporate Governance. The interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2013.

The comparative balance sheet presented in these interim financial information has been extracted from the audited financial statements of the Company for the year ended June 30, 2013, whereas the comparative profit and loss account, statement of changes in equity, statement of comprehensive income and cash flow statement are extracted from the unaudited interim financial information for the half year ended December 31, 2012. The comparative condensed profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2013 included in this condensed interim financial report was not subject to a review.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of these interim financial information are the same as those applied in preparation of the preceding published financial statements of the Company for the year ended June 30, 2013.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3.1 Initial application of a Standard, amendment or interpretation to an Existing standard:

The company has applied IAS – 19 Employee Benefits (Revised in June 2011) which is applicable for annual periods beginning on or after January 1, 2013. In accordance with the transitional provisions as set out in IAS – 19, the company has applied the revised standard retrospectively and consequently the earliest period presented in the Condensed Interim Balance Sheet, Condensed Interim Profit and Loss Account and Condensed Interim Statement of Changes in Equity have been restated. The effect of change in policy on condensed interim statement of cash flow is not material.

The revised standard (i) requires past service cost to be recognize immediately in profit or loss; (ii) replaces the interest cost on a define benefit obligation and the expected return on plan assets with a net interest cost based on net define benefit asset or liability and the discount rate, measured at the beginning of the year; (iii) introduce a new term “Re-measurements” which is made up of actuarial gain or losses, the difference between actual investment returns and the return implied by the net interest cost. The revised standards eliminates the corridor approach and requires to recognize all re-measurement gain or loss / actuarial gain or loss in Other Comprehensive Income (OCI) immediately as they occur. The actuarial gain for the year 2013 has been bifurcated evenly between pre and post December 31, 2013 for presentation purposes.

The effect of the change on the Company's financial statements is set out below:

Effect on balance sheet.

	June 30, 2013	June 30, 2012
	-----Rupees in '000'-----	
Unappropriated Profit		
As previously reported	(94,614)	(138,149)
Effect of change in accounting policy	(5,252)	(4,190)
As restated	<u>(99,866)</u>	<u>(142,339)</u>
Deferred Liabilities		
As previously reported	173,099	149,439
Effect of change in accounting policy	5,252	4,190
As restated	<u>178,351</u>	<u>153,629</u>

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER

4. ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2013.

5. PROPERTY, PLANT & EQUIPMENT

	December 31, 2013	June 30, 2013
	Note	Rupees in '000'
Operating fixed assets	5.1	1,074,154
CWIP		3,072
		<u>1,077,226</u>

	December 31, 2013	June 30, 2013
	Note	Rupees in '000'
5.1 OPENING WDV		1,150,431

Additions to property, plant & equipment during the period

Plant & Machinery	5,423	7,601
Factory equipment	8,472	16,711
Furniture and fixture	155	142
Office equipment	2,732	922
	<u>16,782</u>	25,376
Disposals / Transfers	(193)	(3,167)
Depreciation for the period	(45,160)	(98,486)
Closing WDV	<u>1,045,583</u>	<u>1,074,154</u>

6. STOCK IN TRADE

Raw material		41,565	52,209
Packing material		8,903	12,202
Work in process	6.1	40,620	56,002
Finished goods		39,228	40,562
		130,316	160,975
Provision for obsolete stocks		(3,528)	(3,528)
		<u>126,788</u>	<u>157,447</u>

6.1 During the period the inventory amounting to Rs. 21.81 millions has been written down to net realisable value of Rs. 19.02 millions.

7. **LONG TERM LOANS**

Long term loans repaid during the period amounted to Rs. 65.58 millions.

8. **SHORT TERM BORROWINGS - Secured**

These represents short-term running finance, Finance against trust receipts and other facilities obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 11.03% to 12.53% (June 30, 2013: 11% to 14.45%) per annum calculated on daily product basis. These facilities are secured by first pari passu and ranking hypothecation charges of entire present and future current assets, equitable mortgage of property of the Company and personal guarantees of two original founder / sponsor Directors of the company.

9. **CONTINGENCIES AND COMMITMENTS**

Contingencies

The Company has filed Writ Petition in the Honorable High Court Peshawar, Pakistan against the order of Honorable High Court of Sindh, Karachi, in respect of confirmation of levy of workers welfare fund. The case is pending for hearing, however the management of the company are of the opinion that the case will be decided favourably hence no provision is made in these financial statments. The amount of workers welfare fund for the period is Rs. 0.959 million.

Commitments

There are no commitments as at December 31, 2013 (June 30, 2013: Nil).

