AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Ecopack Limited as at June 30, 2008, and the related profit & 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 the 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) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) 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 accounts 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;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit & 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, 2008, and of the Profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi,	RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Dated: September 29, 2008	Chartered Accountants

BALANCE SHEET AS AT JUNE 30, 2008

	NOTE	JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	1,086,225	1,061,394
Long term security deposits	6	9,764	8,376
CURRENT ASSETS			
Stores, Spares and loose tools	7	47,559	77,277
Stock in trade	8	319,678	386,420
Trade debts	9	252,806	175,240
Loans and advances	10	2,980	31,965
Short term deposots & prepayments	11	1,929	6,042
Other receivables	12	38,309	36,944
Cash and bank balances	13	36,304	3,090
		699,565	716,978
TOTAL ASSETS		1,795,554	1,786,749
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
50,000,000 (June 2007 : 50,000,000) Ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up Capital	14	229,770	229,770
Unappropriated Profit		25,820	95,392
		255,590	325,162
SURPLUS ON REVALUATION ON PROPERTY, PLANT & EQUIPMENT	15	82,691	92,503
NON-CURRENT LIABILITIES			
Long term Financees - Secured	16	542,634	525,296
Liabilities against assets subject to finance lease	17	34,910	33,366
Deferred liabilities	18	96,812	95,756
		674,356	654,418
CURRENT LIABILITIES			
Trade and other payables	19	326,776	363,874
Accrued mark-up on loans	20	25,487	25,482
Short term finances	21	199,852	206,570
Current portion of long term borrowings	22	206,044	102,825
Taxation		24,758	15,915
		782,917	714,666
TOTAL EQUITY AND LIABILITIES		1,795,554	1,786,749

The annexed notes from 1 to 44 form an integral part of these financial statements

Hussain Jamil
Chief Executive Officer

Ahsan Jamil
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2008

	NOTE	JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss/Profit before taxation		(71,071)	8,558
Adjustment			
Depreciation		77,791	62,559
Reversal of liability		(382)	(675)
Loss / (gain) on disposal of property,plant & equipment		1,255	(665)
Claim receivable		(10,326)	-
Exchange loss		746	75
Loss on materials		545	-
Provision for stock & trade		3,097	-
Provision for doubtful debts		-	1,000
Provision for WPPF		-	450
Provision for gratuity		6,949	4,524
Financial cost		142,238	107,182
		221,914	174,449
Cash flow before working capital changes		150,842	183,007
(Increase) / decrease in current assets :			
Store,spares & loose tools		29,718	(23,973)
Stock in trade		63,645	(159,448)
Trade debts		(79,537)	(39,459)
Loans & advances		28,985	(126)
Short term deposits & prepayments		4,113	(4,144)
Other receivables		16,009	(12,543)
Net (increase)/ decrease in current assets		62,933	(239,694)
Increase / (decrease) in current liabilities:			
Trade and other payables		(36,626)	64,781
		(36,626)	64,781
Finance cost paid		(142,979)	(90,023)
Gratuity paid		(5,364)	(3,755)
WPPF paid		(90)	(4,554)
Taxes paid		(7,049)	(9,887)
		(155,482)	(108,219)
Net cash (Outflow) / inflow from operating activities		21,667	(100,125)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(217,229)	(179,086)
Capital work-in-progress		113,352	(112,061)
Long term security deposits		(1,388)	499
Proceeds from disposal of property,plant & equipment		1,427	1,333
Net cash outflow from investing activities		(103,837)	(289,316)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance obtained		229,480	306,528
Repayment of long term finance		(101,500)	(75,100)
Finance leases obtained		15,393	28,501
Re payment of finance lease		(21,271)	(16,784)
Net cash outflow from financing activities		122,102	243,146
Net Increase in cash and cash equivalents		39,932	(146,295)
Cash and cash equivalents at the beginning of the period		(203,480)	(57,185)
Cash and cash equivalents at the end of the period	43	(163,548)	(203,480)

The annexed notes from 1 to 44 form an integral part of these financial statements

Hussain Jamil
Chief Executive Officer

Ahsan Jamil
Director

DIRECTOR'S REPORT

The board of directors of Ecopack Limited is pleased to present its' report for the Financial Year 2007-08:

OVERVIEW:

The highlight of the outgoing financial year was the environment of rampant inflation which impacted virtually all the costs heads of goods produced and sold by the company across the board. Fuelled essentially by historically high crude oil prices which rose in the international market from less than US$ 60/barrel at 1st July 2007 to over US$ 145/barrel at the end of June 2008, the resulting runaway inflation in the company's main raw-material, PET RESIN, alongwith increasingly high financial charges (over 3% increase in KIBOR), freight, labour and electricity charges played havoc with the company's "costs of goods sold". Despite the somewhat mitigating effect of growth in value sales and volume sales for both bottles and preforms, your company struggled to keep up the pass-through of inflationary costs to its customers as higher benchmarks of inflationary pressure were breached throughout the year.

The overhang of political uncertainty and a worsening law and order situation in most of the country during the year under discussion resulted in two successive downgradings of Pakistan's risk ratings by renowned international agencies. The resulting increase in the mark-up rates by Banks coupled with the company's need to finance rising raw and packing materials and accompanying costs combinedwith the declining value of the Pak Rupee, could only be partially covered by the company's efforts to pass on the costs.

Another important factor which severely constrained the company's ability to increase its' selling prices on the back of the rising inflationary cost-push was the advent of a new competitor in the north of Pakistan who continued to keep low selling prices in a bid to seek approval and entry as a vendor to the soft-drink industry. This entry technique not only impacted their own profitability but also made the PET bottles and preforms industry bear the brunt of the rising cost increases which normally would have been borne by a robust beverage industry which is now increasingly dependent on PET bottles as the engine of its continuing sales growth. The convenience of one-way PET bottles in both small and large sizes continues to take a greater share in the beverage packing-mix against a declining share of 'Returnable Glass Bottles' (RGB).

SALES:

PET bottle sales grew by 40% in value terms and by 24% in volume sales over the prior year. Preform sales which really started in 2007 saw a meteoric rise of 82% in FY 2007-08.

FINANCIAL HIGHLIGHTS:

The high cost of production and sales during this year, for reasons cited above, impacted the financial results of the company adversely.

i) G.P. declined from Rs. 208.7 million to Rs. 148.67 million i.e. by 25.9% YOY.

ii) Financial charges increased from Rs. 107.1 million to Rs. 142.2 million (32.7%) YOY.

iii) Freight costs increased from Rs. 43 million to Rs. 50.6 million (17.74%) over last year.

iv) Operating Profit declined by Rs. 64.81 million against the previous years Rs. 106.87 million, a decrease of 60.64%.

v) After tax loss came to Rs. 84.669 million this year compared with a profit of Rs. 0.234 million for the prior year.

FUTURE OUTLOOK:

Having weathered a difficult financial year in 2007-08, your company's ongoing efforts to become a reliable low-cost producer of high quality products for the fast growing beverage industry have begun to bear fruit. The inflationary cost hikes which ravaged the PET industry last year, have now been effectively passed on to customers across the board. While your company targets to achieve a sales growth of 25 to 30% in the new financial year, profitable growth is being achieved from the very first quarter of FY 2008-09.

With crude oil prices now in steady decline from the historic highs, decreasing prices of petro-chemical based supply chain raw-materials such as PET Resin, plastic labels and packing materials are positively supporting the company's profitability. Your company's well earned status as an experienced and reliable vendor to the dynamic and growth oriented beverage industry positions it to make FY 2008-09 a turn-around year with healthy profitability.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

As required under the Code of Corporate Governance dated 28th March 2002, we are pleased to state as follows:

1. The financial statement prepared by the management present fairly its state of affairs, the results of its operations, cash-flows and changes in equity.

2. Proper books of accounts have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standard, as applicable in Pakistan, has been followed in the preparation of financial statement and any departure there-from has been adequately disclosed.

5. The system of internal control and other such procedures which are in place, are being continuously reviewed by the Internal Audit Department. The process of review will continue and any weakness in controls will be removed.

6. There is no significant doubt on company's ability to continue as going concern.

7. There has been no departure from the best practice of corporate governance, as detailed in the listing regulations.

8. Key operating and financial data for the last six years in summarized form is attached (see Annexure-A).

9. The Company has not declared any cash dividend (2007 – NIL) or bonus shares (2007 – NIL).

10. There are no outstanding statutory payments on account of taxes, levies and charges except of normal and routine nature.

11. The company maintains a funded provident fund scheme and invested a sum of Rs. 8.0 million are invested in various schemes duly approved by Govt of Pakistan for Provident Fund investment. The Gratuity scheme is un-funded and no investment has been made for it.

12. During the year 05 board meetings were held and the attendance by each director is given below:

Name of Director	No. of Meetings Attended
Mr. Hussain Jamil	05
Mr. Ahsan Jamil	05
Mrs. Deborah Jamil	05
Mrs. Ayesha Khan	05
Mr. Shahid Jamil	02
Mr. Ali Jamil	03
Mr. Asad Ali Sheikh	03

13. The pattern of shareholding and additional information regarding pattern of shareholding is attached Annexure-B.

14. Trading of shares by Directors & Financial Controller/Secretary of the Company during the year under review is as under:

Name	Designation	No. of Shares Acquired/ (Sold)
Mr. Hussain Jamil	Chief Executive Officer	(499,041)[a]
Mr. Ahsan Jamil	Director	nil
Mr. Shahid Jamil	Director	(99,500)
Mrs. Deborah Jamil	Director	499,041[b]/(19,000)[c]
		(1,208,500)
Mrs. Ayesha Khan	Director	(717,500)
Mr. Asad Ali Sheikh	Director	500
Mr. Ali Jamil	Director	19,000[d]/(25,000)[e]
		(164,000)
Mr. H.R Siddiqui	Chief Financial Officer	(47,077)

[a] Gifted to Mrs. Deborah Jamil
[b] Gift received from Mr. Hussain Jamil
[c] Gifted to Mr. Ali Jamil
[d] Gift received from Mrs. Deborah Jamil
[e] Gifted to Mrs. Asma Jamil Sadiq

AUDITORS:

The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountant, retire and being eligible offer themselves for re-appointment for the year 2008-2009.

STAFF & ACKNOWLEDGEMENTS:

We wish to record our thanks and appreciation for the services of the outgoing Chief Executive Officer of the company, Mr. Ahsan Jamil, who resigned as CEO effective 15th August 2008 to take up a challenging opportunity in the important health and social sector of the country. We wish him success in his future endeavours and career.

Ahsan will continue to be a member of the board of directors of the company and also as Chairman of the Audit Committee, a position from which the new CEO, Mr. Hussain Jamil has resigned.

The efforts, skills and coordination of the management and workers of the company are recognized and appreciated for increasing sales and production in a specially trying year. The maintenance team has kept the plant and machinery in a good state by taking timely preventive actions resulting in improved efficiencies.

The morale of the management and workforce remains high as your company completes the first profitable quarter of the current fiscal year.

We join our hands together and pray for the stability and prosperity of Pakistan and the success of your Company.

For & on behalf of the Board of Directors

Karachi,
Dated: September 29, 2008

HUSSAIN JAMIL
(Chief Executive Officer)

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

Mission Statement

To systematically and cost effectively manufacture and supply consistently high quality products and services thus achieving customer satisfaction profitably and 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.

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

CONTENTS

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mr. Hussain Jamil	Chairman/Chief Executive Officer
Mr. Mr. Ahsan Jamil	
Mr. Ali Jamil	
Mr. Shahid Jamil	
Mrs. Deborah Jamil	
Mrs. Ayesha Khan	
Mr. Asad Ali Sheikh	

AUDIT COMMITTEE:

Mr. Ahsan Jamil	Chairman	Non-Executive Director
Mrs. Ayesha Khan	Member	Non-Executive Director
Mr. Shahid Jamil	Member	Non-Executive Director

COMPANY SECRETARY:

Mr. Ali Adil

CHIEF FINANCIAL OFFICER:

Mr. Habib Ur Rehman Siddiqui

BANKERS:

Askari Commercial Bank Limited
Habib Bank Limited
Allied Bank Ltd
JS Bank Ltd

AUDITORS:

Khalid Majid Rahman Sarfaraz
Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR:

M/s. Ebrahim Hosain — Advocate & Corporate Council

FACTORY:

1. Plot No. 112-113, Phase V, Industrial Estate Hattar, District Haripur, N.W.F.P., Tel: (0995) 617682-3, Fax: (0995) 617074
   Email: plant_h@ecopack.com.pk

2. Inside Haideri Beaverages (Pvt.) Ltd. Kahuta Triangle Estate Islamabad
   Phone: 051-5384566

REGISTERED & CORPORATE OFFICE:

Suite # 206, 2nd Floor, The Plaza, K.D.A. Scheme # 5, Kehkashan,
Clifton Block-9, Karachi.
Phone: (021) 5361231-6, Fax: (021) 5361242
Email: headoffice@ecopack.com.pk

REGISTRAR OFFICE:

Technology Trade (Pvt.) Ltd.
241-C, Dagia House Block-2, P.E.C.H.S., Karachi.
Tel : (021) 4391316-7 Fax : (021) 4391318

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

DIRECTOR'S REPORT

The Board of Directors of Ecopack Limited is pleased to present the reviewed half yearly accounts & financial statements alongwith independent auditors report for the 6 - month period ended 31st December 2008.

Overview :

During the first 6 months of the financial year 2008-9 there were very substantial price swings in the main raw material of the company i.e. PET Resin which is derived from the down-stream supply chain products of crude oil. As crude oil prices hit their historic highs of over USD147/- per barrel in the international markets, PET resin prices locally / landed cost reached Rs.125 per kilogram. As price subsequently retreated sharply, your company's average purchase price increased to Rs.105.50 per kg in this period from Rs.88.42/kg for the corresponding 6 months in 2007. The impact of high inventory costs that carried into the last quarter of the reviewed period could not be passed on to customers as PET Resin prices pass-through could be only made at lower market prices and not the high average resin cost of the inventory. Therefore this adversely affected the company's profitability in this period.

Sales & Financial Highlights:

Net Sales grew by 16% from Pak Rs.719.30 million to Pak Rs.835.65 million in the last 6 months of 2008 compared to the same period of 2007 while production in unit terms of bottles & preforms increased by 7%. Gross profit increased marginally from Rs.85.27 million to Rs.88.08 million while Operating Profit decreased from Rs.37.40 million to Rs.36.63 million during the Year on Year 6 monthly comparison. The big hit came from financial charges incurred in this period by almost 50 percent compared to the previous corresponding 6 month period. This was mainly due to bank mark- up charges which increased from 12.15% to 16.66% on the back of rising KIBOR rates as the company deployed higher bank borrowings to meet working capital needs in the first half of the reviewed period. This caused a loss of Rs.57.66 million for the 6 month ended 31st December, 2008 compared to the loss of Rs.19.95 million for the prior year corresponding period.

Future Outlook:

As both the main components of your company's COGS depict a declining trend i.e. PET Resin prices and bank mark-up charges due to lower KIBOR rates, the company is poised to recover its losses incurred to-date as it prepares to enter the on-coming summer season of high bottle & preform sales to the growth oriented carbonated soft drinks (CSD) and beverage industry. Based on current growth trends in the PET container industry on account of continuing conversion in packaging of beverages from glass bottles to PET bottles, your company expects to inshallah achieve double digit growth in sales to restore its profitability by the end of FY 2008 - 09.

Management & Employee Relations:

Enhanced team work and on-going human resources (HR) training has enabled your company's management to increasingly improve output efficiencies, reduce wastages in all its raw & packing materials as well as stocks inventory cycle. Timely & cost effective maintenance of plant and machinery and efficient utilization of energy for production are some of the important focus areas to improve profitability.

For & on behalf of the Board of Directors

Karachi
Dated: February 27, 2009

Hussain Jamil
(Chief Executive Officer)

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

INDEPENDENT AUDITOR'S REPORT
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ecopack Limited** as at December 31, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half yearly ended December 31, 2008.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review on 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 then and 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 interim financial information as of and for the half year ended December 31, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered accountants
Muhammad Waseem

Karachi
Dated: February 27, 2009

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2008

	Note	Un-Audited December 31, 2008	Audited June 30, 2008
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	6	**1,072,989**	1,086,225
Long term security deposits		**8,961**	9,764
CURRENT ASSETS			
Stores, spares and loose tools		**53,161**	47,559
Stock in trade		**396,188**	319,678
Trade debts - unsecured considered good		**91,070**	252,806
Loans and advances		**3,164**	2,980
Short term prepayments & deposits		**5,228**	1,929
Other receivables		**47,966**	38,309
Cash and bank balances		**23**	36,304
		596,800	699,565
TOTAL ASSETS		**1,678,750**	1,795,554
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorized			
50,000,000 (June 2007 : 50,000,000) Ordinary shares of Rs. 10 each		**500,000**	500,000
Issued, subscribed and paid-up capital		**229,770**	229,770
Reserves		**(24,305)**	25,820
		205,465	255,590
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		**77,788**	**82,691**
NON-CURRENT LIABILITIES			
Long term finance - Secured	5	**464,469**	542,634
Liabilities against assets subject to finance lease		**30,101**	34,910
Deferred liabilities		**92,675**	96,812
		587,245	674,356
CURRENT LIABILITIES			
Trade and other payables		**286,037**	326,776
Accrued mark-up on loans		**39,077**	25,487
Short term borrowings		**369,025**	199,852
Current portion of long term liabilities		**89,355**	206,044
Taxation		**24,758**	24,758
		808,252	782,917
CONTINGENCIES AND COMMITMENTS	7	**-**	-
TOTAL EQUITY AND LIABILITIES		**1,678,750**	1,795,554

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER DIRECTOR

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

CONDENSED INTERIM PROFIT & LOSS
FOR THE HALF YEAR

	Note	Total			
		Jul-Dec 08 Rs.	Jul-Dec 07 Rs.	**Oct-Dec 08 Rs.**	Oct-Dec 07 Rs.
Sales - Net	8	**835,658**	719,303	230,515	254,222
Cost of sales	9	**(747,571)**	(634,036)	(228,624)	(226,329)
Gross Profit		**88,087**	85,267	1,891	27,893
Operating expenses:					
Administrative		**(20,808)**	(21,075)	(9,547)	(10,875)
Distribution cost		**(30,646)**	(26,791)	(11,651)	(9,797)
		(51,454)	(47,866)	(21,198)	(20,672)
Operating Profit / (Loss)		**36,633**	37,401	(19,307)	7,221
Finance cost		**(96,408)**	(66,211)	(50,703)	(34,390)
Exchange gain / (loss)		**(36)**	-	165	-
Workers' profit participation fund		**-**	-	-	253
Other income		**2,143**	12,745	651	6,046
		(94,301)	(53,466)	(49,887)	(28,091)
(Loss) / Profit before taxation		**(57,668)**	(16,065)	(69,194)	(20,870)
Taxation - Current		**-**	(3,599)	-	(1,273)
- Deferred		**-**	(290)	-	-
		-	(3,889)	-	(1,273)
Loss after taxation		**(57,668)**	(19,954)	(69,194)	(22,143)
Earning per share		**(2.50)**	(0.87)	(3.00)	(0.96)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

ACCOUNT (UN-AUDITED)
ENDED DECEMBER 31, 2008

(Rupees in '000)

Injection				Blowing			
Jul-Dec 08 Rs.	Jul-Dec 07 Rs.	Oct-Dec 08 Rs.	Oct-Dec 07 Rs.	Jul-Dec 08 Rs.	Jul-Dec 07 Rs.	Oct-Dec 08 Rs.	Oct-Dec 07 Rs.
174,493	165,307	**54,157**	57,013	**661,165**	553,996	**176,357**	197,209
(156,944)	(151,385)	**(46,423)**	(53,597)	**(590,627)**	(482,651)	**(182,201)**	(172,732)
17,549	13,922	**7,734**	3,416	**70,538**	71,345	**(5,844)**	24,477
(4,345)	(4,843)	**(2,104)**	(2,468)	**(16,463)**	(16,232)	**(7,443)**	(8,407)
(6,399)	(6,157)	**(2,618)**	(2,200)	**(24,247)**	(20,634)	**(9,033)**	(7,597)
(10,744)	(11,000)	**(4,722)**	(4,668)	**(40,710)**	(36,866)	**(16,476)**	(16,004)
6,805	2,922	**3,012**	(1,253)	**29,828**	34,479	**(22,320)**	8,473

DIRECTOR

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	December 31, 2008	December 31, 2007
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	**(57,668)**	(16,065)
Adjustments:		
Depreciation	**40,379**	37,680
Loss / (gain) on disposal of property, plant & equipment	**(103)**	-
Exchange loss	**36**	-
Provision for gratuity	**5,475**	3,195
Financial charges	**96,408**	66,211
	142,195	107,086
Cash flow from operating activities before working capital changes	**84,527**	91,021
(Increase) / Decrease in current assets :		
Stores, spares and loose tools	**(5,602)**	12,676
Stock in trade	**(76,510)**	4,745
Trade debts	**161,556**	48,497
Loans & advances	**(184)**	26,930
Short term prepayments & deposits	**(3,299)**	(899)
Other receivables		**(5,843)**
	(3,941) Net decrease /	
(increase) in current assets	**70,118**	88,008
Increase / (Decrease) in current liabilities:		
Trade and other payables	**(40,739)**	(152,957)
Financial cost paid	**(82,854)**	(69,059)
Gratuity paid	**(6,973)**	(818)
WPPF paid	**-**	(500)
Taxes Paid	**(3,814)**	(4,460)
	(93,641)	(74,837)
Net cash Outflow from operating activities	**20,265**	(48,765)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(25,778)**	(158,672)
Disposal Proceeds	**180**	-
Capital work-in-progress	**(1,264)**	112,152
Net cash outflow from investing activities	**(26,862)**	(46,520)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance obtained	**-**	79,296
Repayment of long term finance	**(193,000)**	(66,650)
Finance lease acquired	**-**	2,048
Finance lease repaid	**(5,858)**	(9,797)
Net cash inflow / (outflow) from financing activities	**(198,858)**	4,897
Net decreased in cash and cash equivalents	**(205,455)**	(90,388)
Cash and cash equivalents at the beginning of the period	**(163,548)**	(203,480)
Cash and cash equivalents at the end of the period	**(369,003)**	(293,868)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Note	Share Capital	Reserves	Total
		(Rupees in '000)		
Balance as at July 01, 2007		229,770	95,392	325,162
Loss for the half year July to Dec 2007		-	(19,954)	(19,954)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax		-	7,548	7,548
Balance as at December 31, 2007		**229,770**	**82,986**	**312,756**
Balance as at January 01, 2008		229,770	82,986	312,756
Loss for the half year Jan to Jun 2008		-	(64,715)	(64,715)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax		-	7,549	7,549
Balance as at June 30, 2008		**229,770**	**25,820**	**255,590**
Balance as at July 01, 2008		229,770	25,820	255,590
Loss for the half year July to Dec 2008		-	(57,668)	(57,668)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax		-	7,543	7,543
Balance as at December 31, 2008		**229,770**	**(24,305)**	**205,465**

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER DIRECTOR

NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

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 Terepthalat (PET) bottles and preforms for beverage and non-beverage industry. It has two manufacturing facilities, in the province of NWFP at Hattar and in the Federal Capital Territory Islamabad at Kahota.

2. SEGMENT REPORTING

During the period as a result of shifting of karachi plant to Hattar, the manufacturing facilities of the Company are now situated at Hattar and Islamabad only. The segment reporting which was previously based on the geographical location, has accordingly been changed and is now based on product. Hence new segment classification is Injection and Blowing instead of Northern Area and Southern Area. Comparative information has been restated on product basis.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements are un-audited and have been presented in accordance with the international Accounting Standard -34 " Interim Financial Reporting " and are being submitted to the shareholders as required under section 245 of the Companies Ordinance 1984 and the listing regulations of Karachi, Lahore and Islamabad Stock exchanges .These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the financial statements of the company for the year ended June 30, 2008.

The accounting policies adopted in the preparation of these condensed interim financial statement are the same as those applied in the preparation of preceding annual financial statements for the year ended June 30, 2008

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statement requires management to make judgement, estimates and assumptions of that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

	December 31, 2008	June 30, 2008
	(Rupees in '000)	

5. LONG TERM LOANS

Paid during the period		
Askari Commercial Bank Limited-TF	**8,000**	14,000
Askari Commercial Bank Limited-TF2	**8,400**	17,600
Askari Commercial Bank Limited-TF3	**3,600**	17,400
Askari Commercial Bank Limited-TF4	**3,000**	-
Habib Bank Limited-DF1	**3,750**	15,000
Habib Bank Limited-DF3	**3,750**	-
Pak Oman Investment Bank	**150,000**	25,000
JS Bank Limited	**12,500**	12,500
	193,000	101,500

During the period, Habib Bank Limited and Askari Commercial Bank Limited (ACBL) acceded to Company's request and rescheduled long term finance facilities. ACBL merged TF I to TF IV into a new term finance TF V. The terms and conditions remained unchaged except for the repayment schedule which is revised with a grace period of one year for both principal and markup payments.

6. PROPERTY, PLANT & EQUIPMENT

Additions in operating fixed assets during the period		
Leasehold land	**-**	3,525
Factory building	**745**	35,417
Plant & Machinery		
- Local	**369**	49,040
- Imported	**3,102**	731,855
Injection mould	**-**	70,629
Blow mould	**250**	24,313
Electrification	**-**	32,460
Others	**21,312**	
	25,778	947,239

7. CONTINGENCIES AND COMMITMENTS

Contingencies

Contingencies remain same during the six months ended December 31, 2008 as disclosed in the audited financial statements for the year ended June 30, 2008.

Commitments

Letters of credit	**6,889**	53,630

Manufacturers of Quality PET Bottles and Preforms

EcoPack Ltd.

8. NET SALES

	Jul-Dec 2008	Jul-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
	(Rupees in '000)			
Sales	**981,281**	838,797	**273,108**	236,771
Less : Sales discount	**(211)**	-	**(211)**	(2,335)
Sales tax - others	**(133,940)**	(107,396)	**(37,271)**	-
1 % Special Excise Duty	**(8,371)**	(7,121)	**(2,329)**	(30,833)
Sales Commission	**(2,728)**	-	**(2,409)**	-
Sales return	**(374)**	(4,977)	**(374)**	-
	(145,623)	(119,494)	**(42,593)**	(33,168)
	835,658	719,303	**230,515**	203,603

9. COST OF SALES

	Jul-Dec 2008	Jul-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Raw material consumed	**652,041**	472,676	**254,764**	213,979
Packing material consumed	**31,497**	28,489	**11,530**	9,967
Salaries, wages & other benefits	**42,312**	37,647	**20,437**	18,006
Traveling & conveyance	**717**	1,398	**383**	545
Professional charges	**230**	215	**85**	18
Vehicle repair & maintenance	**4,447**	3,214	**2,196**	1,555
Rent, rate & taxes	**12,558**	12,940	**4,810**	4,678
Repair & maintenance	**1,836**	3,087	**1,154**	740
Telephone	**553**	736	**322**	363
Printing, postage & stationery	**661**	879	**380**	195
Entertainment	**1,113**	1,090	**965**	880
Advertisement	**7**	1	**6**	1
Insurance	**1,336**	1,302	**681**	662
Medical	**602**	643	**23**	249
Electricity, gas & water	**39,093**	41,038	**15,047**	15,992
Freight, octroi & toll tax	**3,828**	2,739	**1,185**	1,255
Depreciation	**38,346**	35,796	**16,643**	18,252
Transportation factory workers	**2,382**	1,782	**1,218**	892
Consumable store	**12,341**	10,199	**5,346**	4,026
Lab tests	**406**	332	**214**	210
Miscellaneous	**56**	279	**36**	240
	846,360	656,482	**337,423**	292,704
Work in process				
Opening	**87,180**	156,406	**95,956**	81,199
Closing	**(221,672)**	(116,311)	**(221,672)**	(116,311)
	(134,492)	40,095	**(125,715)**	(35,112)
COST OF GOODS MANUFACTURED	**711,868**	696,576	**211,708**	257,592
Finished goods				
Opening	**145,017**	71,643	**126,230**	102,919
Closing	**(109,314)**	(134,183)	**(109,314)**	(134,183)
	35,703	(62,540)	**16,916**	(31,264)
COST OF SALES	**747,571**	634,036	**228,624**	226,329

10. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 27-02-2009 by the Board of Directors of the Company.

11. GENERAL

Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1. STATUS AND NATURE OF BUSINESS

1.1 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 business activity of the company is to manufacture and sale of Poly Ethylene Terepthalat (PET) bottles and preforms for beverage and non-beverage industry. It has three manufacturing facilities located in the province of Sindh at Karachi, in the province of NWFP at Hattar and in the Federal Capital Terrority Islamabad at Kohata. During the period the company closed it's plant at Karachi and shifted to Hattar.

1.2 SEGMENT REPORTING

In addition to two existing manufacturing facilities at Hattar and Karachi the company started operation in July 2007 at new manufacturing facility installed at Kahota, Islamabad. The segment reporting has been changed and now classified as northern segment and southern segment, against Karachi and Hattar respectively.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan . Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance ,1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 New accounting standards, amendments and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning on or after 1 July 2008 are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in the certain cases:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009). The objective of revising IAS 1 is to aggregate information in the financial statements on the basis of shared characteristics.

- Revised IAS 23 - Borrowing Costs (effective for annual periods beginning on or after 1 January 2009). Amendments relating to mandatory capitalization of borrowing costs relating to qualifying assets.

- IAS 29 - Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 July 2008).

- IAS 32 (amendment) - Financial Instruments: Presentation and consequential amendment to IAS 1 - Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009). IAS 32 amended classification of Puttable Financial Instruments.

- IFRS 2 (amendment) - Share-based payments (effective for annual periods beginning on or after 1 January 2009). IFRS 2 clarifies the vesting conditions and cancellations in the share-based payment arrangement.

- IFRS 3 (amendment) - Business Combinations and consequential amendments to IAS 27-Consolidated and separate financial statements. IAS 28-Investment in associates and IAS 31-Interest in Joint Ventures (effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009)

- IFRS 7 - Financial instruments: Disclosures (effective for annual periods beginning on or after 1 July 2008). IFRS 2 clarifies the vesting conditions and cancellations in the share-based payment arrangement.

- IFRIC 12 - Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008).

- IFRIC 13 - Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008).

- IFRIC 14 - The limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008).

- IFRIC 15 - Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009).

- IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008).

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for revaluation of property, plant and equipment and certain employee retirment benefits at present value. The company significant accounting policies are stated in note 4. Not all of these significant policies require the managment to make diffcult, subjective or complex judgments or estimates. The following is intended to provide an understandings of the policies the managment considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statments. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.These judgments involve assumption or estimates in respect of future events and the actual results may differ from these estimates.The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statments are as follows.

A) EMPLOYEE RETIREMENT BENEFITS

The company uses the valuation preformed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on the assumptions as mentioned in note 4.6.1

B) PROVISION FOR TAXATION

The company takes into account the current income tax law and the decisions taken by appellate authorities. Instatnces where the Company's view differes from the view taken by income tax department at the assessment stage and where the company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

C) USEFUL LIFE AND RESIDUAL VALUES OF PROPERTY, PLANT AND EQUIPMENT

The company reviews the useful life of property, plant and equipment on the regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

4. SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 TAXATION

A) CURRENT

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation income, the charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary to provision for tax made pervious years arising from assessments framed during the year for such years

B) DEFERRED

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extant that it is probable that taxable profits will be available against which the deductible temporary difference, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statment, except in the case of items credited or charged to equity in which case it included in equity.

4.2 PROPERTY, PLANT AND EQUIPMENT

These are stated at cost less accumulated depreciation and impairment loss, if any, except for certain Property, Plant & Equipments that are shown at revalued amounts. Depreciation is charged to the profit and loss account on depreciable amount after considering residual values of respective assets applying the methods and rates used are stated in note # 5.1 to the financial statements. Depreciation on additions is charged for the full month in which an asset is put to use and on deletions upto the month immediately preceding the deletion.

The assets residual values and useful life's are reviewed at each financial year end and adjusted if impact on deprecation is significant. The company estimate of the residual value of its property, plant and equipment as at June 30, 2008 has not required any adjustments

Depreciation on addition to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no deprecation is charged for the month in which the asset is disposed off.

The company assesses at each balance sheet date weather there is any indication that property, plant and equipment may be impaired. if such indication exist, the carrying amount of such asset are reviewed to asses weather they are recorded in excess of their recoverable amount. Where carrying value exceed the respective recoverable amount assets are returned to their recoverable amounts and the resulting impairment loss is recognized in a profit and loss account for the year.

If recoverable amount is the higher of an assets fair value less costs to sell and value in use, the depreciation charged is adjusted in the future periods to allocate the assets revised the carrying amount over its estimated useful life.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset as appropriate only when it is probable that the future economic benefits associate with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit and loss account during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the sale proceed and the carrying amount of the asset is recognized as an income or expense.

Incremental depreciation charged for the period on revalued assets is transferred from surplus on revaluation of property, plant & equipment to unappropriated profit during the current year.

Capital spares having useful life of more than one year have been capitalized and accounted for as Property, Plant & Equipment.

4.3 CAPITAL WORK IN PROGRESS

Capital work-in-progress is stated at cost. It consists of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use.

4.4 BORROWING COST

The borrowing cost incurred for purchase/import of plant and machinery are added to the cost of respective assets till their installation is completed.

The capitalization of borrowing costs as part of a qualifying asset should commence when expenditure for the asset are being incurred; borrowing costs are being incurred; and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalization of borrowing costs is suspended during extended periods in which active development is interrupted.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

4.5 LEASES

The Company is the lessee.

FINANCE LEASES

Leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognised at the lower of present value of minimum lease payment under the lease agreements and the fair value of the assets. Subsequently these assets are stated to cost less acculamated deprication and any identified impairment loss.

The related rental obligation, net of finance charges,are included in liabilities against assets subject to finance lease. The liablities are classified as current and long term depending upon the timming of payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of the asset on straight-line method at the rates given in note 5.1 Depreciation of leased assets is charged to profit and loss account.

Depreciation on additions to leased assets is charged from the month in which as assets is accquired while no depriciation is charged for the month in which the asset is disposed off.

4.6 EMPLOYEE RETIRMENT BENEFITS

The main features of the schemes opereted by the company for its employees are as follows:

4.6.1 DEFINED BENEFIT PLAN

The Gratuity scheme is unfunded and covers those permanent employees & management staff of the Company who have completed prescribed qualifying period of service. Provision is made annually to cover obligations under the scheme on the basis of acturial valuation.

An actuarial valuation of all defined benefit schemes is conducted at the end of every year. The valuation uses the Projected Unit Credit method. Actuarial (unrecognized) gains and losses are amortized over the expected average remaining working lives of employees (note # 18.1). Using the following significant assumption is use full for defined contribution plan

Past service cost is recognized immediately to the extent that the benefits are already vested. For non-vested benefits past service cost is amortized on the straight line basis over the average period until the amended benefits become vested.

Amounts recognized in the balance sheet represents the present value of defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognized past service cost, if any, and as reduced by the fair value of plan assets. Any assets resulting from the calculation is limited to the unrecognised actuarial losses and unrecognized past service cost plus the present value of available refunds and reduction in future contribution to the plan.

Actuarial gains and losses are recognized as income or expense when the cumulative unrecognized actuarial gains or losses for each individual plan exceeds 10% of the higher of (a) the defined obligation and (b) the fair value of plan assets. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.The following significent assumption is used for valuation of these schemes.

Discount Rate	12% Per annum
Expected rate of increase in salary level	12% Per annum

4.6.2 DEFINED CONTRIBUTION PLAN

The Company also operates an approved funded contributory provident fund for its management and non-management employees. Equal monthly contributions are made both by the Company and the employees at the rate of 5% per annum of the basic salary.

4.7 STORES, SPARES & LOOSE TOOLS

Stores, spares and loose tools excluding items in transit are valued at moving average cost. Provision is made for slow moving and obsolete items.

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the balance sheet date.

4.8 STOCK IN TRADE

Stock of raw and packing materials are valued at lower of moving average cost or net realizable value. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the balance sheet date. Stocks of semi-finished and finished products are valued at lower of cost, determined on average basis or net realizable value. Cost in relation to semi- finished and finished products represents cost of materials and an appropriate allocation of manufacturing overheads. Cost in respect of semi-finished items is adjusted to an appropriate stage of processing.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument and derecognised when the company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

Financial insturments carried on the balance sheet include loans, deposits, advance, others receivables, trade and other debts,cash and bank balances, borrowings, liabilities against assets subject to finance leases, trade and other payables, accured expenses and unclaimed dividends All financial assets and liabilities are intially measured at cost which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statments associated with each item.

4.10 OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.11 TRADE DEBTS

These are recognized and carried at original invoice amount less an allowance for uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts considered irrecoverable are written-off.

4.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits,other short-term highly liquid invetments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark up arrangements are included in current liabilities.

4.13 BORROWINGS

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. Finance costs are accounted for on accrual basis.

4.14 TRADE AND OTHER PAYABLES

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the company.

4.15 REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on despatch of products to the customers.

4.16 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Ruppes at the rates of exchange prevailling at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. All non-monetary items are translated into pak rupees at exchange rates prevailling on the date of transaction or on the date when fair values are determined.

The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

4.17 DIVIDEND

Dividend distribution to the company's shareholders is recognised as a liability in the period in which the dividends are approved.

4.18 PROVISIONS

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, 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 the obligation.

4.19 RELATED PARTY TRANSACTION

The transactions between the Company and related parties are carried out on an arm's length basis and the relevant rates are determined in accordance with the Comparable Uncontrolled Price Method.

4.20 SEGMENT REPORTING

Segment is based on geographical basis. Administration and distribution costs are allocated on the basis of net sales value of each segment.

	NOTE	JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
5. PROPERTY, PLANT & EQUIPMENT			
Operating Property, Plant & Equipment	5.1	1,078,169	939,986
Capital Work-in-progress	5.5	8,056	121,408
		1,086,225	1,061,394

5.1 OPERATING PROPERTY, PLANT & EQUIPMENT

Schedule of Fixed Assets

(Rupees in '000)

Particulars	COST AND REVALUATION: As at 1-Jul-07	Inter Transfer	Additions / (Deletions)	Revaluation / (Impairment)	Deficit on Revaluation	As on 30-Jun-08	Rate %	METHOD	DEPRECIATION: As at 1-Jul-07	On Opening Balance	Addition / Disposal	Revaluation	Intertransfer / (Impairment)	For the year from Jul-07 to Jun-08	As on 30-Jun-08	Written Down Value as at 30-Jun-08
OWNED																
LAND	3,525	-	-	-	-	3,525	-	-	-	-	-	-	-	-	-	3,525
FACTORY BUILDING	39,571	-	5,117	-	-	44,688	5%	WDV	7,573	1,600	98	-	-	1,698	9,271	35,417
FACTORY ROAD	769	-	-	-	-	769	10%	WDV	551	22	-	-	-	22	573	196
PREFORM CONTAINER	18,786	-	-	-	-	18,786	10%	WDV	2,991	1,579	-	-	-	1,579	4,570	14,215
FURNITURE & FIXTURE	4,661	-	612	-	-	4,544	10%	WDV	1,626	301	49	-	-	350	1,557	2,987
	-	-	(729)	-	-	-		-	-	-	(420)	-	-	-	-	-
VEHICLES	2,824	519	401	-	-	3,419	20%	WDV	1,284	306	46	-	-	352	1,348	2,071
	-	-	(325)	-	-	-		-	-	-	(288)	-	-	-	-	-
PIPING WORK	12,846	-	2,831	-	-	14,666	10%	WDV	3,565	917	243	-	-	1,160	4,123	10,543
	-	-	(1,011)	-	-	-		-	-	-	(603)	-	-	-	-	-
ELECTRIFICATION	32,333	-	11,816	-	-	44,149	10%	WDV	8,625	2,357	707	-	-	3,064	11,689	32,460
INJECTION MOULDS	138,666	-	318	-	-	138,985	5%	ST.LINE	61,150	7,200	5	-	-	7,205	68,355	70,629
BLOW MOULD Imported	34,734	-	10,787	-	-	45,521	5%	ST.LINE	17,289	3,489	430	-	-	3,919	21,207	24,313
PLANT & MACHINERY:																
LOCAL	59,589	-	9,249	-	-	68,277	5%	ST.LINE	16,898	2,517	240	-	-	2,757	19,238	49,040
	-	-	(560)	-	-	-		-	-	-	(417)	-	-	-	-	-
IMPORTED	768,815	30,000	131,708	-	-	929,610	5%	ST.LINE	156,105	33,590	4,939	-	3,600	42,129	197,756	731,855
	-	-	(913)	-	-	-		-	-	-	(479)	-	-	-	-	-
CAPITAL SPARES	16,771	-	7,378	-	-	24,149	50%	ST.LINE	4,764	6,567	1,185	-	-	7,751	12,515	11,634
OFFICE EQUIPMENTS & COMPUTERS	8,712	-	765	-	-	7,421	10%	WDV	3,167	535	25	-	-	560	2,652	4,769
	-	-	(2,056)	-	-	-		-			(1,075)	-	-			-
AIR CONDITIONERS	8,510	-	137	-	-	8,342	10%	WDV	950	752	10	-	-	762	1,563	6,779
	-	-	(306)	-	-	-		-	-	-	(148)	-	-	-	-	-
LOCAL MOULDS	19,395	-	4,205	-	-	23,600	20%	WDV	8,961	2,087	271	-	-	2,358	11,319	12,281
LABORTARY EQUIPMENT	1,920	-	1,397	-	-	3,318	10%	WDV	260	87	74	-	-	161	421	2,896
FACTORY EQUIPMENTS	1,670	-	139	-	-	1,809	10%	WDV	1,060	61	6	-	-	66	1,127	683
Sub Total (Rupees)	1,174,097	30,519	186,860	-	-	1,385,541		-	296,818	63,968	7,944	-	3,600	75,896	369,284	1,016,257
	0	-	(5,935)	-	-	-		-	-	-	(3,430)	-	-	-	-	-
LEASED																
VEHICLES	19,533	(519)	5,539	-	-	24,553	20%	WDV	5,906	2,725	242	-	-	2,968	8,874	15,679
GENERATOR	3,506	-	-	-	-	3,506	5%	ST.LINE	316	140	-	-	-	140	456	3,050
PLANT & MACHINERY	49,711	(30,000)	26,081	-	-	45,792	5%	ST.LINE	3,822	1,688	699	-	(3,600)	(1,212)	2,610	43,183
Sub Total (Rupees)	72,750	(30,519)	31,620	-	-	73,851		-	10,044	4,554	941	-	(3,600)	1,896	11,939	61,912
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RUPEES 2008	1,246,848	(30,519)	218,480	-	-	1,459,393	-	-	306,862	68,522	8,886	-	(3,600)	77,791	381,223	1,078,169
	-	-	(5,935)	-	-	-	-	-	-	-	(3,430)	-	-	-	-	-
			-													
RUPEES 2007	1,071,064	(1,205)	179,086			1,246,848			246,938	-	-		(886)	62,559	306,861	939,986
	-		(3,302)						-	-	(2,635)	-		(2,635)	-	

ALLOCATION OF DEPRCIATION

(Rupees in '000)

	JUNE 30, 2008	JUNE 30, 2007
Cost of sales	73,902	59,431
Administrative expense	3,889	3,128
	77,791	62,559

5.2. These balances represents the value of operating property, plant and equipment subsequent to revaluation in 1995-96 and 2003-04, which had resulted in a surplus of Rs. 92,519,760 and Rs.141,337,002/= respectively. These revaluation have been carried out by a professional valuer M/S Iqbal A. Nanji & Co. Market value was taken as a basis for valuation. Accordingly, excess amount being the increment in the value of aforesaid assets has been directly credited to surplus on revaluation of property, plant and equipment, in accordance with the requirements of section 235 of the companies ordinance, 1984. The incremental values at the date of revaluation of the revalued operating property, plant and equipment are being depreciated over the remaining useful lives of these assets.

During May 2008, the management of the company appointed professional valuer M/S Akbani & Javed Associates for revaluation of operating property, plant and equipment. The result of this revaluation has not been incorporated in these financial statement.

5.3. Had there been no revaluation, the net book value of specific classes of Operating Property, Plant and Equipment as at June 30, 2008 would have been as follows :

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	
Leasehold land	3,525	2,995
Factory building	35,417	30,477
Plant & Machinery		
- Local	49,040	42,558
- Imported	731,855	506,633
Injection mould	70,629	45,707
Blow mould	24,313	14,767
Electrification	32,460	23,625
	947,239	666,762

5.4. DISPOSAL

Particulars	Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of the Purchaser
	R U P E E S IN "0 0 0"						
Suzuki Bolan CK-4336	325	287	38	81	43	Negotiation	M/S Zeeshan Enterprises
Fork Lifter Nissan Diesel	913	479	434	378	(56)	Negotiation	M/S Zeeshan Enterprises
Furniture & Fixture	185	99	86	42	(45)	Negotiation	M/S Zeeshan Enterprises
Piping Work	1,010	603	407	229	(179)	Negotiation	M/S Zeeshan Enterprises
Office Equipments	471	202	269	275	6	Negotiation	M/S Zeeshan Enterprises
Computer & Acessories	779	342	437	177	(260)	Negotiation	M/S Zeeshan Enterprises
Air Conditions	306	148	158	69	(88)	Negotiation	M/S Zeeshan Enterprises
Rupees 2008	3,989	2,158	1,829	1,251	(580)		-
Rupees 2007	3,302	2,635	667	1,333	665		-

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	
5.5 CAPITAL WORK IN PROGRESS		
Plant & Machinery	462	116,706
Electric installation	1,429	994
E.R.P implementaion Cost	2,734	-
Piping work	37	-
Building and roads	1,083	3,708
Others	2,311	-
	8,056	121,408
6. LONG TERM SECURITY DEPOSITS		
Utilities	2,775	2,775
Leasing Companies	6,927	5,539
Others	62	62
	9,764	8,376
7. STORES, SPARES AND LOOSE TOOLS		
Stores and Spares	46,185	76,066
Loose tools	1,974	1,811
	48,159	77,877
Provision against obselete stores & spares		(600)
Obselete stores & spares write-off	(600)	-
	47,559	77,277
8. STOCK IN TRADE		
Raw material	84,137	152,400
Packing material	9,970	9,499
Work in process	87,180	156,406
Finished goods	145,017	71,643
	232,196	228,049
	326,303	389,948
Provision for obsolete stocks	(6,625)	(3,528)
	319,677	386,420
9. TRADE DEBTS - unsecured		
Considered good	252,806	175,240
Considered doubtful	2,906	2,906
	255,712	178,146
Provision against debts considered doubtful	(2,906)	(2,906)
	252,806	175,240

		JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
10.	LOANS AND ADVANCES		
	Considered good:		
	Suppliers	50	28,815
	Employees:		
	- Directors	519	63
	- Employees	1,560	1,902
	Expenses	851	1,185
		2,980	31,965
11.	SHORT TERM DEPOSITS AND PREPAYMENTS		
	Deposits	1,083	4,264
	Prepayments	846	1,778
		1,929	6,042
12.	OTHER RECEIVABLES		
	Income tax	27,152	20,103
	Excise duty	-	101
	Margin and L/C charges	3,534	1,014
	Sales tax refundable	4,135	12,419
	Cliam Receivable	3,488	3,284
	Others	-	23
		38,309	36,944
13.	CASH AND BANK BALANCES		
	Cash in hand	24	18
	Cash at Bank:		
	- Current account	35,819	2,611
	- Dividend account	461	461
		36,304	3,090
14.	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
	Paid in cash		
	4,554,100 (2007: 4,554,100) Ordinary shares of Rs. 10/- each	45,541	45,541
	5,708,564 (2007 : 5,708,564) Ordinary shares of Rs. 10/- each issued as right shares, fully paid in cash	57,086	57,086
	Bonus shares		
	12,714,307 (2007: 12,714,307) Ordinary shares of Rs. 10/- each issued as bonus shares	127,143	127,143
		229,770	229,770

		JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
15.	**SURPLUS ON REVALUATION OF OPERATING PROPERTY, PLANT & EQUIPMENT**		
	Surplus on revaluation :		
	Balance as at July 01	142,308	157,417
	Transferred to retained earnings in respect of incremental depreciation charged during the year	(15,096)	(15,109)
		127,212	142,308
	Related deferred tax :		
	Balance as at July 01	49,805	55,093
	On incremental depreciation charged during the year	(5,282)	(5,288)
		44,522	49,805
	Balance as at June 30	82,691	92,503

16. LONG TERM FINANCE SECURED

Particulars	Askari Bank Limited				Habib Bank Limited			Pak Oman Invest.Co	JS Bank	Total
	Term Finance	Term Finance - II	Term Finance - III	Term Finance - IV	Demand Finance - I	Demand Finance - II	Demand Finance - III	Term Loan	Term Loan	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening balance	45,330	32,952	42,000	150,000	45,000	140,414	100,000	50,000	-	605,696
Obtained during the year	-	-	-	-	-	4,480	-	150,000	75,000	229,480
Total loan payable	45,330	32,952	42,000	150,000	45,000	144,894	100,000	200,000	75,000	835,176
Paid during the year	14,000	17,600	17,400	-	15,000	-	-	25,000	12,500	101,500
	31,330	15,352	24,600	150,000	30,000	144,894	100,000	175,000	62,500	733,676
Overdue installments	8,000	8,400	-	3,000	-	-	-	-	6,250	25,650
Current portion	22,000	6,952	20,400	18,000	15,000	13,040	20,000	25,000	25,000	165,392
Closing Balance	1,330	-	4,200	129,000	15,000	131,854	80,000	150,000	31,250	542,634
Notes No.	16.1	16.2	16.3	16.4	16.5	16.6	16.7	16.8	16.9	

16.1 This represents term finance obtained to pay leasing companies. It carries mark up at 3 months average KIBOR plus 2.5%, to be paid in quarterly installments upto December 2009.

16.2 This represents term finance obtained to finance expansion in existing production facilities at Hatter plant. It carries mark up at 3 months average KIBOR plus 2.5% to be paid in five years in quarterly installments upto February 2009.

16.3 This represents term finance obtained to finance expansion in existing production facilities at Hattar plant. It carries mark up at 3 months average KIBOR plus 2.5% to be paid in five years in quarterly installments upto November 2009.

16.4 This represents term finance obtained to finance expansion in existing production facilities at Hattar plant. It carries mark up at 3 months average KIBOR plus 2.5% to be reset on the 1st of each calender quarter to be paid in seasonilized and stepped up installments starting from 15th month after disbursment upto February 01, 2012.

16.5 This represents demand finance obtained to finance expansion of existing production facilities at Hattar plant. It carries mark up at 3 months KIBOR plus 2.5% with a floor of 12% per annum, to be paid in five years in quarterly installments.

16.6 This represents demand finance obtained to finance expansion of existing production facilities at Hattar plant. It carries mark up at 3 months KIBOR plus 2.5 % with a floor of 12 % per annum, to be paid in five years in quarterly installments with a grace period of one year.

16.7 This represents demand finance obtained to finance expansion of existing production facilities at Hattar plant. It carries mark up at 3 months KIBOR plus 2.5 % with a floor of 12 % per annum, to be paid in five years in quarterly installments with a grace period of one year.

16.8 This represents Term finance facility obtained. It carries mark up at 3 month KIBOR plus 3.25% per annum to be paid in 18 month.

16.9 This represents Term finance facility obtained. It carries mark up at 3 month KIBOR plus 2.25% to be repaid in quarterly installments in three years.

Security :

The above finances are secured as follows :

Askari Bank Limited :

* Ist charge of Rs 450 million ranking pari passu with the Royal Bank of Scotland & Habib Bank Limited (The Royal Bank of Scotland charge to the extent of Rs. 10 M & HBL to the extent of Rs 415 million) over all present & future fixed assets of the Company.

* Personal guarantees of two working Directors of the Company.

Habib Bank Limited :

1st charge of Rs 415 million ranking pari passu on factory building located at Hattar & machinery, equipments and other moveable assets of the Company.

Pak Oman Investment company Limited

* 1st charge ranking pari passu over present and future fixed assets.

JS Bank Limited

* 1st charge ranking pari passu charge of Rs 100 million on all present and future fixed assets.

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	

17. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

Opening balance	55,791	44,224
Obtained during the year	15,392	28,501
	71,183	72,725
Paid during the year	(18,160)	(16,784)
Security Deposit	(3,111)	(150)
	(21,271)	(16,934)
	49,912	55,791
Less : current maturity	(15,002)	(22,425)
	34,910	33,366

17.1 The future minimum lease payments and the period in which they become due are :

	2008		2007	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	(Rupees in '000)		(Rupees in '000)	
Within one year	19,880	15,002	27,733	22,425
After one year but not more than five years	41,357	34,910	39,216	33,366
Total minimum lease payments	61,237	49,912	66,949	55,791
Less : Amount representing financial charges	(11,325)	-	(11,158)	-
Present value of minimum lease payments	49,912	49,912	55,791	55,791
Less : Current muturity	(15,002)	-	(22,425)	-
	34,910	49,912	33,366	55,791

17.2 Finance Lease - Significant terms and conditions

Leasing Company	Principal (Rs. In '000)	Installments Payment	Number of Installments	Commencement date	Implicit rate of finance per annum	Lease Rental (Rupees)
Faysal Bank Ltd.	560	Monthly	60	01st April 2004	7.75%	10,094
Faysal Bank Ltd.	1,580	Monthly	60	01st June 2004	7.75%	28,479
Faysal Bank Ltd.	355	Monthly	48	01st Oct 2004	8.00%	7,748
Faysal Bank Ltd.	355	Monthly	48	01st Oct 2004	8.00%	7,748
Habib Bank Ltd.	1,287	Monthly	60	05th May 2005	9.50%	24,326
Atlas Investment Bank	15,900	Quarterly	16	01st May 2005	13.14%	1,152,426
Faysal Bank Ltd.	1,287	Monthly	60	01st Sep 2005	13.09%	26,061
Habib Bank Ltd.	2,410	Monthly	36	01st Sep 2005	10.00%	62,892
Faysal Bank Ltd.	427	Monthly	48	01st April 2006	13.70%	10,301
Faysal Bank Ltd.	1,309	Monthly	48	01st April 2006	13.70%	31,578
Faysal Bank Ltd.	464	Monthly	48	01st May 2006	13.79%	11,566
Habib Bank Ltd.	2,498	Monthly	36	01st Jan 2006	12.00%	74,672
Faysal Bank Ltd.	459	Monthly	48	01st April 2006	13.70%	11,073
Faysal Bank Ltd.	560	Monthly	48	01st April 2006	13.70%	13,509
Habib Bank Ltd.	1,506	Monthly	48	01st Oct 2006	12.50%	36,027
Habib Bank Ltd.	879	Monthly	48	01st Oct 2006	12.50%	21,027
Faysal Bank Ltd.	1,376	Monthly	36	01st Oct 2006	14.00%	41,837
Faysal Bank Ltd.	660	Monthly	36	01st Jan 2007	14.00%	20,067
Faysal Bank Ltd.	375	Monthly	36	01st Mar 2007	14.00%	11,402
Standard Chartered Modaraba	4,370	Quarterly	20	07th April 2007	3 Months Kibor + 3.00%	346,998
Standard Chartered Modaraba	571	Quarterly	20	21st April 2007		45,531
Standard Chartered Modaraba	1,150	Quarterly	20	2nd May 2007		91,533
Standard Chartered Modaraba	3,565	Quarterly	20	1st May 2007		283,857
Standard Chartered Modaraba	2,270	Quarterly	20	13th May 2007		181,053
Standard Chartered Modaraba	4,628	Quarterly	20	27th May 2007		369,090
Standard Chartered Modaraba	3,984	Quarterly	20	16th June 2007		324,255
Standard Chartered Modaraba	2,604	Quarterly	20	5th July 2007		126,630
Standard Chartered Modaraba	872	Quarterly	20	24th Aug 2007		42,624
Standard Chartered Modaraba	1,175	Quarterly	20	6th Sep 2007		58,167
Standard Chartered Modaraba	2,950	Quarterly	20	14th May 2008		156,209
Standard Chartered Modaraba	1,014	Quarterly	20	14th June 2008		52,867
Standard Chartered Modaraba	9,381	Quarterly	20	30th June 2008		560,986

		JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
18. DEFERRED LIABILITY			
Staff gratuity	18.1	13,242	11,657
Deferred taxation	18.2	83,570	84,099
		96,812	95,756

		JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
18.1 Reconciliation of Payables to Defined Benefit Plan			
Present value of defined benefit obligation		25,887	22,945
Net actuarial losses not recognized		(12,645)	(11,288)
		13,242	11,657
Movement in net liability recognized			
Opening net liability		11,657	10,888
Expense for the year		6,943	4,525
Benefits paid during the year		(5,358)	(3,755)
Closing net liability		13,242	11,657
Charge for Defined Benefit Plan			
Current Service Cost		3,957	2,239
Interest Cost		2,295	1,865
Actuarial losses recognized		692	421
		6,944	4,524
18.2 Deferred Taxation			
Deferred tax debits asising from :			
Retirment benfits		(2,928)	(2,838)
Liability against assets subject to finance lease		(11,036)	(13,582)
Adjustment of minimun tax		(24,823)	(15,980)
Accumulated tax losses		(69,396)	(40,288)
		(108,183)	(72,687)
Deferred tax credit arising from :			
Accelerated depreciation		124,949	106,981
Deferred tax liability on revalued assets - net		44,524	49,805
Deferred tax asset		20,068	-
Provision against Trade debtors,stock in trade		2,212	-
		191,753	156,786
		83,570	84,099

19. TRADE AND OTHER PAYABLES

Trade Creditors including bills payables		301,851	341,768
Accrued & other liabilities		13,669	13,162
Advances from customers		4,373	3,739
Tax deducted at source		699	941
Sales tax payable		5,331	3,321
Unclaimed Dividend		461	461
Workers' profit participation fund	19.1	392	482
		326,776	363,874

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	

19.1 Workers' profit participation fund

Balance as on 1 July	482	4,573
Allocation for the year	-	450
	482	5,023
Mark-up on funds utilized in the Company's business (2007 : 14.5%)	-	13
	482	5,036
Less : Amount paid on behalf of the fund	(90)	(4,554)
Balance as on 30 June	392	482

20. ACCRUED MARK-UP ON LOANS

Long-term finance	19,815	18,276
Short-term finance	5,672	7,206
	25,487	25,482

21. SHORT TERM FINANCE AND OTHER CREDIT FACILITIES - Secured

Askari Bank Limited			
- Running finance		-	733
- Local bills purchase		-	14,604
		-	15,337
The Royal Bank of Scotland	- Running finance	2,505	2,807
Habib Bank Limited	- Running finance	14,854	12,635
Citibank N.A.	- Running finance	-	12,687
Allied Bank Limited	- Running finance	18,843	49,544
Allied Bank Limited	- FATR	124,098	113,560
		142,941	163,104
JS Bank Limited	- FATR	39,552	-
		199,852	206,570

Askari Bank Limited	3 months KIBOR + 2 % or 12 % floor.
Habib Bank Limited	3 months KIBOR + 2.5 % or 12 % floor.
The Royal Bank of Scotland	3 months KIBOR + 2.5 % or 12 % floor.
Citibank N.A.	PKR 0.306 per 1000 per day (equivalent to 11 % p.a)
Allied Bank Limited	3 months KIBOR + 2 %
JS Bank Limited	3 months KIBOR + 2%

Securities

These facilities have been secured against hypothecation of entire present and future current assets, equitable mortgage of the property of the Company and personal guarantees of two working directors.

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	

22. CURRENT PORTION OF LONG TERM LIABILITIES

Current Maturity:		
Long Term Finance	191,042	80,400
Lease Finance	15,002	22,425
	206,044	102,825

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

The Commissioner of Income Tax, Companies Zone, Islamabad has communicated to the Company about having filed an application in the Lahore High Court, Rawalpindi Bench, against the order of Income Tax Appellate Tribunal passed in favour of the Company annulling the impugned order of Additional Commissioner of Income Tax dated March 22, 2002 passed under Section 66-A, resulting in a tax assessment of Rs.6.695 million. The Company has not made any provision in this respect in view of the legal opinion of its Legal Advisor that the said case is likely to be decided in favor of the Company on legal grounds. No proceedings have yet started in the said matter.

23.2 The company has filed Appeals before the Collector (Appeals) against order passed by Additional Collector (Customs) demanding Rs 2.123 million account of custom duty,sales and income tax on raw material cleared from bonded warehouse at Hattar during the year 2005-06.The Company does not foresee any liability arising on this account and in the opinion of its legal counsel the company has a good case on merit and expects the order to be set aside.

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	

23.3 Commitments

Letters of credit	53,630	3,672

24. SEGMENT INFORMATION

	Total		Northern		Southern	
	June 08	June 07	June 08	June 07	June 08	June 07
	(Rupees in '000)					
SALES						
Gross sales	2,056,588	1,463,414	1,863,181	1,229,211	193,407	234,203
Intersegment	-	-	443,009	126,189	-	-
	2,056,588	1,463,414	2,306,189	1,355,400	193,407	234,203
Less: Sales discount	4,758	4,033	4,758	2,987	-	1,046
Less: Sales tax	264,633	188,828	239,638	158,372	24,995	30,456
Less: 1% Special Exicse Duty	17,604	-	15,937		1,666	
Sales tax - intersegment	-	-	-	-	-	-
Sales Commission	600	1,507	600	1,507	-	-
Sales return	5,447	6,922	5,326	6,922	122	-
	293,042	201,290	266,259	169,788	26,783	31,502
	1,763,546	1,262,124	2,039,930	1,185,612	166,624	202,701
Less:						
Cost of goods sold	1,614,878	1,061,395	1,889,482	994,656	168,404	192,930
Gross profit	148,668	200,729	150,448	190,958	(1,780)	9,771
Less operating expenses:						
Administration	44,058	40,015	39,896	33,589	4,163	6,427
Selling & distribution	62,547	53,839	53,947	43,085	8,600	10,753
	106,605	93,854	93,843	76,674	12,763	17,180
Operating profit / (loss)	42,063	106,875	56,605	114,284	(14,543)	(7,409)
Segment assets	1,703,677	1,700,332	1,649,588	1,539,123	54,089	161,209
Unallocated assets	91,877	86,417				
	1,795,554	1,786,749				
Segment liabilities	375,016	341,766	300,013	318,713	75,003	23,053
Unallocated liabilities	1,420,538	1,444,983				
	1,795,554	1,786,749				
Capital expenditure	218,478	179,086	216,583	160,529	1,895	18,557
Depreciation	70,528	62,558	67,668	55,177	6,012	7,381

Note:
Inter-segment sales have been eliminated from total.
Inter-segment business is recorded at cost including sales tax.
Administrative expenses & distribution cost are allocated on the basis of the net sales value of each segment.

	Note	JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
25 COST OF SALES			
Raw material consumed			
Opening stock		152,400	119,165
Purchases		1,137,781	909,022
Closing stock		(84,136)	(152,400)
Raw material consumed		1,206,046	875,788
Packing material consumed		67,275	51,062
Salaries, wages & other benefits	25.1	77,359	58,919
Travelling & conveyance		2,559	1,937
Professional charges		484	511
Vehicle repair & maintenance		6,854	6,354
Rent, rate & taxes		29,222	13,772
Repair & maintenance		5,757	3,934
Telephone		1,581	1,417
Printing, postage & stationery		1,598	921
Entertainment		1,618	1,044
Advertisement		21	47
Insurance		3,130	2,351
Medical		1,302	984
Electricity, gas & water		93,080	78,988
Freight, octroi & toll tax		13,811	4,048
Depreciation		73,902	59,431
Transportation factory workers		3,721	3,617
Consumable stores		28,892	19,888
Lab tests		725	446
Miscellaneous		89	161
		1,619,026	1,185,620
Work in process			
Opening		156,406	57,256
Closing		(87,180)	(156,406)
		69,226	(99,150)
COST OF GOODS MANUFACTURED		1,688,252	1,086,470
Finished goods			
Opening		71,643	46,568
Closing		(145,017)	(71,643)
		(73,374)	(25,075)
COST OF SALES		1,614,878	1,061,395

25.1 Salaries and wages includes Rs. 4,367,694 (2007: Rs. 2,592,016) is respect of staff gratuity

		JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	

26 ADMINISTRATIVE EXPENSES

Director's salary & other benefits	26.1	12,327	9,077
Directors' meeting fee		360	120
Staff salaries & other benefits		12,823	11,045
Rent, rates & taxes		1,126	1,085
Electricity, gas & water		317	322
Entertainment		306	402
Travelling & conveyance		2,434	2,481
Vehicle running & maintenance		1,838	2,471
Repair & maintenance		466	460
Communications		1,821	1,958
Legal & professional		3,462	3,578
Auditors' remuneration	26.2	435	375
Advertisement		145	253
Medical		1,544	1,506
Insurance		138	142
Printing & stationery		180	915
Depreciation		3,889	3,128
Books, newspapers and periodicals		31	15
Courses, seminars & subscrptions		56	219
Donations & others	26.3	360	463
		44,058	40,015

26.1 Directors' remuneration includes Rs. 1,488,000 (2007 : Rs. 1,190,904) and Salaries & wages includes Rs. 1,376,550 (2007 : Rs. 674,314) in respect of retirement benefits.

26.2 Auditors remuneration

Audit fee	280	240
Fee for review of half yearly accounts	90	70
Other advisory services	60	60
Out of packet expenses	5	5
	435	375

26.3 The directors and their spouses have no interest in the donee fund.

		JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	

27 SELLING & DISTRIBUTION

	Note	2008	2007
Staff salaries & other benefits	27.1	7,337	5,810
Office rent		992	1,051
Electricity, water & gas		150	147
Entertainment		86	46
Travelling & conveyance		1,104	1,210
Repair & maintenance		113	64
Vehicle running & maintenance		875	569
Communications		665	634
Insurance		37	45
Printing & stationery		131	20
Carriage & freight outward		50,631	43,010
Medical & Misc		286	212
Courses & seminar		34	4
Books & periodicals		1	3
Contract Labour		105	14
Provision for doubtful debts		-	1,000
		62,547	53,839

27.1 Salaries & wages includes Rs. 367,818 (2007 : Rs. 218,282) in respect of staff retirement benefits.

28. FINANCIAL COST

Mark-up on;

	2008	2007
- Long-term loan	76,456	50,071
- Short-term loan	22,571	20,980
- Lease finance	5,132	3,953
	104,159	75,004
- Usance letters of credit	37,129	29,932
- Bank charges	950	2,246
	142,238	107,182

29. OTHER CHARGES

	2008	2007
Loss on sale of materials	545	-
Loss on sale of fixed assets	1,255	-
Exchange loss	746	75
	2,546	75

29.1 Loss on sales of fixed assets include Rs. 676,072 which has been written off.

	JUNE 30, 2008	JUNE 30, 2007
	(Rupees in '000)	

30. OTHER INCOME

	JUNE 30, 2008	JUNE 30, 2007
Income from sale of scrap	20,431	3,445
Reversal of liability	382	675
Exchange Gain	-	1,055
Receviable claim	10,835	3,550
Gain on disposal of fixed asset	-	665
	31,648	9,390

31. TAXATION

	JUNE 30, 2008	JUNE 30, 2007
Current	8,843	6,316
Deferred	4,755	2,008
	13,598	8,324

31.1 Relationship between tax expense and accounting profit

	JUNE 30, 2008	JUNE 30, 2007
(Loss)/profit before tax	(71,071)	8,558
Expenses that are inadmissable in determining taxable profit	(102,725)	(101,422)
Taxable income/(loss)	(173,796)	(92,864)
Less: Carry forward losses	(168,101)	(75,237)
Taxable income/(loss)	(341,897)	(168,101)

	JUNE 30, 2008	JUNE 30, 2007
31.2 Tax charge for the current year/minimum tax	8,843	6,316
Deferred tax adjustment	4,755	2,008
	13,598	8,324

31.3 The amount of deferred tax assets recognized against minimum tax paid in prior years amounted to Rs. 24.823 million at the balance sheet date. The provision of Section 113 that permitted the Company to carry forward such taxes for adjustment against future tax liabilities stands deleted with effect from 1st July 2008. Under the circumstances, that the right of adjustment of minimum tax paid against future liabilities continues to be vested with the Company, the company has provided deferred tax liability of Rs. 4.7555 millions for the current year.

32. EARNING PER SHARE

		JUNE 30, 2008	JUNE 30, 2007
(Loss)/profit after tax		(84,669)	234
Weighted average number of ordinary shares	Numbers	22,977	22,977
Earning per share	Rupees	(3.68)	0.01

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives	
	2008	2007	2008	2007	2008	2007
Managerial remuneration	4,466	4,466	4,466	4,466	9,400	6,263
House allowance & utilities	784	784	784	784	5,170	3,303
Servant allowance	268	268	268	268	-	-
Telephone allowance	225	225	225	225	-	-
Retirement benefits	744	595	744	595	1,222	872
Medical reimbursement	447	447	447	447	564	385
	6,934	6,785	6,934	6,785	16,356	10,823
Number of Persons	1	1	1	1	8	6

The Chief Executive, Director and Executives are entitled to free use of Company maintained vehicles.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of all financial assets and financial liabilities are estimated to approximate their respective carrying amount.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES

The company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates, market interest rate such as KIBOR, credit and liquidity risk associated with various financial assets and liabilities respectively as referred to in note no. 36 and cash flow risk associated with accrued interest in respect of borrowings as referred in note no. 16. The company finances its operations through equity and management of working capital with a view to maintaining a reasonable mix between the various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

36. INTEREST RATE RISK

Interest rate risk is the risk that the value of financial instruments will fluctuate due to the changes in market interest rates. The company borrows at market based rates and such the risk is minimized. Significant interest rates exposure are primarily managed by a borrowings at variables rates and contracting floor and cap of interest rates as referred in note no. 16. Furthermore, the company is entering in rescheduling and restructuring arrangements with its banks regarding loans liabilities.

(Rs. in '000')

	Interest bearing One month to one year	One year and onward	Non-Interest bearing	Total 2008	2007
Financial Assets					
Long Term Deposit	-	-	9,764	9,764	8,376
Loans and advances	-	-	2,980	2,980	31,965
Short term prepayments & deposits	-	-	1,929	1,929	6,042
Trade Debtors	-	-	252,805	252,805	175,240
Other Receivables	-	-	38,309	38,309	36,944
Cash and Bank	-	-	36,304	36,304	3,090
	-	-	342,091	342,091	261,657
Financial Liabilities					
Long term loan	191,042	542,634	-	733,676	605,696
Lease finance	15,000	34,910	-	49,910	55,791
Short term finance	190,852	-	-	190,852	206,570
Trade & other payables	-	-	326,721	326,721	360,552
Accrued mark-up on loans	-	-	24,758	24,758	25,482
	396,894	577,544	351,479	1,325,917	1,254,091
Balance sheet gap	(396,894)	(577,544)	(9,388)	(983,826)	(992,434)

	Rate of Interest
Long-term loan	Refer Note No. 16
Lease finance	Refer Note No. 17
Trade & other payables	Refer Note No. 19
Short-term finance	Refer Note No. 21

37. CONCENTRATION OF CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. The company's credit risk is primarily attributed to its trade debts its balances at Banks. The Company's credit risk on liquid funds is limited because the counter parties are multinational companies and Banks with reasonable high credit ratings. Other than fact disclosed the Company has no concentration of credit risk as exposure is spread over a large number of counter parties in case of trade debts. Out of total financial assets of Rs. 342.091 million (2007 : 261.657) which are subject to credit risk for an amount of Rs. 252.805 million (2007 : 175.240). To manage exposure to credit risk the Company applies the restrictive credit limits and letters of credit to its customers and obtains collaterals, where considered necessary. Deposits with leasing companies are guaranteed by assets acquired against them.

38. LIQUIDITY RISK

Liquidity risk is the risk when an enterprise will encounter difficulty in raising funds to commitments associated with financial instruments. The Company follows an effective cash management and planning policy to ensure availability of funds. The Company also aims to maintain flexibility in funding by keeping committed credit lines available.

39. FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on purchases and import of machinery that are entered in a currency other than local currency. The risk is exposed in view of the transactions and relative instability of the Pak rupees in the foreign exchange market.

	QUANTITIES IN 000'	
	JUNE 30, 2008	JUNE 30, 2007
40. PLANT CAPACITY AND ACTUAL PRODUCTION		
Nothern Segment		
Blowing:		
100% plant capacity at 250 days (3 shifts)- No. of bottles	288,000	163,750
Actual production - Number of bottles	217,572	148,362
Utilization	76%	91%
Injection:		
100% plant capacity at 300 days (3 shifts)- No. of bottles	415,733	324,900
Actual production - Number of preforms	310,269	259,802
Utilization	75%	80%
Southern Segment		
100% plant capacity at 250 days (3 shifts)- No. of bottles	16,200	32,400
Actual production - Number of bottles	15,633	30,855
Utilization	96%	95%

41. TRANSACTIONS WITH RELATED PARTIES

There is no any related party, therefore, no related party transaction has been taken place during the year.

	RUPEES IN 000'	
	JUNE 30, 2008	JUNE 30, 2007
42. CASH AND CASH EQUIVALENTS		
Cash and bank balances	36,304	3,090
Short term finances	(199,852)	(206,570)
	(163,548)	(203,480)

43. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 29, 2008 by the Board of Directors of the Company.

44. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Hussain Jamil Chief Executive Officer	Ahsan Jamil Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2008

	NOTE	JUNE 30, 2008	JUNE 30, 2007
		(Rupees in '000)	
Sales-Net	24	1,763,546	1,262,124
Less: Cost of sales	25	(1,614,878)	(1,061,395)
Gross profit		148,668	200,729
Operating expenses:			
Administrative	26	(44,058)	(40,015)
Selling & Distribution	27	(62,547)	(53,839)
		(106,605)	(93,854)
Operating profit		42,063	106,875
Financial Cost	28	(142,238)	(107,182)
Others charges	29	(2,546)	(75)
Workers' profit participation fund		-	(450)
Other income	30	31,648	9,390
		(113,134)	(98,317)
(Loss)/profit before taxation		(71,071)	8,558
Taxation - Current	31	(8,843)	(6,316)
- Deferred		(4,755)	(2,008)
		(13,598)	(8,324)
(Loss)/Profit after taxation		(84,669)	234
Earning per share - basic and diluted		(3.68)	0.01

The annexed notes from 1 to 44 form an integral part of these financial statements

Hussain Jamil
Chief Executive Officer

Ahsan Jamil
Director

PROXY FORM

I/We ______________________________ of ______________________________

being member Ecopack Limited,and holder of ______________________________

Ordinary Share as per register Folio No. ______________________________ and / or CDC

Participant I.D. No. ____________________ and Account/Sub-Account No. ______________

hereby appoint ______________________________ of ____________________ as

my/our proxy to attend,speak and vote for me / us and on my / our behalf at the 16th Annual General Meeting of the Company to be

held on Wednesday October 31,2007 ______________________________

and as any adjournment thereof. ______________________________

As witness my / our hand this ____________________ day of ____________________ 2007

Signed the said ______________________________

in the presence of ______________________________

Signature on Rs.5/= Revenue Stamp

Notes :

1. The Proxy Form in order to be valid must be signed across Five Rupees Revenue Stamp and should be deposited with the Company not later than 48 hours before the time of holding the Meeting.
2. the proxy must be a member of the Company.
3. Signature should agree with the specimen signature, registered with the Company.
4. CDC Shareholders and their Proxies must attached either an attested photocopy of their Computerized National Identity Card or Passport with the proxy form.

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 Ecopack Limited to comply with the Listing Regulation No. 37 of the Karachi 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 provisions 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 the audit of financial statements we are required to obtain an understanding of the accounting and internal control systems 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 Boards' statement on internal control covers all controls and the effectiveness of such internal controls

Based on our review, 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 for the year ended on June 30, 2008.

Karachi,
Dated: September 29, 2008

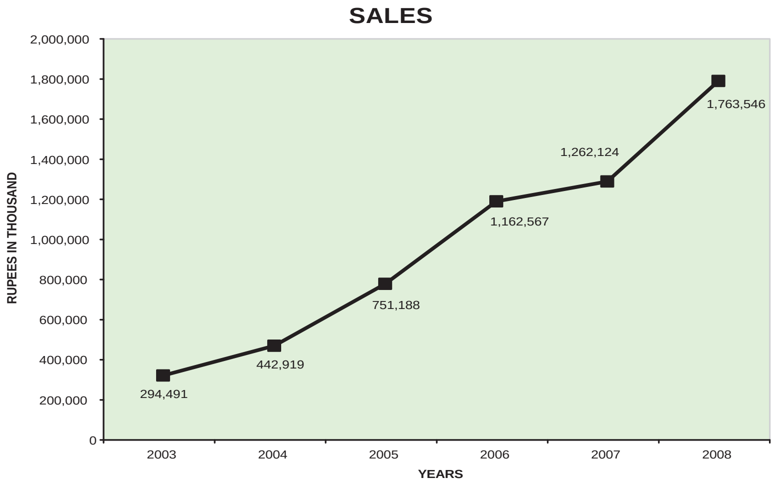
RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

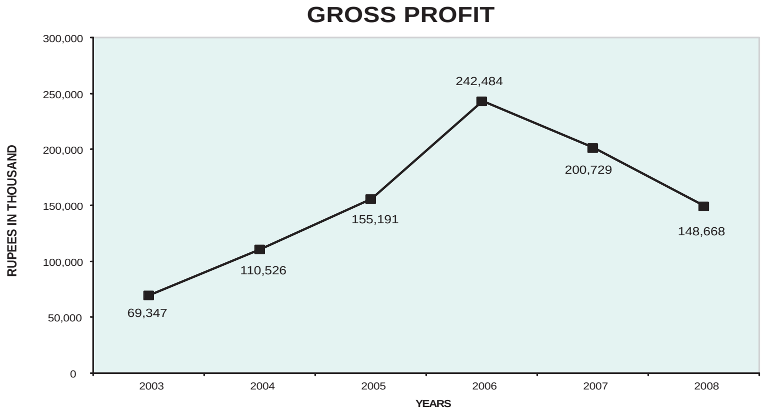
SIX YEARS AT A GLANCE

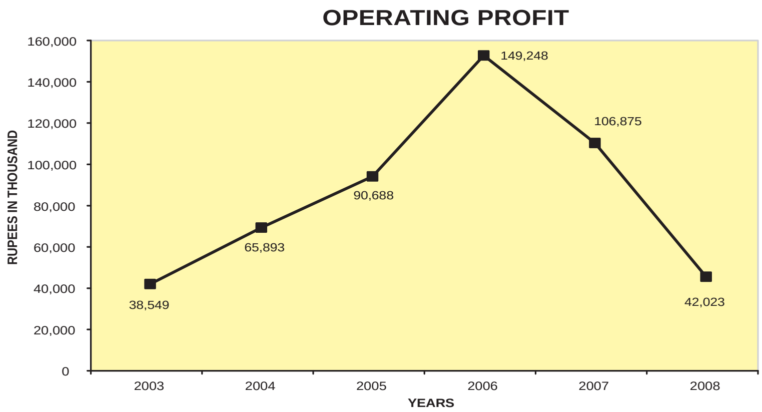
Annexure 'A'

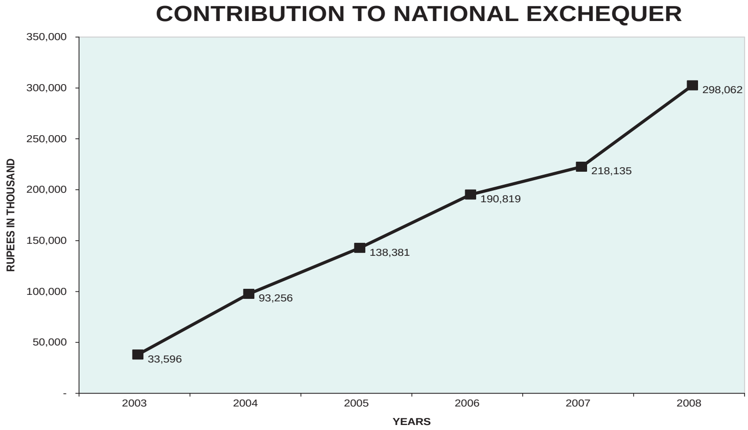
Rupees in '000'

	2008	2007	2006	2005	2004	2003
Profit & Loss:						
Sales	1,763,546	1,262,124	1,162,567	751,188	442,919	294,491
Cost of sales	1,614,878	1,061,395	920,083	595,997	332,393	225,144
Gross Profit	148,668	200,729	242,484	155,191	110,526	69,347
Operating expenses	106,605	93,854	93,235	64,503	44,634	30,798
Operatig profit	42,063	106,875	149,248	90,688	65,893	38,549
Other income/ (charges)	29,103	9,315	(803)	(2,006)	(2,139)	948
Financial charges	142,238	107,182	57,373	32,604	19,502	33,805
Profit / (Loss) before taxation	(71,071)	8,558	86,519	53,275	42,040	5,407
Unusual item	-	-	-	-	21,473	-
Taxation	13,598	8,324	16,150	25,667	5,351	2,420
Profit / (Loss) after taxation	(84,669)	234	70,369	27,607	58,162	2,987
Dividend	-	-	-	-	5,709	-
Bonus shares	-	-	6,565	21,407	28,543	-
Balance Sheet						
Shareholder's equity	255,591	325,162	309,820	212,434	121,241	61,896
Surplus on Revaluation of Fixed Assests	82,691	92,503	102,324	124,957	129,181	42,104
Financing facilities	577,544	558,662	334,361	269,381	242,525	110,417
Fixed assets (net of depreciation)	1,078,169	939,986	824,126	571,995	476,635	279,079
Current Assets	699,565	716,978	468,126	329,387	184,986	110,730
Current Liability	782,917	714,666	465,703	329,210	179,154	150,524
Key Financial Ratios:						
Gross profit	8%	16%	21%	21%	25%	24%
Operating profit	2%	8%	13%	12%	15%	13%
Profit before tax to net sales	-4%	1%	7%	7%	9%	2%
Return on capital employed	-8%	1%	12%	9%	8%	3%
Inventory turnover (times)	5	3	5	8	7	6
Fixed assets turnover (times)	1.64	1.34	1.41	1.31	0.93	1.06
Debt equity ratio	63 : 37	57 : 43	45 : 55	44 : 56	49 : 51	52 : 48
Current ratio	0.89	1.00	1.01	1.00	1.03	0.73
Earnings per share	(3.68)	0.01	3.06	2.15	5.11	0.52


SALES
RUPEES IN THOUSAND
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
294,491
442,919
751,188
1,162,567
1,262,124
1,763,546
2003
2004
2005
2006
2007
2008
YEARS


GROSS PROFIT
RUPEES IN THOUSAND
300,000
250,000
200,000
150,000
100,000
50,000
0
69,347
110,526
155,191
242,484
200,729
148,668
2003
2004
2005
2006
2007
2008
YEARS


OPERATING PROFIT
RUPEES IN THOUSAND
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
38,549
65,893
90,688
149,248
106,875
42,023
2003
2004
2005
2006
2007
2008
YEARS


CONTRIBUTION TO NATIONAL EXCHEQUER
RUPEES IN THOUSAND
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
33,596
93,256
138,381
190,819
218,135
298,062
2003
2004
2005
2006
2007
2008
YEARS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2008

	SHARE CAPITAL	UNAPPROPRAITED PROFIT	TOTAL
		(Rupees in '000)	
Balance as at July 01, 2006	164,121	145,698	309,819
Issue of Bonus shares @ 40%	65,649	(65,649)	-
Transfer from profit & loss account		234	234
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	15,109	15,109
Balance as at June 30, 2007	229,770	95,392	325,162
Transfer from profit & loss account	-	(84,669)	(84,669)
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	15,097	15,097
Balance as at June 30, 2008	229,770	25,820	255,590

The annexed notes from 1 to 44 form an integral part of these financial statements

Hussain Jamil
Chief Executive Officer

Ahsan Jamil
Director

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended June 30, 2008

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 of listing regulations of Karachi Stock Exchange Guarantee Limited for the purpose of establishing a framework of good governance, whereby 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 interests on its Board of Directors. At present the Board includes six non-executive directors.

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 the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board during the year under review.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by the directors and all the employees 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 the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken 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 Board arranged in-house and external orientation courses for its directors during the year to apprise them of their duties and responsibilities.

10. The Board has approved appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary, 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 CEO and Chief Financial Officer before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that 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 three members, all are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The company maintains a funded provident fund scheme and invested a sum of Rs. 8.00 million are invested in various schemes duly approved by Govt of Pakistan for Provident Fund investment. The Gratuity scheme is un-funded and no investment made for that.

18. The Board has set-up an effective internal audit department, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is involved in the internal audit function on a full time basis.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants 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.

20. 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.

21. We confirm that all material principales contained in the Code have been complied with.

Karachi,
Dated: September 29, 2008

HUSSAIN JAMIL
(Chief Executive Officer)