10. NET SALES

	Half year ended		Second quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	----- Rupees in '000' -----			
Sales	1,178,462	871,513	336,351	179,577
Less: Sales tax	(171,527)	(120,289)	(48,912)	(24,769)
	<u>1,006,935</u>	<u>751,224</u>	<u>287,439</u>	<u>154,808</u>

11. COST OF SALES

	Half year ended		Second quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	----- Rupees in '000' -----			
Raw material consumed	611,832	463,452	147,326	87,215
Packing material consumed	37,941	28,627	9,997	5,386
Salaries, wages & other benefits	54,467	42,440	24,490	18,159
Traveling & conveyance	6,892	5,365	4,056	2,479
Professional charges	718	351	702	317
Vehicle repair & maintenance	3,916	5,167	1,734	1,995
Rent, rates & taxes	4,831	4,504	2,229	2,200
Repair & maintenance	4,129	3,565	2,309	1,568
Communication charges	709	638	327	275
Printing, postage & stationery	564	439	227	124
Entertainment	372	233	233	88
Advertisement	4	32	3	3
Insurance	2,608	2,574	188	1,354
Medical	1,007	839	559	348
Electricity, gas & water	65,415	50,649	11,975	9,417
Freight, octroi & toll tax	1,699	1,157	717	362
Depreciation	42,895	46,729	21,887	22,813
Stores consumed	9,824	14,652	948	1,419
Lab tests	850	274	648	57
Courses & seminars fee	316	-	135	-
Miscellaneous	56	-	30	-
	<u>851,043</u>	<u>671,683</u>	<u>230,722</u>	<u>155,577</u>
Work in process opening	56,002	38,514	73,684	49,741
Work in process closing	(40,620)	(28,957)	(40,620)	(28,957)
	<u>15,382</u>	<u>9,557</u>	<u>33,064</u>	<u>20,784</u>
Cost of goods manufactured	866,425	681,240	263,786	176,361
Finished goods				
Opening	40,562	41,742	39,818	33,801
Closing	(39,228)	(36,243)	(39,228)	(36,243)
	<u>1,335</u>	<u>5,499</u>	<u>590</u>	<u>(2,442)</u>
	<u>867,760</u>	<u>686,740</u>	<u>264,376</u>	<u>173,920</u>

12. SEASONALITY OF OPERATIONS

Due to the seasonal nature of business of the Company, higher revenues and operating profits are usually expected in first and last quarter of the year.

(a) Description of operating segments

The company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure. Segment results and other information is provided on the basis of products.

13. CASH & CASH EQUIVALENTS

For the purposes of cash flow statement, cash and cash equivalents include cash on hand and in banks and investments having maturity of less than 3 months and insignificant risk of changes in value till maturity, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the condensed interim cash flow statement are reconciled to the related items as follows:

	December 31, 2013	December 31, 2012
	———— Rupees in '000' ————	
Cash and bank balances	6,922	2,780
Short term borrowings	<u>(202,821)</u>	<u>(328,850)</u>
	<u>(195,899)</u>	<u>(326,070)</u>

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, key management personnel and post employment benefit scheme. The company in the normal course of business carries out transactions with various related parties.

	December 31, 2013	December 31, 2012
	———— Rupees in '000' ————	
Gratuity Paid	<u>238</u>	<u>502</u>
Provision during the period	<u>4,761</u>	<u>4,989</u>

12 (b) SEGMENT ANALYSIS

 INJECTION BLOWING TOTAL	
	Half year ended December 31, 2013	Second Quarter Ended December 31, 2012	Half year ended December 31, 2013	Second Quarter Ended December 31, 2012	Half year ended December 31, 2013	Second Quarter Ended December 31, 2012
Sales-net	285,146	297,254	721,790	453,970	1,006,935	751,224
Cost of sales	(257,989)	(286,150)	(609,771)	(400,594)	(867,760)	(686,744)
	27,156	11,104	112,019	53,376	139,175	64,480
Distribution cost	(10,951)	(10,970)	(27,721)	(16,759)	(38,672)	(27,729)
Administrative	(7,486)	(8,185)	(18,949)	(12,501)	(26,434)	(20,686)
	(18,437)	(19,155)	(46,669)	(29,260)	(65,106)	(48,415)
Operating profit	8,719	(8,051)	65,349	24,116	74,069	16,065
						(5,217)
Segment assets	374,873	382,114	415,522	481,997	790,396	864,111
Unallocated assets	-	-	-	-	618,795	565,124
					1,409,191	1,429,235
Segment liabilities	206,703	201,980	110,010	122,644	316,713	324,624
Unallocated liabilities	-	-	110,010	122,644	759,708	811,199
					1,076,421	1,135,823
Capital expenditure	5,423	1,606	817	1,230	6,240	2,836
Unallocated Capex	-	-	-	-	10,542	-
					16,782	2,836

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies adopted to meet these objectives were same as being followed as at June 30, 2013.

16. DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on February 25, 2014 by the Board of Directors of the Company.

17. GENERAL

Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER